FRANCHISE DISCLOSURE DOCUMENT

QDOBA RESTAURANT CORPORATION
a Colorado corporation
350 Camino De La Reina, Suite 400
San Diego, California 92108
(858) 766-4900
www.qdoba.com

Qdoba Restaurant Corporation grants franchises for the operation of quick-service or fast-casual Mexican restaurants under the service mark *Qdoba*®, and variations on that mark. Our franchises offer you the right and duty to operate a *Qdoba* restaurant business under the terms and conditions of a franchise agreement.

The total investment necessary to begin operation of a *Qdoba* restaurant is $489,200 to $1,178,000. This includes $30,000 which must be paid to us or our affiliates. The total investment necessary to begin operation of a non-traditional *Qdoba* restaurant is $252,800 to $816,700. This includes $15,000 which must be paid to us or our affiliates.

We may offer the right to enter into a development agreement to develop a minimum of two (2) Qdoba restaurants pursuant to a development agreement. You must pay a development fee to us in the amount of $10,000 for each restaurant to be developed (there are no additional fees payable to our affiliates). The total investment necessary under the development agreement, based on a commitment of two (2) Qdoba restaurants, is $1,039,400 to $2,421,000. This includes $20,000 of development fees that must be paid to us or our 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 fourteen (14) calendar days before you sign a binding agreement with, or make any payment to, the franchisor or an affiliate in connection with the proposed franchise sale. **Note, however, that no governmental agency has verified the information contained in this document.**

You may wish to receive your disclosure document in another format that is more convenient for you. To discuss the availability of disclosures in different formats, contact James D. Sullivan, Chief Development Officer, Qdoba Restaurant Corporation, 350 Camino De La Reina, Suite 400, San Diego, California 92108, (858) 766-4900, or Jim.Sullivan@qdoba.com.

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

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

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

Issuance Date: December 22, 2022 , as amended January 26, 2023

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 A 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 Qdoba restaurant business in my area?	Item 12 and the "territory" provisions in the franchise agreement describe whether the franchisor and other franchisees can compete with you.
Does the franchisor have a troubled legal history?	Items 3 and 4 tell you whether the franchisor or its management have been involved in material litigation or bankruptcy proceedings.
What's it like to be a Qdoba restaurant franchisee?	Item 20 or 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 the agency information in Exhibit B.

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

Special Risks to Consider About *This* Franchise

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

1. **Out-of-State Dispute Resolution.** The franchise agreement, license agreement and development agreement require you to resolve disputes with the franchisor by mediation, arbitration and/or litigation only in California. Out-of-state mediation, 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 California than in your own state.

2. **Spousal Liability**. Your spouse must sign a document that makes your spouse liable for all financial obligations under the franchise agreement even though your spouse has no ownership interest in the franchise. This guarantee will place both your and your spouse's marital and personal assets, perhaps including your house, at risk if your franchise fails.

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

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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ITEM 1

THE FRANCHISOR, AND ANY PARENTS, PREDECESSORS AND AFFILIATES

The franchisor is Qdoba Restaurant Corporation. To simplify the language in this disclosure document, "Qdoba," "Company," "us," "we" or "our" means Qdoba Restaurant Corporation. "You" means the person or entity that buys the franchise.

Qdoba is a Colorado corporation. Qdoba conducts business under its corporate name and the trade name "Qdoba®," "Qdoba Mexican Eats®," "Qdoba Mexican Grill®," and variations on those names (collectively, "*Qdoba*"). Qdoba's business address and official place of business is 350 Camino De La Reina, Suite 400, San Diego, California 92108. The addresses of Qdoba's agents for service of process are listed on Exhibit C.

Through our predecessors (as further described under "Our Parents, Predecessors, and Affiliates"), we have operated one or more *Qdoba* (formerly known as Zuma Fresh Mexican Grill and Z-TECA) restaurants since September 1995. We began offering franchises for sale in 1997.

Qdoba's Business

Qdoba operates and offers franchises for the operation of high-quality, Mexican-themed quick-service or fast-casual restaurants. As of October 2, 2022, there were 733 *Qdoba* restaurants in the United States and Canada, of which 286 were company operated and 447 were franchised. Qdoba has not conducted business in any other line of business, and does not offer franchises in any other line of business.

Qdoba*'s* menu features Mexican-themed food items including burritos, tacos, wraps, salads, soups, and quesadillas. All restaurants also offer chips and a variety of dips and sauces, including queso and guacamole, as well as a wide selection of soft drinks. Some restaurants also sell beer and wine, and other offerings of alcoholic beverages.

Many menu items are priced pursuant to a tiered, all-inclusive pricing structure that we believe provides high value. Additionally, most menu orders are assembled to each customer's specifications. The assembly starts with a steam table section that includes meats, rice, beans and other hot items, and ends with a refrigerated section that includes fresh salsas, lettuce, cheese, sour cream, guacamole and related toppings. Orders may be placed and fulfilled in the restaurant via the order line, drive-thru, pickup window, or curbside delivery, or through digital channels via our website, app, other digital channels, or delivery (either through us or a third party delivery company). Restaurants emphasize guest hospitality, which is a key element to success.

Qdoba restaurants are operated as part of a system that includes distinctive interior design, including: exhibition-style cooking; unique décor, color schemes and furnishings; uniform standards, specifications and procedures for operations; consistency and uniformity of products and services; a standardized, tiered pricing structure for many of our menu items; a catering program; procedures for quality control; training and assistance; and marketing and promotional programs ("System"). We will provide you new information about the System by means of confidential operating manuals (the "Manuals"), which are maintained primarily in electronic format.

We may require restaurants to offer a catering program, which involves take-out and delivery of larger quantities of products. Some restaurants serve beer, and in the future we may require franchisees to sell beer and other alcohol as well. If you sell beer or other alcohol, you will

need to obtain a license to do so. State and local laws, regulations and ordinances vary significantly in the procedures, difficulty, and cost associated with obtaining a license to sell alcohol, the restrictions placed on the manner in which it may be sold, and the potential liability imposed by dram shop laws addressing injuries directly and indirectly related to the sale of alcohol and its consumption. You will need to understand and comply with those laws in operating the restaurant.

Qdoba restaurants may be established in a variety of locations. We have franchises in non-traditional locations, but most are in strip shopping centers and freestanding buildings. The restaurants are suited for both large and small urban areas, are approximately 1,500 to 3,000 square feet, and seat approximately 15-80 patrons (excluding patio seating, which varies by site). Each *Qdoba* restaurant competes directly and indirectly with a large number of national and regional restaurant chains, some of which have significantly greater financial resources than *Qdoba*, as well as with locally owned and/or independent restaurants in the fast-casual and quick-service segments of the restaurant industry. Each restaurant also competes with other "food away from home" consumer options and with grocery store prepackaged meals and similar offerings.

Before we will approve you to develop or operate a *Qdoba* restaurant, you must complete an application package for the type of site you want to operate and sign a non-disclosure agreement (Exhibit M). If you will be developing two or more *Qdoba* restaurants, you also must sign a Development Agreement (Exhibit F) and pay a Development Fee. You should not obtain any interest in a site for a *Qdoba* restaurant until you sign a Development Agreement (Exhibit F), a Franchise Agreement (Exhibit E-1), or a Nontraditional License Agreement (Exhibit E-2) with us and we have approved the site in writing. For each restaurant that you will operate (whether you are developing that restaurant or purchasing an existing restaurant from us), you also must sign a Franchise Agreement (Exhibit E-1) or a Nontraditional License Agreement (Exhibit E-2) and pay an Initial Franchise Fee. Your receipt of this disclosure document does not mean that you will be approved as a franchisee.

The restaurant business is highly competitive and is affected by changes in consumer preferences, national and regional economic, political, regulatory, and socioeconomic conditions, and changes in consumer dining habits, whether based on new information regarding diet, nutrition, or health, on the cost of food at home compared to food away from home, or other factors. Among the key elements of competition in the industry are menu innovation, execution of operational strategies and initiatives, price, service, quality, location, personnel, advertising, brand identification, and attractiveness of facilities.

When developing and operating a *Qdoba* restaurant, you must comply with all local, state and federal laws regarding health, sanitation, safety, fire, zoning, building, nutritional disclosures on menus and menu boards, labor and employment, privacy, recycling, food distribution, and environmental issues, among others. Additionally, many jurisdictions are considering legislation regarding increasing the minimum wage and aimed at reducing carbon emissions and other climate related actions. We encourage you to research the specific laws, regulations, and ordinances that will apply to the *Qdoba* restaurant you might operate.

Single-Unit Franchise. Under our standard franchise agreement (the "Franchise Agreement"), we will grant to certain qualified people or entities franchises to own and operate a *Qdoba* restaurant at a location approved by us in accordance with the terms of the Franchise Agreement, offering the products and services approved by us, and utilizing our System and certain trademarks, service marks, and other commercial symbols (the "Marks"), including without

limitation "*Qdoba Mexican Eats*®." Your use of the Marks is subject to certain restrictions and approval by us (see Item 13 of this disclosure document).

Area Development Rights. Under our standard area development agreement (the "Development Agreement"), we also grant to certain qualified people or entities (each a "Developer") the right, subject to certain terms and conditions, to develop two (2) or more *Qdoba* restaurant(s) within defined geographical areas (the "Development Area").

If you are a Developer, you must open a minimum number of two (2) *Qdoba* restaurants ("Minimum Development Quota") over a period of time determined by us on the basis of the market potential and size of the designated area, and as agreed upon by you. For each *Qdoba* restaurant you open in your Development Area, you will be obligated to sign our then-current form of Franchise Agreement and be subject to the rights and obligations contained in it, including our then-current fees and advertising expenditure requirements, which may differ from the current Franchise Agreement included with this disclosure document. Subject to certain exceptions, your right to develop *Qdoba* restaurants within the Development Area is protected during the term of the Development Agreement (see Item 12 of this disclosure document regarding development rights, obligations and limitations on exclusivity).

Non-Traditional and Licensed Locations. We may also offer Qdoba franchises, licenses, and similar arrangements at non-traditional locations, such as transportation facilities (airports, train or bus stations, turnpikes, or other limited access highway rest stops); colleges and universities; military installations; sports arenas and entertainment facilities; casinos; and within retail outlets, malls, grocery stores, and supermarkets. The standard terms and conditions of those arrangements are set out in the License Agreement (Exhibit E-2) but we may negotiate different or additional terms, depending upon the nature of the location.

Our Parents, Predecessors and Affiliates

Our Parents. We are a direct wholly-owned subsidiary of Quidditch Acquisition, Inc. ("QAI"), which is a Delaware corporation formed in December 2017 and has the same principal place of business as we do. As of October 3, 2022, we and QAI are indirectly owned by investment funds managed by affiliates of Butterfly Equity LP. As further described below, through QAI, we are an indirect wholly-owned subsidiary of MRC Intermediate, Inc., a Delaware corporation ("MRCI"), New MRC Holdings, LLC, a Delaware limited liability company ("Holdings"), MRC Intermediate Guarantor, Inc., a Delaware corporation ("Guarantor"), and MRC Parent, Inc., a Delaware corporation ("MRC Parent", and together with Holdings, Guarantor, and MRCI, the "MRC Parent Entities"). Each of the MRC Parent Entities was formed in August 2022, and have their principal place of business at 3001 Brighton Blvd., Suite 149, Denver, Colorado 80216. Neither QAI nor the MRC Parent Entities have offered franchises for any business or conducted any other business operations, but the MRC Parent Entities currently own entities that have engaged in these activities (as described below).

Predecessor and Prior Transactions. Our predecessor, Qdoba Restaurant Corporation, was formed as a Delaware corporation and on September 27, 2015, it merged with and into ZRC Operations Company, Inc., a Colorado corporation, and simultaneously changed its name to "Qdoba Restaurant Corporation." Between January 21, 2003 and March 21, 2018, Qdoba was owned by Jack in the Box, Inc. Between March 21, 2018 and October 3, 2022, Qdoba and QAI were indirectly owned by investment funds managed by affiliates of Apollo Global Management, Inc. On October 3, 2022, MRCI and some of its affiliates completed a series of transactions, in which MRCI acquired all of the equity interests of Quidditch Topco, Inc., a Delaware corporation

and the indirect parent of QAI, and we became an indirect wholly-owned subsidiary of the MRC Parent Entities.

Subsidiaries and Affiliates. Qdoba currently has two subsidiaries that offer products or services to our franchisees or sells "Qdoba" franchises:

(1) QMG Stored Value Cards, LLC is a Virginia limited liability company that facilitates our Q-card spending card program. QMG Stored Value Cards, LLC has never offered franchises in any line of business and is not engaged in any other business. The principal business address of QMG Stored Value Cards, LLC is the same as ours.

(2) Qdoba of Canada, Inc. was formed to sell *Qdoba* franchises in Canada. It began selling franchises in August 2011 and as of October 2, 2022, 12 restaurants were open in Canada. Its first franchise opened December 3, 2012. Qdoba of Canada, Inc. does not operate restaurants. The principal business address of Qdoba of Canada, Inc. is the same as ours. Qdoba of Canada, Inc. has never offered franchises in any other line of business and is not engaged in any other business.

We have two affiliates (which are also indirect subsidiaries of Holdings), Modern Market Franchising, LLC and Lemonade Restaurant Group, LLC, that currently offer, or in the past have offered, franchises for other restaurant brands in the United States. Modern Market Franchising, LLC offers franchises for "Modern Market Eatery" restaurants, which are premium fast casual restaurants operated under the name "Modern Market Eatery" and related trademarks with a menu consisting of freshly prepared sandwiches, salads, plated dishes, soups, pizzas and beverages. As of August 8, 2022, there were three licensed Modern Market Eatery restaurants and 25 Modern Markets Eatery restaurants operated by an affiliate of Modern Market Franchising, LLC. Lemonade Restaurant Group, LLC ("Lemonade") operates "Lemonade" brand restaurants, which are modern cafeteria-style, fast casual restaurants, serving seasonal California cuisine, including a selection of salads, bowls, sandwiches, hot and cold dishes, desserts, cold-pressed lemonades and other beverages under the "Lemonade" mark. As of August 8, 2022, Lemonade operates 19 company-owned "Lemonade" brand restaurants, and has one licensed location, but it is not currently offering franchises for "Lemonade" restaurants.

As noted above, Qdoba, QAI and the MRC Parent Entities are affiliates of Butterfly Equity LP. One or more investment funds, accounts or entities owned (in whole or part), controlled, managed, or advised by Butterfly Equity LP or its affiliates (or one or more of its or their affiliates) may now hold investments in or may in the future invest in other companies that offer franchises and own restaurant enterprises, which may compete with the type of business being franchised under this disclosure document.

ITEM 2
BUSINESS EXPERIENCE

Our Officers

Chief Executive Officer: John C. Cywinski[1]

Mr. Cywinski has served our Chief Executive Officer since January 2023. He has been Chief Executive Officer of the MRC Parent Entities and certain of our affiliated entities including QAI,

[1] John Cywinski who is listed under officers of Qdoba is also a Director.

Modern Restaurant Concepts Holdings, LLC and Qdoba of Canada, Inc. since January 2023. Mr. Cywinski has been a Director of the MRC Parent Entities and certain of our affiliated entities since January 2023. He was President of Applebee's Franchisor LLC from March 2017 to January 2023 and served as an executive officer of certain of the affiliates of Applebee's Franchisor LLC from March 2017 to January 2023.

Chief Financial Officer: Mel Tucker

Mr. Tucker has been our Chief Financial Officer since April 2022 and holds the same position with certain of our affiliated entities including QAI and Qdoba of Canada, Inc. He has been our Secretary and Treasurer since October 2022 and holds the same position with certain of our affiliated entities including QAI and Qdoba of Canada, Inc. He has been Chief Financial Officer, Secretary and Treasurer of the MRC Parent Entities and Modern Restaurant Concepts Holdings, LLC since November 2022. Mr. Tucker has been a Director of Guarantor, MRCI, and certain of our affiliated entities since January 2023. He was Chief Financial Officer for Ideal Image Development Inc. in Tampa, Florida from January 2021 to December 2021. From April 2019 to December 2020, Mr. Tucker was Chief Financial Officer for Genesco Inc. in Nashville, Tennessee. From April 2014 to April 2019 he was Chief Financial Officer for Century 21 Department Store LLC in New York, New York.

Chief Operating Officer: Eric Williams

Mr. Williams has been our Chief Operating Officer since July 2021 and he holds this position with certain of our affiliated entities including QAI. He was Vice President of Franchise and License Operations from July 2020 to July 2021 and was Director of Operations from October 2019 to July 2020. Mr. Williams has been President and Chief Executive Officer of Circle City Star, LLC in Indianapolis, Indiana since January 2014.

Chief Information Officer: Eric Rosenzweig

Mr. Rosenzweig has been our Chief Information Officer since February 2021 and he holds this position with certain of our affiliated entities including QAI. He was Vice President of Information Technology from June 2018 to January 2021. He was Vice President of Information Technology for Urban Plates, LLC in Cardiff, California from October 2016 to June 2018.

Chief Development Officer: James D. Sullivan

Mr. Sullivan has been our Chief Development Officer since June 2021 and he holds this position with certain of our affiliated entities including QAI. He has been a Director of Qdoba of Canada, Inc. since August 2021. He was Chief Development Officer for CKE Restaurants in Franklin, Tennessee from July 2019 to June 2021 and from February 2016 to January 2019. From February 2019 to June 2019, Mr. Sullivan was Chief Development Officer for Modern Restaurant Concepts in Denver, Colorado.

Chief Accounting Officer: Justin Chenard

Mr. Chenard has been our Chief Accounting Officer since April 2022 and he holds this position with certain of our affiliated entities including QAI. He was the Acting Chief Financial Officer from August 2021 to April 2022 and was previously the VP Controller from August 2018 until July 2021. Mr. Chenard was the VP Financial Reporting and Compliance for CKE Restaurants, Inc. from July 2009 to August 2018.

Vice President of Franchise Development: Lori Osley

Ms. Osley has been Vice President of Franchise Development since February 2022. She was Senior Director of Franchise Development of Inspire Brands, Inc. in Atlanta, Georgia from January 2019 to August 2021. Ms. Osley was Senior Director of Franchise Sales and Development Marketing of Sonic Drive In's at Inspire Brands, Inc. in Atlanta Georgia from August 2006 to January 2019.

Chief Supply Chain Officer: Paul Sinowitz

Mr. Sinowitz has been our Chief Supply Chain Officer since November 2021 and he holds this position with certain of our affiliated entities including QAI. From June 2019 to November 2021, he served as our Vice President, Supply Chain. He was Vice President, Global Supply Chain for MGM Resorts International in Las Vegas, Nevada from September 2014 to May 2019.

Chief Marketing Officer: Karin Silk

Ms. Silk has been our Chief Marketing Officer since October 2021 and she holds this position with certain of our affiliated entities including QAI. She was our Vice President, Off-Premises and Menu from January 2021 to October 2021. Ms. Silk served as Vice President, Off Premises from November 2018 to January 2021. She was Senior Vice President of Marketing for Rubios Restaurants, Inc. in Carlsbad, California from April 2014 to October 2018.

Modern Restaurant Concepts Holdings, LLC (Parent) - Board of Directors[1]

Director: A. William Allen III

Mr. Allen has been a Director of Holdings and MRC Parent since August 2022. Mr. Allen currently: is a Co-Founder and Board Member of Fleming's Prime Steakhouse and Wine Bar in Newport Beach, California, since January 1998. He serves on other boards as follows: Velvet Taco in Dallas, Texas since May 2017; Bruxie, LLC, in Orange, California since July 2013; Movie Studio Grill since April 2019 in Dallas, Texas; Paul Martin's American Bistro in Newport Beach, California since January 2013; and Uncle Julio's in Irving, Texas since October 2017. Mr. Allen served as a board member of The Habit Burger Grill in Irvine, California from November 2016 to March 2020. Mr. Allen was a Strategic Advisor for Matchbox Food Group, LLC in Washington, D.C. from May 2012 to June 2018. Since January 2013, he has been a strategic advisor for Captiva MVP Restaurant Partners LLC (a restaurant chain) in Tampa, Florida.

Director: Francesco D'Arcangelo

Mr. D'Arcangelo has been a Director of Holdings and MRC Parent since August 2022. He has been a Principal with Butterfly Equity LP in Los Angeles, California since August 2019. From May 2018 to June 2019 Mr. D'Arcangelo was a Senior Associate for Apollo Global Management, Inc. in Los Angeles, California. From March 2016 to April 2019 he was an Associate for L. Catteron in Greenwich, Connecticut.

Director: Aaron Kirkbride

Mr. Kirkbride has been a Director of Holdings and MRC Parent since August 2022. He was a Director of Modern Restaurant Concepts Holdings, LLC from June 2021 until August 2022. He

has been the Managing Director of Butterfly Equity LP in Los Angeles, California since July 2016. Mr. Kirkbride has served on the board of directors for Chosen Foods, LLC in San Diego, California since September 2022.

Director: Robert McColgan

Mr. McColgan has been a Director of the MRC Parent Entities and certain of our affiliated entities since August 2022. He is Co-Founder and has been Chief Executive Officer of Modern Restaurant Concepts in Denver, Colorado since October 2020. From April 2019 to September 2020, he was Co-Chief Executive Officer for Modern Restaurant Concepts in Denver, Colorado. He has held the same positions with ModMarket LLC since October 2008 and Lemonade Restaurant Group since February 2019, both in Denver, Colorado. Mr. McColgan has also been a managing member of Modmarket Licensing LLC since September 2013 in Denver, Colorado.

Director: Meredith Sandland

Ms. Sandland has been a Director of Holdings and MRC Parent since August 2022. She has been Chief Executive Officer for Empower Delivery in Indianapolis, Indiana since July 2022. From July 2020 to June 2021 she was Managing director for New Patriot Holdings, Inc. in Irvine, California. From April 2018 to May 2020 she was Chief Operating Officer for Kitchen United in Pasadena, California. From April 2011 to December 2017 Ms. Sandland was Chief Development Officer for Taco Bell Corp. in Irvine, California.

Director: Ed Testerman

Mr. Testerman has been a Director of Holdings and MRC Parent since August 2022. He has been a Partner at King Street Capital Management in New York, New York since October 2012.

Director: Adam Waglay

Mr. Waglay has been a Director of Holdings and MRC Parent since August 2022. He has held a similar role with Lemonade Restaurant Group since October 2014, with ModMarket, LLC since December 2015 and Modern Restaurant Concepts since April 2019. He is Co-Founder of Butterfly Equity LP in Beverly Hills, California and has been Co-Chief Executive Officer since its inception in October 2015. He has been Co-President and Board Member for Butterfly Equity Foundation in Beverly Hills, California since September 2016. Mr. Waglay has also been a board member of: Orgain since December, 2019 in Irvine, California; Bolthouse Farms since June, 2019 in Bakersfield, CA; Pacifico Aquaculture S.A.P.I. DE C.V. in Ensenada, Baja California, Mexico, since October 2017 and The Kitchen Café, LLC in Boulder, Colorado since December 2015.

ITEM 3
LITIGATION

Q of Hasbrouck Heights, L.L.C. v. Qdoba, Case No. 2:17-cv-05038-MCA-SCM, United States District Court for the District of New Jersey. On July 7, 2017, Q of Hasbrouck Heights, L.L.C., a Qdoba franchisee, filed a Complaint and an Order to Show Cause against Qdoba in the Superior Court of New Jersey seeking injunctive relief to preclude Qdoba from terminating its franchise agreement in violation of the New Jersey Franchise Practices Act. On November 3,

2018, Qdoba filed an answer denying the allegations. On July 1, 2019, Q of Hasbrouck Heights, L.L.C. filed a second amended complaint alleging breach of contract and fraud arising from the purported termination of its franchise agreement and seeking damages. On July 23, 2019, Qdoba filed an answer and counterclaim alleging Q of Hasbrouck Heights, L.L.C. breached its franchise agreement by failing to properly maintain its premises, as required under the agreement. On September 3, 2020, the court granted Qdoba's motion for summary judgement as to the claims of fraud and negligent misrepresentation. On June 25, 2021, the Court held a mandatory settlement conference, at which the parties could not come to a settlement agreement. On October 11, 2022 and October 20, 2022, a two-day mediation took place, at which the parties could not reach a resolution. A trial date has not been set. Qdoba intends to vigorously defend and prosecute this case.

Other than this one action, 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

Development Fee

When you sign a Development Agreement, you may be required to pay a nonrefundable development fee for each site to be developed and opened under the Development Agreement ("Development Fee"). The standard per-site Development Fee is $10,000 for each restaurant to be developed by you. The minimum development commitment under the Development Agreement is 2 restaurants. During the last fiscal year, developers who entered into Development Agreements paid Development Fees of $0 to $10,000 per site. The Development Fees may be credited toward the Franchise Fee for each site developed under, and in full compliance with, a Development Agreement.

The Company will not grant a Development Agreement to an existing franchisee unless certain conditions are met. The conditions may require significant financial contributions. We currently require that any existing franchisee be in compliance with our system standards. The conditions under which we may grant a Development Agreement will vary over time, and others may be added.

Franchise Fee

When you sign a Franchise Agreement or License Agreement, you must pay the Company a nonrefundable initial franchise fee ("Franchise Fee"). The Franchise Fee for traditional units is $30,000 and the Franchise Fee for Non-Traditional units is $15,000, plus any tax or other fees imposed on the Company due to the collection of the Franchise Fee. If your franchise term is for fewer than the standard ten years, the Franchise Fee is $3,000 for each year or partial year in excess of six months. If the restaurant is developed in full compliance with the terms of a Development Agreement, the Development Fee of $10,000 may be applied toward the Franchise Fee. The Franchise Fee is fully earned when paid. In part, the fees compensate us for, and defray costs incurred in connection with, marketing sales of franchise units, screening prospective

franchisees, ensuring compliance with applicable laws relating to the offer and sale of franchises, providing initial training and supervision, and related expenditures.

VetFran Program

If you provide us with adequate documentation demonstrating an honorable discharge from the United States military, we will reduce your Initial Franchise Fee by $10,000.

During the last fiscal year, franchisees paid $0 to $30,000 for the Franchise Fee.

ITEM 6
OTHER FEES

Type of Fee	Amount	Due Date	Remarks
Royalty	Five percent (5%) of gross sales	Payable weekly	Gross sales includes all revenue related to the franchised business, but does not include sales tax or use tax, certain Company-approved discounts or refunds. If alcohol is served at the restaurant, and applicable law prohibits payment of royalties on alcohol sales, then the gross amount of the Royalty shall be increased proportionally to account for the royalty percentage on alcohol sales that otherwise would have been owed. Royalties at non-traditional sites are six percent (6%); lower rates have been set in unusual situations.
Marketing Fee	Currently one and three-quarters percent (1.75%) of gross sales.	Payable weekly	These funds pay for the preparation of marketing and promotional materials for both Qdoba and its franchisees. Franchisees in non-traditional locations may pay a lower marketing fee, a flat fee, or not be required to pay any fee unless they request special marketing assistance. Company may increase the fee by a half percent (0.5%) in any 12-month period, up to a maximum of four percent (4%), but increases above four percent (4%) require approval by majority vote.

Type of Fee	Amount	Due Date	Remarks
Local Advertising[1]	Currently one and a quarter percent (1.25%) of gross sales.	Negotiated with Vendor	Typically paid by franchisees to third parties for local advertising. Franchisees are required to spend this amount on marketing programs in their local market. Company has not created any advertising cooperatives. If a local or regional cooperative is formed, franchisees may be required to pay some or all of that amount to their local cooperative. Company-owned sites could be members of the cooperative, and would have the same voting rights as franchised sites on any fees imposed by cooperatives; however, company-owned sites will not have controlling voting power unless those sites equate to a controlling number in the market. In no event could the cooperative require payment of monthly advertising contributions or fees in excess of the amount provided for in the franchise agreement. We reserve the right to audit to ensure these funds are being spent. We do not require franchisees at non-traditional locations to conduct local advertising.
Technology Support License and Installation	$199	One-time payment upon opening of restaurant	Software license for polling.
Technology Support Database Configuration	$750	One-time payment upon opening of restaurant	Configure database for new restaurants for credit card processing and inventory management.

Type of Fee	Amount	Due Date	Remarks
IT Base Services	$3,600 to $11,500 per restaurant	Negotiated with Vendor	Includes ongoing IT services required to run your restaurant, including, but not limited to, POS software subscription or maintenance, POS hardware maintenance, Back Office software subscription or maintenance, Menu Management System subscription, Qdoba approved managed service provider, and online ordering subscription and fees.
IT Project Services	$300 to $500 per restaurant + project costs	As incurred	Applies to projects classified as major projects by the Chief Information Officer. Amount includes, but is not limited to, project related activities such as project management, data collection, system configuration, quality assurance testing, vendor management, and software deployment, plus any related project costs.
IT Support Services	Varies, currently up to $4,400 per restaurant (but we can modify this fee)	Annually	Provides data hosting, data management, platform services, and helpdesk support for restaurants using Qdoba's technology systems.
Q-Cash™ Card program fees	$7.75	Monthly	Certain fees are payable to the vendor that administers the Q-Cash program.
Interest on Late Payments	Eighteen percent (18%) annum	Begins to accrue ten (10) days after billing; due on demand	The maximum interest date on late payments is subject to state law. Interest is charged on late Royalty payments, Marketing Fees, and other fees due Qdoba.
Audit	Cost of audit (plus eighteen percent (18%) or the maximum rate permitted by law, whichever is less, on unpaid amounts)	Thirty (30) days after billing	Audit cost is payable for a follow-up audit, or if audit shows an understatement or underpayment of at least two percent (2%) of gross sales for any month.
Transfer	Up to $5,000	Prior to consummation of transfer	Payable when you sell your franchise or when you obtain our consent to a restructuring.

Type of Fee	Amount	Due Date	Remarks
Renewal Fee	Greater of fifteen percent (15%) of the then-current franchise fee or $5,000	Earlier of thirty (30) days before expiration of the original franchise term or at the time the new Franchise Agreement is signed.	Renewal fee is for an additional franchise term at the same site under a new Franchise Agreement.
Relocation Fee	$5,000	At time relocation is granted	If you would like to relocate your restaurant, you must follow the steps in our then-current Qdoba restaurant corporation relocation policy. The new site must be located in the Protected Territory and open within five days of the close of your existing restaurant.
Extension Fee	$1,500 for a one year extension	At time extension is granted	Granted on a case-by-case basis at our discretion. This fee is non-refundable and is separate from the renewal fee.
Standard Training Costs	$0 (No fee)	N/A	There is no fee for standard training content. All wages, travel, and living expenses for your employees who attend the training are your responsibility.
Costs for Additional Training	Up to $1,600 per additional trainee	As incurred	Only for training more than three individuals or for excess training. All wages, travel, and living expenses for your employees who attend the training are your responsibility.
Refresher Training Course	Up to $1,600 per trainee for each refresher training program	As incurred	The Designated Operator, General Manager, and/or certain other employees must attend such refresher courses, seminars, and other training programs as we may reasonably require from time to time. All wages, travel, and living expenses for your employees who attend the training are your responsibility.
Inspection	Cost of follow-up inspection	As incurred	You must pay the reasonable actual expense of a follow-up inspection if your restaurant fails a food safety or operational inspection.

Type of Fee	Amount	Due Date	Remarks
Alternative Supplier Costs	Actual expenses	When incurred	If approved suppliers are capable of producing a product, and you would like an additional supplier approved to do so, you must reimburse us for the actual costs we incur in approving and training the alternative suppliers, including the cost of travel, lodging and meals.
Corrected Deficiency Costs	Reimbursement for expenses incurred	Upon correction of deficiency	If you fail to correct a deficiency, the company may correct the deficiency and obtain reimbursement from you.
Indemnification	Varies	As incurred	You must reimburse Qdoba for claims against us resulting from the operation of your restaurant.
Legal Fees	Varies	As incurred	You must pay attorneys' fees we incur due to your failure to comply with the Franchise Agreement.
Taxes/Freight	Varies	As incurred	Taxes may apply on any of the above-related fees, as required by taxing authorities, and are in addition to the fees stated.
Catering Rewards Program	Varies, currently a pro rata share of the overall costs for the catering rewards program is charged to each restaurant.	Monthly	You must participate in the catering program; the rewards program is part of that program.

The fees in the chart above are fees that we impose or collect in whole or in part for a third party. The fees are uniform except that we may in certain limited circumstances modify or waive the fees listed. Unless otherwise noted, fees paid to us are not refundable. Certain of the fees listed may not apply to non-traditional restaurant sites.

Notes

(1) If an audit discloses that you failed to spend that amount, then we may directly debit from your bank account and contribute to the Marketing Fund, the amount that you were required to, but did not, spend on local advertising and promotion. You must also reimburse us for the cost of the audit.

ITEM 7
ESTIMATED INITIAL INVESTMENT

YOUR ESTIMATED INITIAL INVESTMENT

TRADITIONAL *QDOBA* RESTAURANT

Type of Expenditure	Estimated Amount	Method of Payment	When Due	To Whom Made
Franchise Fee [2]	$30,000	Lump Sum	Upon execution of Franchise Agreement	Qdoba
Development costs: plans, legal fees, permits [3]	$10,000 - $50,000	As incurred	As arranged or incurred	Architects, lawyers, municipalities
Leasehold improvements [4]	$180,000 - $400,000	As arranged	As arranged or incurred	Contractors & vendors
Furnishings, fixtures and equipment [5]	$185,000 - $380,000	As arranged	As arranged or incurred	Contractors & vendors
Signage [5]	$5,000 - $50,000	As arranged	As arranged or incurred	Contractors & vendors
IT and other Systems [6]	$33,700 - $55,000	As arranged	As arranged or incurred	Contractors & vendors
Opening inventory [7]	$5,000 - $10,000	As arranged	As incurred	Food suppliers
Travel and living expenses while training [8]	Varies	As incurred	During training	Airlines, hotels & restaurants
Miscellaneous pre-opening expenses	$5,000 - $15,000	As arranged	As arranged or incurred	Contractors & vendors
Grand opening advertising (at traditional sites) [9]	$5,000 - $25,000	As arranged	Within thirty (30) days of opening	Vendors
Insurance [10]	$5,000 - $10,000 (excluding several types of coverage)	As incurred	As incurred	Insurance brokers or companies
Liquor license [11]	Varies depending on location	As arranged	As arranged	Seller or liquor board
Real property lease / purchase costs [12]	Varies depending on location	As arranged	As arranged	Seller or landlord
Business licenses, health permits and similar permits	$500 - $3,000 (Varies depending on location)	As arranged	As arranged	City, county, and/or state
Additional funds – 3 months [13]	$25,000 - $150,000	As arranged	As needed	As required
TOTAL ESTIMATED COST (excluding real property and liquor license costs):				$489,200 - $1,178,000[14]

NON-TRADITIONAL *QDOBA* RESTAURANT

Type of Expenditure	Estimated Amount	Method of Payment	When Due	To Whom Made
Franchise Fee (2)	$15,000	Lump Sum	Upon execution of Franchise Agreement	Qdoba
Development costs: plans, legal fees, permits (3)	$10,000 - $50,000	As incurred	As arranged or incurred	Architects, lawyers, municipalities
Leasehold improvements (4)	$75,000 - $300,000	As arranged	As arranged or incurred	Contractors & vendors
Furnishings, fixtures and equipment (5)	$83,000 - $200,000	As arranged	As arranged or incurred	Contractors & vendors
Signage (5)	$8,000 - $25,000	As arranged	As arranged or incurred	Contractors & Vendors
IT and other Systems (6)	$21,300 - $33,700	As arranged	As arranged or incurred	Qdoba, Contractors & vendors
Opening inventory (7)	$5,000 - $10,000	As arranged	As incurred	Food suppliers
Travel and living expenses while training (8)	Varies	As incurred	During training	Airlines, hotels & restaurants
Miscellaneous pre-opening expenses	$5,000 - $15,000	As arranged	As arranged or incurred	Contractors & vendors
Grand opening advertising (at traditional sites) (9)	$0 - $5,000	As arranged	Within thirty (30) days of opening	Vendors
Insurance (10)	$5,000 - $10,000 (excluding several types of coverage)	As incurred	As incurred	Insurance brokers or companies
Liquor license (11)	Varies depending on location	As arranged	As arranged	Seller or liquor board
Real property lease / purchase costs (12)	Varies depending on location	As arranged	As arranged	Seller or landlord
Business licenses, health permits and similar permits	$500 - $3,000 (Varies depending on location)	As arranged	As arranged	City, county, and/or state
Additional funds – 3 months (13)	$25,000 - $150,000	As arranged	As needed	As required
TOTAL ESTIMATED COST (excluding real property and liquor license costs):				$252,800 - $816,700(14)

The tables above for Traditional and Non-Traditional Restaurants represent the estimated total initial investment required for the establishment of a franchised *Qdoba* restaurant at premises that you lease.(1) No estimate can be made as to costs of purchasing an existing restaurant.

DEVELOPMENT AGREEMENT

Assumes Development Agreement for Minimum of Two (2) Restaurants

Type of Expenditure	Amount Low Estimate[1]	Amount High Estimate[1]	Method of Payment[1]	When Due	To whom payment is to be made
Development Fee[15]	$20,000	$20,000	Lump sum	Upon signing Development Agreement	Us
Remainder of Initial Franchise Fees ($20,000 each for 1st and 2nd Restaurant)	$40,000	$40,000	Lump sum	Upon signing Franchise Agreement	Us
Business Plan Preparation/ Professional Fees	$1,000	$5,000	As incurred	As incurred	Third parties
Total Estimated Initial Investment for Two (2) Traditional Restaurants[16]	$978,400	$2,356,000	See Table Above for Each Expenditure	See Table Above for Each Expenditure	See Table Above for Each Expenditure
Total Estimated Initial Investment for a Development Agreement	$1,039,400	$2,421,000			

Notes

(1) No portion of the initial investment that is paid to Qdoba is refundable. Calculations regarding estimates for leasehold improvements, building construction and site work are based upon restaurants of 2,200 to 3,000 square feet, using our current design elements. We continue to refine and value-engineer that design. We do not finance any portion of the initial investment.

(2) This Franchise Fee is for one franchise entered into under a Franchise Agreement or License Agreement. See Item 5 of this disclosure document for a more detailed description of franchise fees. We reserve the right to charge a different fee for non-traditional sites (as more fully described in Item 5 of this disclosure document).

(3) Costs incurred for the preparation of the necessary tenant improvement construction documents will vary depending on the services provided and the professionals selected by you. You may also incur legal fees for assistance in negotiating leases and advice on issues relating to the opening of your units. These fees will also vary depending upon the services provided and the professionals selected by you.

(4) The cost of leasehold improvements will vary depending on the facility selected and the region or market you are in. These leasehold improvement costs assume that the space will already include the requirements described in Qdoba's standard landlord work letter. If the space is delivered AS-IS, the leasehold improvement costs will likely be higher. A landlord improvement allowance may also be obtained that reduces the cost of leasehold improvements.

(5) You must lease or purchase the following items, among others: signs; kitchen equipment package, display stands, interior decor package (tables; chairs; accessories; paneling; lighting; ceiling, window, and floor treatments; and artifacts), and decorations.

(6) Systems include the following items that you must lease or purchase: phones, point of sale software, payment terminals and registers, printers, network infrastructure equipment, web-based mobile training device(s), computer equipment, security system, safe, Q card system, digital menu boards (interior and exterior for drive-thru), and music system.

(7) You will be required to purchase certain recipe items, as specified by us, which constitute key components of the System. Also included in this number are the opening food inventory, uniforms, smallwares, first aid supplies, office supplies, initial cleaning supplies, gift cards, static menu boards, and other printed items and opening cash drawer.

(8) The travel and living expenses for trainees will depend upon factors such as travel distance, quality of accommodations, transportation costs, wages, and per diem allotment. In our experience, these costs vary widely based upon personal preferences of the attendees; therefore, we have not provided a cost estimate. Please research costs required to attend our training according to your unique circumstances and/or preferences.

(9) Under a Franchise Agreement, we require you to spend up to $5,000 for grand opening advertising, but you may spend more. Under a License agreement, you are not required to spend any minimum on grand opening advertising.

(10) These figures are estimates for general liability and property coverage only. They exclude \costs for builder's risk insurance, workers compensation insurance, business automobile insurance, earthquake and flood insurance, and other types of insurance, due to the great variation in such costs. Insurance costs vary depending upon several factors, including type of site (stand-alone or in-line site), location, construction type, loss history, whether fire hazard protection is purchased, sales, market, payroll, workers compensation rates, number of locations, number of vehicles, radius of vehicle operations, type of vehicle, and DMV history, among other factors.

(11) Liquor licensing costs vary widely. Please research costs in your jurisdiction.

(12) The cost to purchase or lease real estate will vary depending on factors such as the location of the property, the condition of the local real estate market, the ability to negotiate favorable terms of sale or lease, current economic conditions, etc. Most franchisees lease rather than purchase, and most franchised locations are in-line or end cap real estate space (as opposed to freestanding locations).

(13) The amount of additional funds you will need will depend on the time necessary to achieve cash flow to cover operating expenses. This amount is the minimum recommended for a three-(3) month contingency.

(14) We have compiled these estimates based on our actual and expected costs in Company markets across the United States.

(15) Your estimated initial investment under the Development Agreement will vary depending on the number of restaurants you develop. The estimated initial investment chart reflects the minimum number of two (2) development commitments. No part of this initial investment is refundable, although we will apply the applicable portion of the Development Fee towards the Initial Franchise Fee owed under each Franchise Agreement that the Development Agreement covers. The initial estimated cost for each restaurant developed under the Development Agreement is currently $476,800 to $1,096,700, as set forth in the chart for the Franchise Agreement; but we reduced that amount by $30,000 for each restaurant because the Franchise Fee is reflected in the table for the estimated investment for the Development Agreement.

(16) This number is based upon the high and low ranges from the Traditional Qdoba Restaurant table above, minus $60,000 in Initial Franchise Fees.

You should review these figures carefully with a business advisor before making any decisions to purchase the franchise.

ITEM 8
RESTRICTIONS ON SOURCES OF PRODUCTS AND SERVICES

Goods and Services that must be Purchased or Leased from the Company, its Designee or Approved Suppliers, or Under the Company's Specifications

All food and beverage products served at our restaurants, as well as items that are used in connection with the preparation of those products, must meet our food safety and quality standards. Many of those products are manufactured under proprietary formulae and processes. The reputation and goodwill of *Qdoba* restaurants are based, in part, upon our restaurants serving safely-prepared and distinctive food and beverage products. Therefore, the food and beverage products you serve at your restaurant, as well as the items you use to prepare and serve those products, must meet our specifications and must be produced and distributed only by suppliers and distributors approved by us.

The Company and all of its franchisees have contracted to purchase their food and beverage products through a single network of distributors. The distributors in that network purchase products from approved suppliers, then resell the products to the Company and franchisees. The Company performs certain supply chain-related services relating to the distribution of product to the restaurants. For example, the Company negotiates price and certain other contract terms with the suppliers who sell to network distributors; conducts food safety testing, inspection, and remediation activities; conducts and/or manages product quality tests, rollouts and product obsolescence activities; conducts pricing validation; reviews distribution charges and performance; and participates in distribution councils and dispute resolutions.

We have standards and specifications relating to, among other things, the signage, fixtures, furniture, equipment, décor, computer/POS hardware and software, and related items at *Qdoba* restaurants. In most cases, you will select from a list of approved suppliers to purchase those items.

Approved Suppliers. We will provide you the names of approved suppliers upon request. Currently, the Company and its affiliates are not approved suppliers of any products that are necessary to operate a *Qdoba* franchise.

None of the officers of Qdoba own a substantial interest in any of our approved suppliers.

If you want to add a supplier to our approved supplier list, you must follow the procedure discussed in Section 13 of the Franchise Agreement. You will be required to provide us with the proposed supplier's name and address, a list of the items you want to purchase from that supplier, and all other information that we require. Our approval will be conditioned upon, among other things, the supplier agreeing in writing not to disclose any of our confidential information, complying faithfully with our specifications, allowing third-party food safety audits of its facilities, allowing unrestricted access for our technical staff to inspect its facilities and programs, submitting annual audit and corrective action reports to us, complying with our product sampling requirements and microbiological surveillance programs, selling our proprietary and trademarked items only to our franchisees, demonstrating to our reasonable satisfaction that it is able to supply product meeting our specifications on a continuing basis, and showing that it is of good standing in the business community with respect to its financial soundness and the reliability of its product and service. We will require the new supplier to cover the reasonable costs and expenses we incur in inspecting their facilities and food safety programs (including travel-related expenses), testing their products, and coordinating product rollouts with them. We may limit the number of approved suppliers for any given item. We generally make a determination on the approval or

disapproval of new suppliers within three to six months, although that time frame can vary depending on the circumstances; however, we reserve the right to later withdraw approval. We will approve, disapprove and withdraw our approval of any supplier by written notice to the supplier.

Specifications. The Company does not typically issue specifications directly to franchisees for food and beverage products, chemicals, packaging, smallwares, uniforms, signage, fixtures, furniture, and equipment. In the past, we have provided franchisees with a summary of the specification criteria, and we may choose to provide this information in our sole discretion, as appropriate. The specifications are maintained in writing (in the format the Company designates, which may be hard copy or electronic copy) and provided to the approved suppliers. If an item must be purchased only from an approved supplier, the specifications will only be made available to the approved suppliers. If an item may be purchased from any source, the specifications for that item will be provided directly to franchisees. The Company may change approved suppliers at any time.

The Company's Revenue from Franchisees' Purchases. Other than the Supply Chain Fee, Customer Fund Fee, and the supplier rebates each described below, the Company did not receive any revenue from products and services purchased or leased by franchisees (including any income the Company received based on franchisees' purchases or leases from third parties).

The Company collects a fee for the services it provides relating to supply chain activities ("Supply Chain Fee"). The amount of the Supply Chain Fee will be determined each year by the Company in consultation with a Supply Chain Management Committee. In fiscal year 2022, the per-unit charge was fourteen cents ($0.14) (a unit is a case of goods sold through the distribution network). The per-unit charge will remain the same in fiscal year 2023. The Supply Chain Fee is collected by the third-party distributors in connection with sales to both franchised and Company restaurants and is forwarded on to us. In fiscal year 2022, the Company earned total Supply Chain Fees of approximately $956,000.

We estimate that your required purchases and leases (i.e., purchases and leases from our approved suppliers) will represent between fifty percent (50%) and ninety percent (90%) of your overall purchases and leases in establishing your restaurant. We estimate that your required purchases and leases will be approximately forty percent (40%) of your overall purchases and leases in operating your restaurant.

Certain suppliers provide us with marketing allowances, rebates, or similar funds based on the volume of product purchased by *Qdoba* restaurants through our distributor network. If a supplier provides us funds with the intention that they be used for marketing, those funds are put into the Marketing Fund. During our last fiscal year, the Company received funds with an approximate value of $255,000 from suppliers. All such funds were contributed to the Marketing Fund.

The Company collects a fee to cover any write-off of obsolete inventory at the end of a promotion or in the event of menu item deletions ("Customer Fund Fee"). The amount of the Customer Fund fee is determined each year by the Company in consultation with the Supply Chain Management Committee. This fee is currently a per-unit charge of $0.03 (a unit is a case of goods sold through the distributers). The fee is collected by distributors in connection with sales to both franchised and company owned restaurants. We reconcile the Customer Fund every period and, at the end of each fiscal year, remaining funds are returned to the franchised and company units on a pro-rata basis, net of any agreed-upon reserve. In fiscal year 2022, the Company earned total Customer Fund Fees of approximately $375,000.

The Company's total revenue in fiscal year 2022 based on its audited financial statement was $476,273,000. The Company's total revenue from all required purchases and leases by franchisees (which includes IT fees, supply chain fees, and sublease rent) in fiscal year 2022 was $4,972,000or 1.04% of the Company's total revenues.

Purchases from Suppliers. There are no purchasing or distribution cooperatives. As stated above, the Company negotiates price and certain other contract terms with the suppliers who sell to network distributors. The Company may also negotiate prices on certain other items, and may ask the supplier to offer the same price to franchisees.

Benefits Granted to Franchisees. Franchisees do not receive any material benefits from us based on their purchase of particular products or services, or their use of particular suppliers.

Insurance. You must obtain and maintain, at your sole expense, all of the insurance coverage that the Company requires. Company may place restrictions or requirements on the insurance you must purchase, which can be modified from time to time. The current requirements are: Commercial General Liability insurance, including Products Liability coverage, and Broad Form Contractual Liability coverage (including liquor liability coverage if applicable), written on a "per occurrence" policy form in an amount of not less than $2,000,000 combined single limit per occurrence and aggregate ($5,000,000 for nontraditional); Business Automobile Liability insurance with a limit of not less than $1,000,000 per accident; Workers' Compensation insurance as required by law; Employer's Liability insurance with a limit of not less than $1,000,000 per occurrence; "All Risk" property insurance; and Builders' All Risk insurance.

ITEM 9
FRANCHISEE'S OBLIGATIONS

The following 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 in this disclosure document.

	Obligation	**Section in Agreement**	**Item in Disclosure Document**
(a)	Site selection and acquisition/lease	Sections 4 and 5 of the Franchise Agreement; Section 4 of the License Agreement; Section 6 of the Development Agreement.	Item 11
(b)	Pre-opening purchases/leases	Sections 12 and 13 of the Franchise Agreement and Section 5 of the License Agreement.	Items 5, 7, and 11
(c)	Site development and other pre-opening requirements	Sections 6-8 and 11-13 of the Franchise Agreement; Section 5 of the License Agreement; Section 6 of the Development Agreement.	Items 7 and 11

	Obligation	**Section in Agreement**	**Item in Disclosure Document**
(d)	Initial and ongoing training	Section 8 of the Franchise Agreement and Section 6 of the License Agreement.	Item 11
(e)	Opening	Section 7 of the Franchise Agreement and Sections 4, 5 and 6 of the License Agreement; Sections 2, 4, and 6 of the Development Agreement.	Item 11
(f)	Fees	Section 3 of the Franchise Agreement and Section 2 of the License Agreement; Section 5 of the Development Agreement.	Items 5 and 6
(g)	Compliance with standards and policies/Operating Manual	Section 11 of the Franchise Agreement (also see references in recitals and Sections 1, 2, 4-8, 11-18, and 23 of the Franchise Agreement); Section 5 of the License Agreement; Recitals and Sections 4, 6, and 15 of the Development Agreement.	Items 11 and 14
(h)	Trademarks & proprietary information	Recitals and Sections 1, 13, 21, 24, and 29 of the Franchise Agreement; Recitals and Sections 1, 5, and 11 of the License Agreement; Recitals and Sections 4, 6, 8-10, 14, and 15 of the Development Agreement.	Items 13 and 14
(i)	Restrictions on products/services offered	Section 13 of the Franchise Agreement and Section 5 of the License Agreement.	Items 8 and 16
(j)	Warranty & customer service requirements	Not applicable	Not applicable
(k)	Territorial development & sales quotas	Sections 1 and 4 of the Franchise Agreement; Section 1 of the License Agreement; Sections 1, 2, 4, 6, and 15 and Exhibits A and B of Development Agreement.	Item 12
(l)	Ongoing product/ service purchases	Section 13 of the Franchise Agreement and Section 5 of the License Agreement.	Item 8
(m)	Maintenance, appearance & remodeling requirements	Recitals and Sections 1, 2, 6, and 11 of the Franchise Agreement	Items 6 and 17

	Obligation	**Section in Agreement**	**Item in Disclosure Document**
		and Section 5 of the License Agreement.	
(n)	Insurance	Sections 6 and 23 of the Franchise Agreement and Section 12 of the License Agreement; Sections 6, 14 and 17 of the Development Agreement.	Items 7 and 8
(o)	Advertising	Sections 2, 13, and 14 of the Franchise Agreement and Section 5 of the License Agreement.	Items 1, 6 and 11
(p)	Indemnification	Sections 21 and 31 of the Franchise Agreement; Sections 11 and 13 of the License Agreement; Sections 8,18, and 19 of the Development Agreement.	Item 6
(q)	Owner's participation/management/staffing	Sections 8, 16, 27, 30, and 31 of the Franchise Agreement; Sections 3, 5, and 6 of the License Agreement; Sections 2, 3, 6,and 16 of the Development Agreement.	Item 15
(r)	Records and reports	Section 15 and 20 of the Franchise Agreement and Section 8 of the License Agreement.	Not applicable
(s)	Inspections and audits	Sections 9, 14, 15, 17, and 18 of the Franchise Agreement and Sections 5 and 8 of the License Agreement.	Items 6, 8 and 11
(t)	Transfer	Sections 15, 19, 25, and 27of the Franchise Agreement; Sections 8, 14, and 15 of the License Agreement; Sections 11, 13, and 14 of the Development Agreement.	Item 15 and 17
(u)	Renewal	Sections 2 and 25 of the Franchise Agreement; Section 1 of the License Agreement.	Item 17
(v)	Post-termination obligations	Section 29 of the Franchise Agreement; Section 17 of the	Item 17

	Obligation	Section in Agreement	Item in Disclosure Document
		License Agreement; Section 15 of the Development Agreement.	
(w)	Non-Competition covenants	Sections 24, 25, and 30 of the Franchise Agreement; Sections 10 and 18 of the License Agreement; Section 16 of the Development Agreement.	Item 17
(x)	Dispute resolution	Section 32 of the Franchise Agreement; Section 19 of the License Agreement; Section 19 of the Development Agreement.	Item 17
(y)	Right of first refusal	Section 26 of the Franchise Agreement; Section 12 of the Development Agreement.	Item 17
(z)	Guaranty	Section 19 of the Franchise Agreement; Section 7 of the Development Agreement	Cover Page

ITEM 10
FINANCING

We do not offer financing in connection with the establishment or operation of new franchised restaurants. We do not guarantee your lease or any note or other obligation you may incur.

The Franchise Agreement gives us a first-priority security interest in the business assets of your Qdoba restaurant in order to secure payment of all amounts that you may owe to us under the Franchise Agreement and any other agreements you may have with us. Granting us a security interest in these assets may impair your ability to obtain financing from other potential lenders. In order to facilitate your efforts to obtain financing, we may agree to subordinate our security interest to the security interest of another lender, but only under certain conditions.

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

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

A. Our Pre-Opening Obligations. Before you begin operation of the restaurant, we are required to provide the following assistance to you:

Site Selection and Acceptance: Our only obligation regarding site selection is to accept or refuse to accept the site you propose (Franchise Agreement, Section 4). The main criteria we use to evaluate sites are discussed below.

Before acquiring a site for the restaurant, whether through lease, purchase or otherwise, you must apply for and obtain our written acceptance of the site. To request site acceptance, you must complete and submit our form of Real Estate Committee Submittal Package, and such other information and materials as we may reasonably require, together with a letter of intent or other evidence satisfactory to us confirming your favorable prospects for obtaining the site. (If the premises will be leased, you may also be required to submit to us evidence that the lease contains the terms and conditions discussed in Section 5 of the Franchise Agreement.) There is no time limit for our acceptance, but we will use good faith efforts to accept or reject your site within forty-five (45) days. If you have not obtained possession of the accepted site within one-hundred twenty (120) days of receiving our acceptance, we have the right to withdraw such acceptance. No site will be deemed accepted unless it has been expressly accepted in writing by us.

Some of the factors we might consider in assessing a site include general location and neighborhood, population, traffic patterns, parking, size, physical characteristics of existing buildings, and other businesses in the area.

If we do not accept the site you have chosen, you will not be permitted to open your restaurant at that site, but we will review other sites that you present to us. If no site is agreed upon by the date your Franchise Agreement or Development Agreement requires you to open the site, we have the right to terminate that agreement and you will not be entitled to a refund of any fees.

If you will be developing a *Qdoba* restaurant under a Development Agreement, you must provide us a market development plan for the trade areas within your Development Area. The market plan must include all relevant trade area information, including, at a minimum, residential population, daytime population, total business, median household incomes, income growth, per capital income, and population growth, all according to our requirements as modified from time to time. You must also provide a map showing trade areas within the Development Area, and plotting all malls, power centers, grocery stores, and food service establishments. No sites will be accepted until the market plan is submitted and reviewed. The site must be accepted by us based on our then-current site criteria.

Design and Construction of the Restaurant: We must approve the concept plan, which is a general overview of how you will build out the Accepted Location. After that initial approval, we will provide you and your architect with access to a fully coordinated set of prototype plans and other design resources that you can adapt to the site and then develop a schematic design and all necessary construction documents. Additionally, we will approve or disapprove the final construction plans submitted to us by your architect before the plans are submitted for permits (Franchise Agreement, Section 6). You must ensure that the premises conform to all local ordinances and building codes, and obtain all necessary permits. You must also ensure that the premises are finished in accordance with our design and décor standards.

Initial Training: After the site is approved but before the restaurant is opened, we will provide an initial training program for your Designated Operator ("DO"), your General Manager, and one other person employed in the restaurant. For further information about our training, see Section F below. You are responsible for training any of your other employees.

Equipment, Signage, Fixtures, Operating Inventory and Supplies: Regarding equipment, signage, fixtures, operating inventory, and supplies, we only provide you with updated specifications for the items you are required to use in your restaurant. We do not provide any

other assistance with providing equipment, signage, fixtures, operating inventory and supplies, and there are no contractual limitations on the frequency or cost of upgrades.

Supervision Before and During Opening: We will provide the on-site pre-opening and opening assistance we deem advisable for the first two restaurants you open, subject to the availability of Company personnel (Franchise Agreement, Section 9.1.).

Manuals: We will provide you with a copy of our most recent confidential operating manuals (collectively, the "Manuals") in any manner we choose. Currently, we make the Manuals available to you through the *Qdoba* Training System. Exhibit G to this disclosure document sets forth the table of contents of the Manual as of the date of this disclosure document, the number of pages devoted to each subject, and the total number of pages in that manual (which is 357 pages). Specifications for products, fixtures, furniture, and equipment are not typically provided to franchisees, but are provided to approved suppliers.

B. Time of Opening. We estimate the time from acceptance of the site to the commencement of restaurant operations in an existing structure converted to the *Qdoba* system is typically five (5) months to eighteen (18) months, depending on several factors (however, non-traditional restaurant sites may take longer). This overall development timeline will vary depending on the time necessary to lease the site, obtain financing, complete preparation of the construction documents, obtain the necessary permits and licenses for the construction and operation of the restaurant, address the condition of the existing space and its infrastructure, address the complexity of your proposed construction, and secure the required municipal inspections. None of these factors are within our control (Franchise Agreement, Sections 6, and 7).

C. Our Continuing Obligations. During your operation of the restaurant, we are required to provide the following assistance to you:

Management and Operating Techniques: We, in our discretion, will provide you, from time to time, advice and written materials concerning techniques of managing and operating the restaurant, including new developments and improvements in restaurant equipment, food products, packaging, and preparation (Franchise Agreement, Section 9.3, License Agreement, Section 6). We will not provide you direction regarding personnel, safety, or security matters.

Sample Accounting Materials: We may provide you with samples of the standardized chart of accounts, statement of earnings, and balance sheet, and require use of these in the operation of your business.

Inspections: We will conduct inspections of your restaurant and evaluations of the products sold and services rendered at the restaurant, as we deem advisable (Franchise Agreement, Section 9.4, 15, and 18, License Agreement, Section 8.D).

Ongoing Training: The DO, General Manager and/or certain other employees must attend such refresher courses, seminars and other training programs as we may reasonably require from time to time. We may charge a reasonable fee for such programs (currently up to $1,600 per trainee for each refresher course, seminar, or program). The cost of all travel, lodging, meals, training materials, and any trainee salary expenses associated with refresher courses will be your responsibility (Franchise Agreement, Section 8.).

Updated Standards: We will continue to make the Manuals available to you through the *Qdoba* Training System as updated. We will also continue to provide to you an updated list of approved suppliers and prices and required pricing structures (Franchise Agreement, Sections 9.2, 11.1.5, and 13.2, License Agreement, Sections 5.A and 5.G).

D. Advertising. Marketing Fund. As discussed in Item 6 of this disclosure document under the heading "Marketing Fees," and Section 14 of the Franchise Agreement, we have established a fund for the building of brand awareness, production of advertisements, marketing material and other marketing-related services for the System ("Marketing Fund").

The Marketing Fund is maintained and administered by us. We produce or oversee the production of all marketing and promotional programs, with sole discretion to approve or disapprove the creative concepts, materials, and media used in such programs and in the placement and allocation of them. This includes local and regional advertising in electronic and print media and on the internet. The Marketing Fund is used to maximize general public recognition and acceptance of the proprietary Marks for the benefit of the System. We have no obligation to make expenditures for you that are equal or proportionate to your contribution, or to ensure that any particular franchisee benefits directly or pro rata from expenditures by the Marketing Fund.

If you operate a traditional *Qdoba* restaurant, you will be required to make weekly advertising contributions to the Marketing Fund in an amount of one and three-quarters percent (1.75%) of the Gross Sales (as defined in the Franchise Agreement) from your restaurant. We may increase the rate by a half percent (0.5%) of Gross Sales in any 12-month period, up to a maximum of four percent (4%). Increases above four percent (4%) require approval by majority vote of system restaurants. Contributions from non-traditional sites may be less. Qdoba will make contributions to the Marketing Fund on behalf of restaurants it operates on the same basis as assessments required of the majority of traditional franchised restaurants (Franchise Agreement, Section 14.1.1.).

We will use marketing contributions exclusively to maintain and administer the Marketing Fund, and to direct, prepare, and engage in advertising, promotions, and other marketing-related activities, including, among other things: preparing and conducting digital, social, television, radio, magazine, and newspaper advertising campaigns; purchasing digital, social, radio, television, magazine, newspaper, and other media for the distribution of advertising campaigns; advertising through direct mail and outdoor billboards; preparing and conducting marketing/brand surveys and research; public relations activities; research, development and testing of products, and packaging; brand positioning; preparing and executing e-mail and internet-based marketing programs; creating, administering, and maintaining gift card promotions and customer loyalty programs; creating, administering, and maintaining web-based applications; employing advertising, public relations, branding, and other professional consultants; and providing point-of-purchase collateral and other marketing materials for the restaurants operated under the System (Franchise Agreement, Section 14.1.4.). This includes defraying our reasonable salaries, expenses and administrative costs and overhead, if any, as we may incur in activities reasonably related to the activities described above. In our discretion, we may directly pass through to the Marketing Fund those administrative costs and salaries, or we may charge the Marketing Fund a reasonable administrative fee calculated as a percentage of the contributions to the Marketing Fund. The Marketing Fund will not otherwise inure to our exclusive benefit.

Contributions to the Marketing Fund are not used to advertise for the sale of franchises.

Generally, all contributions to the Marketing Fund are spent during the fiscal year within which such contributions are received. If excess funds remain in the Marketing Fund at the end of a fiscal year, all expenditures in the following fiscal year(s) will be made first out of excess funds from previous years, next out of funds in the current year, and finally from contributions.

All sums paid into the Marketing Fund are accounted separately from other accounts. The statement of the sources and uses of the Marketing Fund will be reviewed annually by us, and made available upon written request to the franchisees. The Marketing Fund is not independently audited. During fiscal year 2022, approximately 13% of the Marketing Fund was spent on production (i.e., production of various advertising assets, marketing materials, POP, website, social media campaigns, public relations, photography, etc.); approximately 33% was spent on media placement (i.e., digital, public relations, and email and CRM, etc.); approximately 15% was spent on agency fees; approximately 16% was spent on other expenses (i.e., Mobile App and Website, consumer research, Voice of Guest program, social listening tools, local optimization, R&D, consumer insights, etc.); and approximately 23% was spent on administrative expenses. The Marketing Fund had a deficit for the last fiscal year in the amount of $50,283.

Although the Marketing Fund is intended to be of perpetual duration, we have the right to terminate the Marketing Fund at our sole discretion. The Marketing Fund will not be terminated, however, until all monies in the Marketing Fund have been expended for marketing and/or promotional purposes, or refunded to franchisees and company-owned restaurants pro rata (Franchise Agreement, Section 14.1.8.).

Brand Advisory Committee and Marketing Advisory Council. We have created a Brand Advisory Committee and a Marketing Advisory Council to enhance the working relationship with our franchisees. The Brand Advisory Committee is made up of five franchisees that are elected by the franchise community and one franchisee selected by Qdoba. The Marketing Advisory Council is composed of the Brand Advisory Committee and two additional members selected by Qdoba. Qdoba reserves the right to change or dissolve the Brand Advisory Committee or Marketing Advisory Council.

Local Advertising. If you operate at a traditional site, you will be required to spend up to $5,000 on grand opening advertising. Additionally, on an ongoing basis, you are also required to spend a percentage of Gross Sales on local advertising, currently set at one and a quarter percent (1.25%). You are responsible for the cost of the placement of such advertising with various media. You may develop advertising material for your own use at your own cost; however, before you may use any such advertising material, in whatever form or medium, including the internet, you must obtain our prior written approval of the material (Franchise Agreement, Section 14.2.).

We are not required to spend any amount on advertising in your area or territory.

Gift Card, Loyalty, or Similar Programs. You must participate in any gift card, loyalty, or similar programs required by the Company. In connection with these programs, you will be required to sign certain participation agreements and other agreements (current Stored Value Card Service Agreement (Exhibit N)) and pay fees to the company or to third parties and purchase hardware and/or software from the vendors the Company designates.

Web-Based Applications. You must comply with all mobile app, social media, and other technology-related standards and procedures, as they are established and modified from time to time by the Company.

Advertising Cooperative. Although we currently have no advertising cooperatives, we have the right to designate any geographical area for the purpose of establishing such a cooperative for traditional *Qdoba* restaurants and to require you to participate in such a cooperative. We may change the geographic area for a cooperative, or merge or dissolve a cooperative. If such a cooperative is established, all restaurants in the geographic area would be required to contribute up to two percent (2%) of their Gross Sales to the cooperative. That contribution would be credited toward your local advertising obligation. If a cooperative is established in your area after you commence operation under the Franchise Agreement, you must become a member of the cooperative not later than thirty (30) days after the cooperative commences operation (Franchise Agreement, Section 14.3.). Cooperatives would operate under written governing documents, and would be under our general administration.

E. Computer Systems. You must use a computer system we specify, which includes, but is not limited, to the items described below (Franchise Agreement, Section 12, License Agreement, Section 5.E). These requirements may change in the future.

(a) POS software - A point-of-sale ("POS") system that is integrated with a Windows-based PC system and allows a cashier to ring in and tender sales transactions. The POS software interfaces with company-specified software modules that include credit card processing software, an integrated guest loyalty system, and an online ordering system. The POS System is used to collect data on sales, product mix, and inventory, among other things. You are required to run an approved Payment Application Data Security Standard ("PA-DSS") version of POS software. Approved versions will reach an end to their useful life and will have to be replaced periodically as we direct. Software maintenance must be maintained continuously to allow for required version updates and ongoing PA-DSS compliance. We have no obligation to provide any ongoing maintenance, repairs, upgrades, or updates for you. We may, however, provide such maintenance services at our discretion. If these services are provided, the cost is covered by the Master Technology Agreement annual fee.

(b) POS hardware - The current standard for POS hardware is as follows: at least one (1) POS terminal with a Capacitive Touchscreen and 8GB RAM running the 10 operating system for the service counter. The current standard for the back office file server is a Dell Optiplex with 8GB RAM running Windows 10 Professional operating system. The back office file server and POS terminals must both run the POS system point-of-sale software that Qdoba describes. Various peripheral hardware components, required for completion of POS transactions, are also considered part of the current standard, including EMV devices with point to point encryption for secure credit card transactions.. Approved hardware will reach an end to its useful life and will have to be replaced periodically as we direct.

(c) Secure access or similar remote access software as we direct - Remote access software allows a person who is not physically near a computer to connect and control the computer via an Internet connection. While we need to have independent remote access to your systems for various reasons, the software and access to use this software will be limited to authorized users designated by the Company. You may not install any other remote access software or attempt to connect to your computers remotely without written permission from the Company.

(d) Sales reporting ("Polling") software - Qdoba uses centralized polling software to transfer information from the franchisees' computerized point-of-sale devices. Client

software must be installed on your computer system for polling functionality. You must pay a one-time license and configuration charge for this software.

(e) QRC Standardized Network - The network includes broadband connection, managed firewall and network switch, security services, private Wi-Fi, Public Wi-Fi, IoT Wi-Fi, and, if selected, back up network (4G) connectivity. The fees are between $161 and $540 per month, plus a universal service fee for setup by the vendor. A purchase option is available, which will require an initial investment of approximately $3,500 – $4,500. The equipment and services are provided by a Qdoba approved managed service provider. Licensed or non-traditional locations and certain other locations are exempt from this requirement.

(f) Antivirus software - This software protects the local computer from viruses and other threats perpetuated on the internet. This must not be disabled.

(g) Web-based training device - The current standard is a Wi-Fi enabled iPad Air with 4GB+/64GB+. The Company may require franchisees and certain employees to complete training using tablets.

We reserve the right to require you to purchase or lease any or all of these items from a particular supplier. If we require you to purchase or lease any such system from a third party, we may require that any assistance or support relating to such system be provided by a third party and not by us. The estimated cost of purchasing a POS system is approximately $20,000 - $32,000 depending upon the amount of equipment purchased and the configuration. Continuous software maintenance coverage is required on your POS system software. Cost for this coverage is recurring and will vary depending on the amount of equipment purchased and the configuration. We also require the right to independently access your system and all information and data that is electronically collected on the system (Franchise Agreement, Sections 9, 11, 12, 13, and 24.).

We may require you to add hardware or software, and/or update or upgrade the computer and POS equipment, during the term of your franchise agreement to meet operational and compliance-related needs. There are no contractual limitations on the frequency or cost of computer and POS upgrades. We estimate that the average annual cost for maintaining, upgrading, updating, and supporting your systems is less than $16,000 per restaurant.

In addition, you are required to maintain full compliance with the Payment Card Industry Data Security Standard (PCI-DSS) and to prove your compliance by providing to us an executed copy of the PCI self-assessment questionnaire or the PCI report on compliance, whichever is appropriate, on an annual basis.

F. Training. The DO, General Manager and a third person designated by you (such as an assistant manager) must attend our training programs, and all training must be completed before opening. The DO program is scheduled based on need, is approximately seven (7) weeks (315 hours) long, contingent on role, experience, speed to proficiency, and begins with an orientation at a certified training location to be determined by us. Of the 315 hours, approximately 100% is spent in restaurant. The DO must attend on-the-job training at a certified training restaurant. Approximately 28 weeks before the scheduled opening of your restaurant, we will begin training the DO. The General Manager program is scheduled based on need, is approximately seven (7) weeks (315 hours) long, contingent on experience and speed to proficiency, and begins with an orientation at a certified training location to be determined by us.

Of the 315 hours, approximately 100% is spent in restaurant. Your General Manager should begin training at least 12 weeks before the opening of your restaurant. A third person should begin training at least 12 weeks before the restaurant opens. All such persons must attend and complete the training program to our satisfaction in order for you to open a *Qdoba* restaurant.

We do not charge you for the three franchisee employees to attend the training program. All trainer wages and materials are paid for by us. All wages, travel, and living expenses for your employees who attend the training are your responsibility. If we provide training in excess of the standard training program, we may charge a reasonable fee for the training and materials (currently up to $1,600 per trainee).

If you operate 2 or more *Qdoba* restaurants and we have approved your trained managers to conduct our training programs ("Trained Managers") before opening your third *Qdoba* restaurant: (1) your DO, General Manager, and any managers, owners or employees we designate must attend and complete the training programs that you conduct at one of your existing *Qdoba* restaurant, unless the individuals previously completed that training program to our satisfaction; and (2) your Trained Managers must fully train the DO, General Manager, and any managers, owners or employees of the third restaurant and be responsible for providing any required opening training programs. The content and administration of your training programs must be at least equal to those of our training programs and must be approved in advance by us. We will provide you with materials and, to the extent we deem it necessary or appropriate, assistance in designing and developing your training programs. We have the right to review your training programs periodically to ensure their quality and to verify that your personnel are being trained in a timely and satisfactory manner. We will notify you of any deficiencies in the training programs. You must promptly cure the deficiencies. We reserve the right to revoke training certification status if deficiencies are not cured within a timetable determined by us.

The instructional material for the training program is based on the Manuals and Qdoba Training System, both of which will be made available through portal access, digital offering, or, at your cost, our preferred printing vendor. The Company may require training to be completed using a tablet or similar device. The training program outlines the necessary restaurant operational knowledge to help build new skills and refine current talents. It allows the restaurant leaders to evaluate, certify, and confirm progress. The training materials for Management Training describe various positional training needed to effectively manage a restaurant, including: Cook, Line Server, Delivery Driver, Shift Runner, Digital Specialist and Curbside Runner. Additional content provides management-level training for a Management Trainee, Assistant Manager, and General Manager.

The training program is under the general direction of Kyle Moses, Director of Training & Development & Operations Services since May of 2022. Mr. Moses has 13 years of experience working in training positions with Qdoba. Below where it says "Restaurant," the training will be conducted at a company operated certified Qdoba training restaurant located near our headquarters or at another location we select.

The following tables provide an outline of our Management Training Program:

TRAINING PROGRAM

Table A: Team Member/Team Leader

				Requirements By Level			
Subject	**Hours of Classroom Training**	**Hours of On-The-Job Training (Team Member/Team Leader)**	**Location**	**TM**	**TL**	**GM**	**DO**
Qdoba Onboarding	0	2	Restaurant	X	X	X	X
Line Service	0	8	Restaurant	X	X		
Line Service - Cashier	0	3	Restaurant	X	X		
Catering - Packaging and Prep of Catering Orders	0	3	Restaurant	X	X		
Catering – Delivery Driver Training	0	4	Restaurant	X	X		
Responsible Service of Alcohol	0	2	Restaurant	X	X		
Digital Orders	0	3	Restaurant	X	X		
Prep	0	12	Restaurant	X	X		
Cook	0	8	Restaurant	X	X		
Team Leader Orientation & People Leadership	0	8	Restaurant		X		
Shift Running	0	5	Restaurant		X		
Controlling Costs	0	4	Restaurant		X		
Digital Ordering & Catering Management	0	4	Restaurant		X		
Crisis Management	0	4	Restaurant		X		
Practice #1 Leading A Shift	0	8	Restaurant		X		
Practice #2 Leading A Shift	0	8	Restaurant		X		
Practice #3 Leading A Shift	0	8	Restaurant		X		
General Manager Certification of Team Leader	0	8	Restaurant		X		
District Manager Certification of Team Leader	0	8	Restaurant		X		
Certification	0	2	Restaurant				
Food Safety Management**	9	0	3rd Party Vendor	*	*		
TOTAL	9 hours	112 hours					

Table B: Manager in Training

Subject	Hours of Classroom Training	Hours of On-The-Job Training (Manager in Training)	Hours of On-The-Job Training (DO)	Location	Requirements By Level			
					TM	TL	GM	DO
Orientation & Kitchen Systems	0	45	45	Restaurant			X	X
Line Management	0	45	45	Restaurant			X	X
Team Leader	0	45	45	Restaurant			X	X
Team Leader Certification	0	45	45	Restaurant			X	X
Financial Management	0	45	45	Restaurant			X	X
Building The Team	0	45	45	Restaurant			X	X
Building The Business & Certification	0	Combined with "Building the Team"	Combined with "Building the Team"	Restaurant			X	X
Food Safety Management**	9	0	0	3rd Party Vendor			X	X
District Manager Training	0	0	45	Restaurant				X
Regional Training	0	0		Restaurant				X
TOTAL	9 hours	270 hours	315 hours					

TM = Team Member
TL = Team Leader
GM = General Manager
DO = Designated Operator

x = Indicates required subject matter
* = If required by state or local law or regulation
**= Required if not already certified with an accredited Food Safety organization, and franchisee pays all related costs.

The training hours listed are an estimate based on our expectations of what a typical prospective franchisee might require. However, because the Company's training program is proficiency-based and not time-based, the actual time needed to demonstrate proficiency in each training area may vary, and you may require less or more time training than listed here.

ITEM 12
TERRITORY

You will not receive an exclusive territory under our Development Agreement or our Franchise Agreement. You may face competition from other franchisees, from outlets that we own, or from other channels of distribution of competitive brands that we control. Under both our Development Agreement and Franchise Agreement, we may grant you a protected territory, but some areas or sites may be carved out of that territory, as discussed below. A site must be accepted by us based on our then-current site criteria.

Development Agreement. The Development Agreement grants you certain rights (as described below) within a designated geographical area (the "Development Area"). The Development Area is described in an exhibit attached to the Development Agreement. The size of the designated Development Area will vary depending on a variety of factors, including, but not limited to, population concentrations in such areas. During the term of your Development Agreement, we will not establish or license anyone other than you to establish any *Qdoba* restaurant in the Development Area, except as described in the Development Agreement. We may continue to allow pre-existing *Qdoba* restaurants to operate within the Development Area, be transferred to a new franchisee, or be renewed. We may sell products and services within the Development Area, provided that such sales are through channels of distribution that are dissimilar to yours. We also may operate or allow others to operate *Qdoba* restaurants at certain non-traditional locations in the Development Area, such as college campuses, airports, and military installations. We may also allow the operation of restaurants in the Development Area if you fail to open an accepted restaurant within 1 year after the date of our Notice of Site Acceptance. The exceptions are more fully described in the Development Agreement.

In order to maintain your territorial rights during the development period, you must fulfill specific development obligations and other obligations as described in the Development Agreements and Franchise Agreements you enter into with us. You will be required to open and maintain in operation the number of *Qdoba* restaurants required by us ("Minimum Development Quota"). The development schedule and Minimum Development Quota are determined by us on the basis of our view of the market and size of the Development Area. The development schedule and Minimum Development Quota will be described in an exhibit to the Development Agreement. If you fail to comply with the development schedule, you will lose the right to have your development fees credited toward your franchise fees, as more fully described in the Development Agreement, and will ultimately be deemed in material default of your Development Agreement.

If you fail to comply with the development schedule, or fail to comply with any material terms or conditions of any Franchise Agreement or Development Agreement between you and

us, such action will constitute a default under the Development Agreement. Upon such default, we may, at our option, terminate the Development Agreement and all rights granted in it, including the territorial protections. Depending upon the circumstances, we may not be required to afford you any opportunity to cure the default, and the termination may become effective immediately upon your receipt of written notice to you, or as otherwise provided by state law. However, termination of your Development Agreement will not necessarily affect any territorial protection that any of your restaurants may have under Franchise Agreements relating to those restaurants.

Under a Development Agreement, you must obtain our acceptance of a potential site. This requires you to submit our then-current form of site package, which, among others, currently must include: a site evaluation, floor plan, shopping center plan (if applicable), elevation drawings, photographs, letter of intent for obtaining the site, certain financing or financial information, and development cost estimates.

Franchise Agreement. The Franchise Agreement grants you the right to operate a single *Qdoba* restaurant at a specific, Accepted Location. Except at certain non-traditional locations, the Franchise Agreement grants you certain territorial rights in a geographic radius referenced in an exhibit to the Franchise Agreement. The protected geographic territory ("Protected Territory") will generally be a radius of two miles from the Franchised Restaurant, but may be a smaller or larger radius that we agree to before we sign the Franchise Agreement. During the term of the Franchise Agreement, we will not, without your consent, establish or franchise another to establish, a new *Qdoba* restaurant at any location that falls within your Protected Territory, except as provided in the Franchise Agreement. We may continue to allow pre-existing *Qdoba* franchises or company restaurants to operate within the Protected Territory, allow those to be transferred to a new franchisee, or renew those franchises. We may sell products and services within the Protected Territory, provided that such sales are through channels of distribution that are dissimilar to yours. Dissimilar channels of distribution include, but are not limited to, grocery stores, the internet, satellite locations, sales or mail order catalogs, temporary locations, carts or kiosks, or through any other electronic or print media. We also may operate or allow others to operate *Qdoba* restaurants at certain non-traditional locations, such as airports, college campuses and military installations, in the Protected Territory that we believe are more appropriately developed by us or an institutional food service company. These exceptions are more fully described in the Franchise Agreement. The relocation of any franchised restaurant will be subject to our prior written approval, which may be withheld on whatever basis we determine is in our best interests.

The Franchise Agreement gives you no right to establish or buy additional *Qdoba* restaurants, or to use alternate channels of distribution, such as the internet. At the expiration of your initial Franchise Agreement, if certain conditions are met, you will have the option to enter into a new Franchise Agreement (in the form then in use by Qdoba) for the same location.

The Protected Territory granted to you is not dependent upon the achievement of a certain sales volume, market penetration, or similar contingency. Except as provided above, absent our mutual consent, the protected area granted to you may not be altered before the Franchise Agreement expires or is terminated.

Other than as specified in the Franchise Agreements, we retain the right, in our sole discretion, to operate, or to grant to other persons the right to operate, *Qdoba* restaurants at any location or Development Area on such terms and conditions as we deem appropriate. We also retain the right to sell products and services authorized under the System bearing our trademarks, through similar or dissimilar channels of distribution as we deem appropriate.

Affiliate Operations. As disclosed in Item 1, as of the date of this Disclosure Document, we have two affiliates, Modern Market Franchising, LLC and Lemonade Restaurant Group, LLC, that operate or franchise businesses under a different trademark or sell goods or services similar to those that Qdoba's franchisees sell. Modern Market Franchising, LLC offers franchises for "Modern Market Eatery" restaurants, which are premium fast casual restaurants operated under the name "Modern Market Eatery" and related trademarks with a menu consisting of freshly prepared sandwiches, salads, plated dishes, soups, pizzas and beverages. Modern Market Franchising, LLC's principal business address is 3001 Brighton Blvd., Suite 149, Denver, Colorado 80216. Lemonade Restaurant Group, LLC ("Lemonade") operates "Lemonade" brand restaurants, which are modern cafeteria-style, fast casual restaurants, serving seasonal California cuisine, including a selection of salads, bowls, sandwiches, hot and cold dishes, desserts, cold-pressed lemonades and other beverages under the "Lemonade" mark. Lemonade Restaurant Group, LLC's principal business address is 3001 Brighton Blvd., Suite 149, Denver, Colorado 80216. These restaurants may be located near your Qdoba restaurant's Accepted Location and Protected Territory, and may solicit and accept orders from customers near your Qdoba restaurant's Accepted Location and Protected Territory. Even if you have a Development Agreement that provides for territorial protections in a Development Area, these Modern Market Eatery and Lemonade restaurants may be located within your Development Area, or open there at any time. We anticipate no significant conflicts with, or between, Qdoba franchisees and Modern Market and Lemonade franchisees regarding territory, customers or franchisor support because we only grant Qdoba franchises covering specific restaurant locations and the restaurant concepts offer different food products and dining experiences. If a conflict does arise, we will analyze the conflict and take actions (if any) that we deem appropriate.

Currently, we do not operate or franchise, or have any affiliate (other than Modern Market Franchising, LLC and Lemonade Restaurant Group, LLC noted directly above) that operates, franchises, or has any presently formulated plans or policy to operate or franchise, any business that sells primarily Mexican food under a trademark other than Qdoba.

ITEM 13
TRADEMARKS

The Franchise Agreement grants you the right to operate a restaurant using the principal trademark Qdoba Mexican Eats®, and/or other of our marks, as they may be changed, improved, and further developed over time. We will be testing other variations of our principal trademarks, and may require franchisees to use different marks in the future. Principal trademarks include service marks, names, logos, and symbols used to identify your restaurant.

The following principal trademarks, service marks, logos, or other commercial symbols are on file with the United States Patent and Trademark Office on the Principal Register. All required affidavits of use and applications for renewal have been filed.

Trademark	Registration Number	Date of Registration
QDOBA	2,462,773	06/19/2001
QDOBA MEXICAN EATS	4,819,478	09/22/2015

Trademark	Registration Number	Date of Registration
	4,833,275	10/13/2015
QDOBA MEXICAN GRILL	2,452,146	05/15/2001
	4,227,729	10/16/2012
	4,964,072	05/24/2016

There are no currently effective determinations of the Patent and Trademark Office, the Trademark and Trial Appeal Board, the trademark administrator of any state, or any court, or cancellation proceeding, nor any pending material litigation involving the proprietary marks. There are no agreements currently in effect that significantly limit our rights to use or license the use of any of the Marks.

You must inform us if you become aware of any third party using, or claiming a right to use, our trademarks, or tradenames that are confusingly similar to our tradenames.

We also own and will grant to you the right to use many other valuable common law trademarks and trade names, as well as various international marks.

Subject to the terms of the Franchise Agreement, we are obligated by the Franchise Agreement to protect any rights granted to you to use the Marks, and to protect you against claims

of infringement or unfair competition with respect to them, provided you have used the Marks in compliance with the terms of your Franchise Agreement. We have the right to control any administrative proceedings or litigation involving a trademark licensed to you.

In the event that litigation involving the Marks is instituted or threatened against you, you must promptly notify us, and cooperate fully in defending or settling any administrative proceedings or litigation. You must comply with our instructions in filing and maintaining the requisite trade name or fictitious name registrations, and must sign any documents deemed necessary by us or our counsel to obtain protection for the Marks or to maintain their continued validity and enforceability.

The right and license of the Marks granted to you under the Franchise Agreement are nonexclusive. Thus, we have and retain the rights, among others, to use the Marks, to grant others the license to use them, and to develop other systems using the same or similar Marks, with the same right to use, grant or license such new Marks.

You must modify or discontinue use of a Mark if we modify it or discontinue its use. We do not know of any infringing uses that could materially affect your use of our Marks.

ITEM 14
PATENTS, COPYRIGHTS AND PROPRIETARY INFORMATION

We do not own any rights in or to any patents that are material to the franchise. We claim copyrights in the Manuals, menus, advertising and marketing materials, including website interface and look and feel, restaurant design, and related items used in operating the franchise. Those copyrights have not been registered with the United States Registrar of Copyrights but have been protected under the federal copyright laws, where appropriate, by virtue of our placing the appropriate notice of copyright on such items. We do not know of any superior prior rights or infringing uses that could materially affect your use of the copyrighted materials. No agreement requires us to protect or defend our copyrights, or to indemnify you for any expense or damages you incur in any judicial or administrative proceedings involving the copyrighted materials. Neither we nor our affiliates will have any obligation to reimburse you for any expenditures you make because of any discontinuance or modification.

There are no currently effective determinations of the Patent and Trademark Office or US Copyright Office, nor any current legal proceedings involving patents or copyrights that are material to your business.

There are no agreements currently in effect that significantly limit our rights to use a patent or copyright that is material to your business.

Certain materials supplied to you will contain proprietary information and trade secrets of Qdoba, including recipes, new product development information, growth plans, restaurant and equipment design information, training program information, operating procedures that you are required to follow at your restaurant, and supplier relationship and distribution system information. They will be supplied to you and your key personnel under contractual provisions limiting their use to the operation of the franchised restaurant and prohibiting their reproduction or unauthorized disclosure. Under the Franchise Agreement, you agree that you will not allow proprietary information to be used for the benefit of any third party (see Franchise Agreement, Section 24, and the Confidentiality and Non-disclosure Agreement attached as Exhibit C to the Franchise Agreement, License Agreement and Development Agreement).

ITEM 15
OBLIGATIONS TO PARTICIPATE IN THE ACTUAL OPERATION OF THE FRANCHISED BUSINESS

Development Agreement. You or another individual approved by us must supervise the development of all restaurants to be opened. That person must devote best efforts to the development of the *Qdoba* restaurants.

Franchise Agreement. Except certain non-traditional restaurants, if you have more than one *Qdoba* franchised restaurant, they must at all times be under the full-time supervision of a Designated Operator ("DO") and a General Manager (unless otherwise approved by Qdoba). The DO must have at least three (3) years of multi-unit experience in the operation of restaurants, and must be approved by us. The person who is responsible for the day-to-day supervision of your restaurant must assume such responsibilities on a full-time basis, and may not engage in any other business or other activity, directly or indirectly, that requires any significant management responsibility, time commitments, or otherwise may conflict with your obligations under the Franchise Agreement.

Even if a General Manager is in charge of the day-to-day supervision of the restaurant, the DO must nevertheless remain active in overseeing the operations of the restaurants on a full-time basis. The DO and each General Manager must satisfactorily complete Qdoba's certified training program.

Guarantees. If the Franchise Agreement or Development Agreement is held by a corporation, partnership, or other legally formed entity, we may require the owners of the entity and their spouses (regardless of whether they are parties to agreement) to personally guarantee the full performance of the obligations under the Franchise Agreement and Development Agreement. Sample guarantees are attached as Exhibit B to the Franchise Agreement and Development Agreement.

Confidentiality and Non-Competition. Qdoba requires you and all owners of the franchise entity to sign confidentiality and non-competition agreements. The current form of confidentiality and non-competition agreement is attached to the Franchise Agreement and License Agreement as Exhibit D (see Exhibits E-1 and E-2 to this disclosure document). Qdoba may also require your managers and other key personnel to sign a confidentiality agreement that protects our confidential information.

ITEM 16
RESTRICTIONS ON WHAT FRANCHISEE MAY SELL

You must use the restaurant premises solely for the operation of a *Qdoba* restaurant. You must sell or offer for sale only such menu items, products, or services (including catering and delivery services) that we have expressly approved, and may not offer or sell other products or services at or from the restaurant. You must offer for sale the *Qdoba* menu (including catering menu items). We may alter menu items at any time. You may only purchase from approved suppliers, as discussed in Item 8 of this disclosure document. You may not deviate from our standards and specifications without our prior written consent.

Qdoba's menu incorporates all-inclusive, protein-based pricing tiers for the entrée items we specify, and you must use a la carte pricing for other items. The company will provide pricing guidance and recommendations for your consideration, and may require that you use certain

pricing to the extent permitted by applicable law, but in most instances, the pricing that you ultimately implement will be at your discretion.

ITEM 17
RENEWAL, TERMINATION, TRANSFER AND DISPUTE RESOLUTION

THE FRANCHISE RELATIONSHIP

These tables list important provisions of the Franchise Agreement, Development Agreement and related agreements. You should read the provisions in the agreements attached to this disclosure document:

Provision	Section in Franchise Agreement	Summary
a. Term of the Franchise	Section 2.1	Typically, ten years, but term may be shorter if the property cannot be secured for ten years.
b. Renewal or extension of the term	Section 2.2	If you are not in default, and remodel the restaurant and meet certain other requirements, you can enter into a new agreement for an additional term for an additional fee.
c. Requirements for you to renew or extend	Section 2.2	Provide notice, remodel, sign new franchise agreement and release, pay fee, obtain right to possession of premises. The terms of the new franchise agreement may be materially different from the terms and conditions of the current Franchise Agreement.
d. Termination by you	Section 28.5	If you are in compliance with the Franchise Agreement and we fail to comply with a material term of the agreement, you can terminate the franchise agreement after giving notice and an opportunity to cure.
e. Termination by us without cause	Not applicable.	Not applicable.
f. Termination by us with cause	Section 28	We can only terminate if you default under the Franchise Agreement or certain other agreements with us.
g. “Cause” defined – defaults which can be cured	Section 28	“Curable defaults” are not specifically defined, but the Franchise Agreement references notice and correction opportunities relating to defaults due to nonconforming operations, loss of possession of premises, unauthorized transfers, breach of in-term non-competition covenant, refusal to permit audit, failure to

Provision	Section in Franchise Agreement	Summary
		submit financial statements, failure to pay taxes, violation of labor laws, failure to keep business open, failure to pay, failure to restore premises, and default under other agreements, among others.
h. "Cause" defined – defaults which cannot be cured or can be cured at our option	Section 28	**Immediate termination:** Assignment for benefit of creditors; bankruptcy; insolvency; receivership; dissolution, levy or foreclosure; cessation of operations; conviction or pleading to any crime or offense adversely affects the System, Proprietary Marks, or the Company's goodwill. **Termination at our option:** Danger to public health or safety, conviction of felony or similar offense, unsatisfied judgment, breach of confidentiality or non-competition covenant, maintaining false books or records, multiple defaults, multiple food safety or health inspection failures, material misrepresentations, unauthorized use of Marks, failure to designate a new certified manager after death or permanent disability, loss of right to possess the premises.
i. Your obligations on termination/nonrenewal	Section 29	Cease operations, complete de-identification, return all confidential and proprietary materials, agree to assign your lease to us (at our election), pay all amounts due to us and vendors, comply with post-termination covenant not to compete, pay all costs relating to actions to enforce the Franchise Agreement, sell equipment and inventory (at our election) (see also subsection r. below).
j. Assignment of contract by us	Section 25	Unrestricted right to assign.
k. "Transfer" by you – defined	Section 25	Includes transfer of contract or assets by ownership change.
l. Our approval of transfer by you	Section 25	We have the right to approve any transfer, but we will not unreasonably withhold approval, provided all conditions are met.

Provision	Section in Franchise Agreement	Summary
m. Conditions for our approval of transfer	Section 25	All amounts owed to us must be paid, no defaults in agreements, general release signed, transferee guarantees all obligations, transferee is qualified, current agreement signed by transferee, restaurant refurbished, transfer fee paid, training program completed, transferor remains liable, subordination of financing, acknowledgment that we do not guarantee success.
n. Our right of first refusal to acquire your business	Section 26	We can match any offer to buy for your restaurant or any interest in your restaurant.
o. Our option to purchase your business	Section 5	Option to take over the lease.
p. Your death or disability	Section 27	New manager must be appointed within thirty (30) days. Franchise must be assigned by estate to approved buyer within twelve (12) months.
q. Non-competition covenants during the term of the franchise	Section 30	Subject to state law, no involvement in any food service business that serves primarily Mexican food or for which burritos, tacos, and/or bowls comprise more than twenty percent (20%) of the menu, or represent more than twenty percent (20%) of the sales.
r. Non-competition covenants after the franchise is terminated or expires	Section 30 (not applicable at non-traditional locations)	Subject to state law, no involvement in any food service business that serves primarily Mexican food or for which burritos, tacos, and/or bowls comprise more than twenty percent (20%) of the menu, or represent more than twenty percent (20%) of the sales, located at the Accepted Location, within five (5) miles of the Accepted Location, or within five (5) miles of any Qdoba restaurant existing at the time of termination or expiration, for two (2) years past termination.
s. Modification of the Agreement	Sections 10.4 and 32.7	No modifications without mutual agreement, but all Manuals are subject to change by us in our sole discretion.

Provision	Section in Franchise Agreement	Summary
t. Integration/merger clause	Section 32	Only the terms of the Franchise Agreement and Development Agreement are binding (subject to state law). Except for the statements contained in this disclosure document, you may not rely on any other oral or written statements you have been provided about the franchise.
u. Dispute resolution by arbitration or mediation	Section 32	Subject to state law, you are required to participate in nonbinding mediation.
v. Choice of forum	Section 32	Subject to applicable state law, litigation must be in San Diego, California.
w. Choice of law	Section 32	Subject to applicable state law, California law applies.

Provision	Section in Development Agreement	Summary
a. Term of the Agreement	Section 3 / Exhibit A	Development schedule is established through case-by-case determination.
b. Renewal or extension of the term	Section 3	None.
c. Requirements for you to renew or extend	Not applicable	No renewal option.
d. Termination by you	Section 14	You may terminate the Development Agreement at any time by not proceeding. You will forfeit any development fee paid. These provisions are subject to state law.
e. Termination by us without cause	Not applicable.	Not applicable.
f. Termination by us with cause	Section 2; Section 14	Your default under your Development Agreement (including your failure to meet your development quotas) or default under other agreements with us.

Provision	Section in Development Agreement	Summary
g. "Cause" defined – defaults which can be cured.	Section 14.3	"Curable defaults" are not specifically defined, but the Development Agreement references notice and correction opportunities relating to defaults due to non-conforming operations, possession of premises, unauthorized transfers, breach of in-term non-competition covenant, refusal to permit audit, failure to submit financial statements, failure to pay taxes, violation of labor laws, failure to keep business open, failure to pay, failure to restore premises, default under other agreements, among others.
h. "Cause" defined – defaults which cannot be cured or can be cured at our option	Sections 14.1 and 14.2	**Immediate termination:** Assignment for benefit of creditors; bankruptcy; insolvency; receivership; dissolution levy or foreclosure; cessation of operations. **Termination at our option:** Danger to public health or safety, conviction of felony or similar offense, unsatisfied judgment, breach of confidentiality or non-competition covenant, maintaining false books or records, multiple defaults, material misrepresentations, unauthorized use of Marks.
i. Your obligations on termination/nonrenewal	Section 15	Meet Minimum Development Quota, cease operations, complete de-identification, return all proprietary materials, assign to us your lease (at our election), pay all amounts due to us and vendors, comply with post-termination covenant not to compete, pay all costs relating to actions to enforce the Franchise Agreement, sell equipment and inventory at our election (see also subsection r. below).
j. Assignment of contract by us	Section 11	No restriction on our right to assign.
k. Transfer by you – defined	Section 11	Includes transfer of Agreement or assets or ownership change.
l. Our approval of transfer by you	Section 11	We have the right to approve all transfers.

Provision	Section in Development Agreement	Summary
m. Conditions for our approval of transfer	Section 11	All amounts owing paid; no defaults in agreements; general release (See Exhibit J); transferee guarantees all obligations; transferee qualifies; current agreement signed by transferee; restaurant refurbished; transfer fee paid; training program completed; transfer must include all restaurants covered by a Development Agreement; at least one restaurant in operation; execution of non-compete agreement and acknowledgements, subordination of conventional financing.
n. Our right of first refusal to acquire your business	Section 12	We can match any offer for your business.
o. Our option to purchase your business	Not applicable.	Not applicable.
p. Your death or disability	Section 13	The transfer of any development rights in the event of death requires our prior written consent.
q. Non-competition covenants during the term of the Agreement	Section 16	Subject to state law, no involvement in Mexican-theme fast-food or wrap-style restaurant deriving twenty percent (20%) or more of its revenue from burritos, tacos, and/or bowls.
r. Non-competition covenants after the Agreement is terminated or expires	Section 16	Subject to state law, no involvement in Mexican- theme fast-food or wrap-style restaurant deriving twenty percent (20%) or more of its revenue from burritos, tacos, and/or bowls, located within five (5) miles of any *Qdoba* restaurant for a period of two (2) years.
s. Modification of the Agreement	Sections 9.4 and 19.5	No modifications without mutual agreement, but all Manuals are subject to change by us in our sole discretion.
t. Integration/merger clause	Section 19.4	Only the terms of the Franchise Agreement and Development Agreement are binding (subject to state law). Except for the statements contained in this disclosure document, you may not rely on any other oral or written statements you may have been provided about the franchise.

Provision	Section in Development Agreement	Summary
u. Dispute resolution by arbitration or mediation	Section 19.6	Subject to state law, you are required to participate in nonbinding mediation.
v. Choice of forum	Section 19.7.2	Subject to applicable state law, litigation must be in San Diego, California.
w. Choice of law	Section 19.7.1	Subject to applicable state law, California law applies.

Provision	Section in License Agreement	Summary
a. Term of the Franchise	Section 1	To be negotiated.
b. Renewal or extension of the term	Section 1	For lesser of ten years or term of any renewed Concession Agreement
c. Requirements for you to renew or extend	Section 1	If you are not in default, and renovate the restaurant and meet certain other requirements, you can enter into a new agreement for an additional term for an additional fee.
d. Termination by you	Section 16	If you lose possession of the premises, other than for cause, and have given us notice and an opportunity to assume control of the restaurant.
e. Termination by us without cause	Not applicable.	Not applicable.
f. Termination by us with cause	Section 16	We can only terminate if you default under the License Agreement or certain other agreements with us.
g. “Cause” defined – defaults which can be cured	Section 16	“Curable defaults” are not specifically defined, but the License Agreement references violations of material requirements and correction opportunities.
h. “Cause” defined – defaults which cannot be cured or can be cured at our option	Section 16	“Non-curable defaults” are not specifically defined, but the License Agreement references threat to public health and safety, default in payment, and multiple defaults as defaults that do not require opportunity to cure.

Provision	Section in License Agreement	Summary
i. Your obligations on termination/nonrenewal	Section 17	Cease operations, complete de-identification, return all confidential and proprietary materials, agree to assign your lease to us (at our election), pay all amounts due to us and vendors, comply with post-termination covenant not to compete, pay all costs relating to actions to enforce the Franchise Agreement, sell equipment and inventory (at our election).
j. Assignment of contract by us	Section 14	Unrestricted right to assign.
k. "Transfer" by you – defined	Section 15	Includes transfer of contract or assets by ownership change.
l. Our approval of transfer by you	Section 15	We have the right to approve any transfer, and require that certain conditions be met.
m. Conditions for our approval of transfer	Section 15	All amounts owing paid, no defaults in agreements, general release, transferee guarantees all obligations, transferee qualifies, current agreement signed by transferee, Restaurant refurbished, transfer fee paid, training program completed, new agreement signed by transferee, transferor remains liable, subordination of financing, acknowledgment that we do not guarantee success.
n. Our right of first refusal to acquire your business	Not applicable	Not applicable.
o. Our option to purchase your business	Not applicable	Not applicable.
p. Your death or disability	Not applicable	Not applicable.
q. Non-competition covenants during the term of the franchise	Section 18	Subject to state law, no involvement in any food service business at the same facility that serves primarily Mexican food or for which burritos, tacos, and/or bowls comprise more than ten percent (10%) of the menu, or represent more than ten percent (10%) of the sales.
r. Non-competition covenants after the franchise is terminated or expires	Section 18	Subject to state law, if terminated prior to the end of the initial term, no involvement in any food service business that serves primarily Mexican food or for which burritos, tacos, and/or bowls comprise more than ten percent (10%) of the menu, or represent more than ten

Provision	Section in License Agreement	Summary
		percent (10%) of the sales for one (1) year after termination.
s. Modification of the Agreement	Sections 5 and 19	No modifications without mutual agreement, but all Manuals are subject to change by us in our sole discretion.
t. Integration/merger clause	Section 19	Only the terms of the License Agreement are binding (subject to state law). Except for the statements contained in this disclosure document, you may not rely on any other oral or written statements you have been provided about the franchise.
u. Dispute resolution by arbitration or mediation	Not applicable	Not applicable.
v. Choice of forum	Section 19	Subject to applicable state law, litigation must be in San Diego, California.
w. Choice of law	Section 19	Subject to applicable state law, California law applies.

ITEM 18
PUBLIC FIGURES

We do not currently use any public figure to promote our franchise.

ITEM 19
FINANCIAL PERFORMANCE REPRESENTATION

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.

Franchised Qdoba Restaurants - Historical Average Net, Median and Low / High Restaurant Sales. The following figures represent the average, median, and low / high net restaurant sales for certain franchisee-operated Qdoba restaurants for the trailing twelve months ended October 2, 2022 ("TTM"). The information is based on unaudited information for two hundred and seventy-seven (277) franchisee-operated restaurants that were open and franchisee-operated for at least one (1) year as of the end of the TTM and that were not closed greater than seven (7) operating days in the TTM. We excluded information for seventy-two (72) franchisee-operated Qdoba restaurants because they were not open and franchisee-operated for at least one year or were closed greater than seven (7) operating days in the TTM (38 excluded for not being open or franchisee-operated for one (1) year and 34 excluded for being closed

greater than 7 operating days), as well as for nontraditional licensed Qdoba restaurants (98 units), which are included in a separate table below.

Franchisee-Operated Restaurant Quartiles	Average Net Sales	Number and % of Restaurants Attaining or Exceeding Average Net Sales	Median Net Sales	Lowest Net Sales	Highest Net Sales
Top Quartile	$2,213,544	25 / 70 (35.7%)	$2,016,728	$1,785,492	$4,459,150
2nd Quartile	$1,625,545	34 / 69 (49.3%)	$1,620,866	$1,474,209	$1,784,052
3rd Quartile	$1,270,833	34 / 69 (49.3%)	$1,268,400	$1,104,667	$1,468,838
Bottom Quartile	$870,721	40 / 69 (58.0%)	$897,310	$501,644	$1,091,708
Total	$1,497,754	134 / 277 (48.4%)	$1,474,209	$501,644	$4,459,150

Company-Operated *Qdoba* Restaurants - Historical Sales, Certain Costs, and EBITDA. The following figures represent the sales and operating figures of certain traditional, company-operated Qdoba restaurants for the TTM. The information is based on the unaudited operating results of two hundred and thirty-eight (238) company-operated restaurants that were open for at least one (1) year as of the end of TTM and that were not closed greater than 7 operating days in the TTM. We excluded information for forty-two (42) company-operated Qdoba restaurants because they were not open for at least one year or were closed greater than seven (7) operating days in the TTM, as well as for non-traditional company-operated Qdoba restaurants (6 units).

Historical Average Sales, Selected Costs and Operating Results for 238 Company-Operated Restaurants for 12-month period ending October 2, 2022

REVENUES:	Average	% of Net Sales	Number and % of Restaurants Attaining or Exceeding Average	Median	Low	High
Restaurant Sales [1]	$1,518,189	103.8%	111 / 238 (46.6%)	$1,452,439	$587,991	$2,995,999
Less: Promotions [2]	$55,045	3.8%	98 / 238 (41.2%)	$49,826	$14,781	$137,106
Net Restaurant Sales	$1,463,144	100.0%	111 / 238 (46.6%)	$1,402,613	$573,209	$2,858,893
RESTAURANT [3] COST OF SALES:						
Cost of Sales [4]	$444,581	30.4%	103 / 238 (43.3%)	$427,231	$194,329	$833,436
Salaries and Benefits [5]	$423,162	28.9%	105 / 238 (44.1%)	$413,321	$273,640	$669,996
Other Operating Expenses [6]	$225,880	15.4%	106 / 238 (44.5%)	$221,561	$146,439	$332,861
Occupancy Costs [7]	$129,296	8.8%	103 / 238 (43.3%)	$119,786	$71,355	$229,810
Royalty Fee [8]	$73,157	5.0%	111 / 238 (46.6%)	$70,131	$28,660	$142,945
Advertising Fee [8]	$43,894	3.0%	111 / 238 (46.6%)	$42,078	$17,196	$85,767
Total Cost of Revenues [9]	$1,339,970	91.6%	104 / 238 (43.7%)	$1,294,108	$731,620	$2,294,814

REVENUES:	Average	% of Net Sales	Number and % of Restaurants Attaining or Exceeding Average	Median	Low	High
Proforma Franchise EBITDA	$123,175	8.4%	108 / 238 (45.4%)	$108,505	($158,410)	$564,079
Add Back Royalty Fee	$73,157	5.0%	111 / 238 (46.6%)	$70,131	$28,660	$142,945
Add Back Advertising Fee	$43,894	3.0%	111 / 238 (46.6%)	$42,078	$17,196	$85,767
Company EBITDA	$240,226	16.4%	104 / 238 (43.7%)	$214,885	($193,868)	$1,084,182

These figures for Company-Operated Restaurants have not been audited.

(1) Restaurant sales figures represent all sales including, but not limited to, food, beverage, catering, delivery fees and convenience fees, but do not include sales or service taxes.

(2) Promotions consist of the dollar amount of coupons, other promotional discounts, and manager-complimentary items.

(3) Restaurant Cost of Sales section excludes depreciation and amortization expense.

(4) Costs of sales includes cost of food, paper, and other packaging costs, net of any applicable vendor rebates. The costs of sales may vary considerably based on the geographical areas in which you operate and those serviced by our approved suppliers and distributors.

(5) Salaries and benefits includes wages paid to management (but does not include any wages or overhead above the store management level) and employees of the restaurant, including shift supervisors; management bonuses; payroll taxes; the cost of group insurance; workers compensation; vacation; and other employee benefits.

(6) Other operating expenses include repairs and maintenance, smallwares, cleaning supplies, office supplies, POS maintenance, pest control, delivery charges, credit card processing fees, bank charges, telephone and internet expenses, trash services, equipment rental, property and liability insurance, security expenses, license and business taxes, cost of utilities, and other miscellaneous expenses.

(7) Occupancy Costs include base rent, percentage rent, common area maintenance, real estate taxes, personal property taxes, landlord-billed insurance, and other miscellaneous lease expenses.

(8) The Royalty Fee is defined in Item 6 of this disclosure document. The Advertising Fee includes both the Marketing Fees and Local Advertising Fee, as defined in Item 6 of this disclosure document.

(9) This amount does not include certain fees and expenses you pay which include, but are not limited to, development fees, franchise fees, and administrative costs.

Non-Traditional Licensed Qdoba Restaurants - Historical Average and Median Net Restaurant Sales. The following figures represent the average and median net restaurant sales for certain non-traditional licensed *Qdoba* restaurants. This information is based upon royalty reporting that we have received from our licensees. We have not audited the information received from our licensees, but we believe it is accurate. The data covers all non-traditional licensed restaurants for the TTM that have been open one or more years. We excluded information for five (5) non-traditional licensed *Qdoba* restaurants that closed permanently during the fiscal year.

Non-Traditional Licensed Restaurant Quartiles	Average Net Sales	Number and Percentage of Restaurants Attaining or Exceeding Average Net Sales	Median Net Sales	Lowest Net Sales	Highest Net Sales
Top Quartile	$2,279,488	7 / 20 (35.0%)	$1,733,210	$1,118,730	$5,023,387
2nd Quartile	$942,664	11 / 20 (55.0%)	$949,489	$809,918	$1,110,181
3rd Quartile	$699,470	11 / 20 (55.0%)	$709,448	$578,018	$802,993
Bottom Quartile	$331,021	10 / 20 (50.0%)	$319,801	$122,273	$544,630
Total	$1,063,161	23 / 80 (28.8%)	$806,456	$122,273	$5,023,387

Some outlets have earned these amounts. Your individual results may differ. There is no assurance you will earn as much.

We encourage you to review this material with your attorney or accountant. Written substantiation for the financial performance representation will be made available to the prospective franchisee upon reasonable request.

Except for the information in this Item 19, 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 James Sullivan, Chief Development Officer, 350 Camino de la Reina, San Diego, California, 92108, (858) 766-4718, the Federal Trade Commission, and the appropriate state regulatory agencies.

ITEM 20
OUTLETS AND FRANCHISEE INFORMATION

Table 1
System-Wide Outlet Summary
For Fiscal Years 2020 to 2022

Outlet Type	Year	Outlets at the Start of the Year	Outlets at the End of the Year	Net Change
Franchised Outlets	2020	380	397	+17
	2021	397	406	+9
	2022	406	447	+41
Company-Owned Outlets	2020	350	344	-6
	2021	344	333	-11
	2022	333	286	-47
Total Outlets	**2020**	**730**	**741**	**+11**
	2021	**741**	**739**	**-2**
	2022	**739**	**733**	**-6**

Table 2
Transfers of Outlets from Franchisees to New Owners
(Other than the Franchisor)
For Fiscal Years 2020 to 2022

State	Year	Number of Transfers
Colorado	2020	1
	2021	1
	2022	1
Idaho	2020	0
	2021	1
	2022	0

State	Year	Number of Transfers
Illinois	2020	0
	2021	0
	2022	4
Indiana	2020	0
	2021	1
	2022	4
Iowa	2020	0
	2021	0
	2022	1
Virginia	2020	0
	2021	0
	2022	11
TOTAL	**2020**	**1**
	2021	**3**
	2022	**21**

Table 3
Status of Franchised Outlets
For Fiscal Years 2020 to 2022

State	Year	Outlets at Start of Year	Outlets Opened	Termin-ations	Non-Renewals	Reacquired by Franchisor	Ceased Operations Other Reasons	Outlets at End of the Year
Alabama	2020	0	0	0	0	0	0	0
	2021	0	0	0	0	0	0	0
	2022	0	1	0	0	0	0	1

State	Year	Outlets at Start of Year	Outlets Opened	Termin-ations	Non-Renewals	Reacquired by Franchisor	Ceased Operations Other Reasons	Outlets at End of the Year
Alaska	2020	4	0	0	0	0	0	4
	2021	4	0	0	0	0	0	4
	2022	4	0	0	0	0	0	4
Arizona	2020	5	1	0	0	0	0	6
	2021	6	0	0	0	0	0	6
	2022	6	2	0	1	0	1	6
Arkansas	2020	3	0	0	0	0	0	3
	2021	3	0	0	0	0	0	3
	2022	3	0	0	0	0	0	3
California	2020	3	0	0	0	0	0	3
	2021	3	2	0	0	0	0	5
	2022	5	3	0	0	0	0	8
Colorado	2020	10	0	0	0	0	0	10
	2021	10	1	0	0	0	0	11
	2022	11	1*	0	0	0	0	12
Connecticut	2020	2	0	0	0	0	0	2
	2021	2	0	2	0	0	0	0
	2022	0	0	0	0	0	0	0
DC	2020	3	0	1	0	0	0	2
	2021	2	0	0	0	0	0	2
	2022	2	0	0	0	0	1	1

State	Year	Outlets at Start of Year	Outlets Opened	Termin-ations	Non-Renewals	Reacquired by Franchisor	Ceased Operations Other Reasons	Outlets at End of the Year
Delaware	2020	0	0	0	0	0	0	0
	2021	0	0	0	0	0	0	0
	2022	0	4*	0	0	0	0	4
Florida	2020	11	0	0	0	0	0	11
	2021	11	0	0	0	0	0	11
	2022	11	1	0	0	0	0	12
Georgia	2020	7	3	0	0	0	0	10
	2021	10	1	0	0	0	0	11
	2022	11	0	0	0	0	0	11
Idaho	2020	5	0	0	0	0	0	5
	2021	5	0	0	0	0	0	5
	2022	5	0	0	0	0	0	5
Illinois	2020	10	1	0	0	0	0	11
	2021	11	1	0	0	0	1	11
	2022	11	2	0	1	0	0	12
Indiana	2020	9	1	0	0	0	0	10
	2021	10	0	0	1	0	0	9
	2022	9	5*	0	0	0	0	14
Iowa	2020	3	0	1	0	0	0	2
	2021	2	0	0	0	0	0	2
	2022	2	0	0	0	0	0	2

State	Year	Outlets at Start of Year	Outlets Opened	Termin-ations	Non-Renewals	Reacquired by Franchisor	Ceased Operations Other Reasons	Outlets at End of the Year
Kansas	2020	11	0	0	0	0	0	11
	2021	11	0	0	0	0	0	11
	2022	11	2	0	0	0	0	13
Kentucky	2020	6	1	0	0	0	0	7
	2021	7	1	0	0	0	0	8
	2022	8	0	0	0	0	0	8
Louisiana	2020	2	0	0	0	0	0	2
	2021	2	0	0	0	0	0	2
	2022	2	1	0	0	0	0	3
Maryland	2020	8	0	0	0	0	0	8
	2021	8	0	0	0	0	0	8
	2022	8	2	0	0	0	0	10
Michigan	2020	16	0	0	0	0	0	16
	2021	16	1	0	0	0	0	17
	2022	17	1*	0	0	0	1	17
Minnesota	2020	14	1	0	0	0	0	15
	2021	15	1	0	0	0	0	16
	2022	16	0	0	0	0	0	16
Mississippi	2020	2	0	0	0	0	0	2
	2021	2	0	0	0	0	0	2
	2022	2	1	0	0	0	0	3

State	Year	Outlets at Start of Year	Outlets Opened	Termin-ations	Non-Renewals	Reacquired by Franchisor	Ceased Operations Other Reasons	Outlets at End of the Year
Missouri	2020	11	0	0	0	0	0	11
	2021	11	0	0	0	0	0	11
	2022	11	0	0	0	0	0	11
Montana	2020	4	0	0	0	0	0	4
	2021	4	0	0	1	0	0	3
	2022	3	0	0	0	0	0	3
Nebraska	2020	3	1	0	0	0	0	4
	2021	4	0	0	0	0	0	4
	2022	4	1	0	0	0	0	5
Nevada	2020	10	1	1	0	0	0	10
	2021	10	0	0	0	0	0	10
	2022	10	0	0	0	0	0	10
New Jersey	2020	9	1	1	0	0	0	9
	2021	9	3*	0	0	0	0	12
	2022	12	9*	0	0	0	1	20
New York	2020	4	2	0	0	0	0	6
	2021	6	4*	0	0	0	0	10
	2022	10	2	0	0	0	0	12
North Carolina	2020	22	1	1	0	0	0	22
	2021	22	0	3	0	0	1	18
	2022	18	1	0	0	0	1	18

State	Year	Outlets at Start of Year	Outlets Opened	Termin-ations	Non-Renewals	Reacquired by Franchisor	Ceased Operations Other Reasons	Outlets at End of the Year
North Dakota	2020	4	0	0	0	0	0	4
	2021	4	0	0	0	0	0	4
	2022	4	0	0	0	0	0	4
Ohio	2020	12	0	0	0	0	0	12
	2021	12	1	0	0	0	0	13
	2022	13	0	1	0	0	0	12
Oklahoma	2020	22	3	2	0	0	0	23
	2021	23	0	0	0	0	0	23
	2022	23	1	0	0	0	2	22
Oregon	2020	9	0	0	0	0	0	9
	2021	9	0	0	0	0	1	8
	2022	8	0	0	0	0	0	8
Pennsylvania	2020	12	1	1	0	0	0	12
	2021	12	1*	2	0	0	0	11
	2022	11	8*	0	0	0	1	18
South Carolina	2020	1	1	1	0	0	0	1
	2021	1	1	0	0	0	0	2
	2022	2	0	0	0	0	0	2
South Dakota	2020	4	0	0	0	0	0	4
	2021	4	0	0	0	0	0	4
	2022	4	1	0	0	0	0	5

State	Year	Outlets at Start of Year	Outlets Opened	Termin-ations	Non-Renewals	Reacquired by Franchisor	Ceased Operations Other Reasons	Outlets at End of the Year
Tennessee	2020	6	0	0	0	0	0	6
	2021	6	0	2	0	0	0	4
	2022	4	0	0	0	0	2	2
Texas	2020	14	5	2	0	0	0	17
	2021	17	1	0	0	0	0	18
	2022	18	3	0	0	0	1	20
Utah	2020	1	0	1	0	0	0	0
	2021	0	0	0	0	0	0	0
	2022	0	0	0	0	0	0	0
Virginia	2020	22	2	0	0	0	0	24
	2021	24	2	0	0	0	1	25
	2022	25	2	0	1	0	1	25
Washington	2020	3	0	0	0	0	0	3
	2021	3	0	0	0	0	0	3
	2022	3	1	0	0	0	0	4
West Virginia	2020	5	0	0	0	0	0	5
	2021	5	1	0	0	0	0	6
	2022	6	0	0	0	0	0	6
Wisconsin	2020	52	1	0	0	0	0	53
	2021	53	1	0	0	0	0	54
	2022	54	1	0	0	0	0	55

State	Year	Outlets at Start of Year	Outlets Opened	Termin-ations	Non-Renewals	Reacquired by Franchisor	Ceased Operations Other Reasons	Outlets at End of the Year
Wyoming	2020	7	0	0	0	0	0	7
	2021	7	0	0	0	0	0	7
	2022	7	0	0	0	0	0	7
Manitoba, Canada	2020	4	1	0	0	0	0	5
	2021	5	1	0	0	0	0	6
	2022	6	0	0	0	0	0	6
Ontario, Canada	2020	5	1	0	0	0	0	6
	2021	6	0	0	0	0	0	6
	2022	6	0	0	0	0	0	6
Guaynabo, Puerto Rico	2020	0	0	0	0	0	0	0
	2021	0	0	0	0	0	0	0
	2022	0	1	0	0	0	0	1
Totals	**2020**	**380**	**29**	**12**	**0**	**0**	**0**	**397**
	2021	**397**	**24**	**9**	**2**	**0**	**4**	**406**
	2022	**406**	**57**	**1**	**3**	**0**	**12**	**447**

*During 2021, we sold 7 restaurants (3 in New Jersey, 3 in New York and 1 in Pennsylvania) to franchisees. During 2022, we sold 25 restaurants (1 in Colorado, 1 in Michigan, 4 in Indiana, 4 in Delaware, 6 in Pennsylvania and 9 in New Jersey) to franchisees.

Table 4
Status of Company-Owned Outlets
For Fiscal Years 2020 to 2022

State	Year	Outlets at Start of Year	Outlets Opened	Reacquired from Franchisees	Outlets Closed	Outlets Sold to Franchisees	Outlets at End of Year
California	2020	4	0	0	2	0	2
	2021	2	1	0	0	0	3
	2022	3	0	0	2	0	1
Colorado	2020	74	0	0	0	0	74
	2021	74	0	0	0	0	74
	2022	74	1	0	2	1	72
Connecticut	2020	1	0	0	0	0	1
	2021	1	0	0	0	0	1
	2022	1	0	0	0	0	1
Delaware	2020	4	0	0	0	0	4
	2021	4	0	0	0	0	4
	2022	4	0	0	0	4	0
Idaho	2020	3	0	0	0	0	3
	2021	3	0	0	0	0	3
	2022	3	0	0	0	0	3
Illinois	2020	10	0	0	0	0	10
	2021	10	0	0	0	0	10
	2022	10	0	0	2	0	8
Indiana	2020	33	0	0	2	0	31
	2021	31	0	0	1	0	30
	2022	30	0	0	1	4	25

State	Year	Outlets at Start of Year	Outlets Opened	Reacquired from Franchisees	Outlets Closed	Outlets Sold to Franchisees	Outlets at End of Year
Iowa	2020	3	0	0	0	0	3
	2021	3	0	0	0	0	3
	2022	3	0	0	0	0	3
Kansas	2020	1	0	0	0	0	1
	2021	1	0	0	0	0	1
	2022	1	0	0	0	0	1
Kentucky	2020	24	0	0	0	0	24
	2021	24	0	0	1	0	23
	2022	23	0	0	0	0	23
Maine	2020	1	0	0	0	0	1
	2021	1	0	0	1	0	0
	2022	0	0	0	0	0	0
Maryland	2020	11	1	0	0	0	12
	2021	12	0	0	0	0	12
	2022	12	0	0	1	0	11
Massachusetts	2020	18	0	0	1	0	17
	2021	17	0	0	0	0	17
	2022	17	0	0	1	0	16

State	Year	Outlets at Start of Year	Outlets Opened	Reacquired from Franchisees	Outlets Closed	Outlets Sold to Franchisees	Outlets at End of Year
Michigan	2020	53	1	0	1	0	53
	2021	53	1	0	0	0	54
	2022	54	1	0	6	1	48
Minnesota	2020	9	0	0	0	0	9
	2021	9	0	0	0	0	9
	2022	9	0	0	2	0	7
Missouri	2020	24	0	0	0	0	24
	2021	24	0	0	0	0	24
	2022	24	0	0	2	0	22
Montana	2020	1	0	0	0	0	1
	2021	1	0	0	0	0	1
	2022	1	0	0	0	0	1
Nebraska	2020	8	0	0	0	0	8
	2021	8	0	0	0	0	8
	2022	8	0	0	0	0	8
New Hampshire	2020	2	0	0	0	0	2
	2021	2	0	0	0	0	2
	2022	2	0	0	1	0	1
New Jersey	2020	15	0	0	0	1	14
	2021	14	0	0	1	3	10
	2022	10	0	0	0	9	1

State	Year	Outlets at Start of Year	Outlets Opened	Reacquired from Franchisees	Outlets Closed	Outlets Sold to Franchisees	Outlets at End of Year
New York	2020	5	0	0	0	0	5
	2021	5	0	0	1	3	1
	2022	1	0	0	0	0	1
North Dakota	2020	4	0	0	0	0	4
	2021	4	0	0	0	0	4
	2022	4	0	0	1	0	3
Pennsylvania	2020	13	0	0	0	0	13
	2021	13	0	0	0	1	12
	2022	12	0	0	1	6	5
South Dakota	2020	6	0	0	0	0	6
	2021	6	0	0	0	0	6
	2022	6	0	0	0	0	6
Washington	2020	23	0	0	1	0	22
	2021	22	0	0	1	0	21
	2022	21	0	0	2	0	19
Totals	**2020**	**350**	**2**	**0**	**7**	**1**	**344**
	2021	**344**	**2**	**0**	**6**	**7**	**333**
	2022	**333**	**2**	**0**	**24**	**25**	**286**

Table 5
Projected Openings as of October 2, 2022

State	Franchise Agreements Signed But Outlet Not Open	Projected New Franchised Outlets in Next Fiscal Year	Projected New Company-Owned Outlets in Current Fiscal Year
Alabama	0	1	0
Arizona	2	3	0
California	1	5	0
Colorado	0	2	0
District of Columbia	0	1	0
Florida	3	8	0
Indiana	0	0	1
Iowa	0	1	0
Kansas	0	1	0
Kentucky	0	1	0
Maryland	0	2	1
Massachusetts	0	1	0
Michigan	0	2	1
Mississippi	0	1	0
Missouri	0	0	1
Montana	0	1	0
Nebraska	0	1	1
New Jersey	0	2	0
New York	0	4	0
Ohio	0	1	0

State	Franchise Agreements Signed But Outlet Not Open	Projected New Franchised Outlets in Next Fiscal Year	Projected New Company-Owned Outlets in Current Fiscal Year
Oklahoma	0	1	0
Pennsylvania	0	3	0
Puerto Rico	0	1	0
South Carolina	0	1	0
Texas	0	3	0
Virginia	0	1	0
West Virginia	0	1	0
Wisconsin	0	4	0
Kingston, Ontario, Canada	0	1	0
Total	**6**	**54**	**5**

Please see Exhibit D for:

- a list of all the current franchised locations, the franchisee's name, and the location address and telephone number; and
- a list of the names, addresses and telephone numbers of all franchisees who have had an outlet terminated, canceled, not renewed, or otherwise voluntarily or involuntarily ceased to do business under a franchise agreement during fiscal year 2022, or who have not communicated with the Company within the 10-week period before this Franchise Disclosure Document was issued; and
- a list of signed franchise agreements for restaurants that are not yet open.

During the last three years, franchisees have signed confidentiality clauses. In some instances, current and former franchisees sign provisions restricting their ability to speak openly about their experience with Qdoba. You may wish to speak with current and former franchisees, but be aware that not all of those franchisees will be able to communicate with you. The Qdoba Franchisee Association is an independent franchisee association and may be reached at: 1701 Barrett Lakes Blvd. NW, Suite 180, Kennesaw, GA 30144, info@qdobafa.org, 678-797-5207, www.qdobafa.org.

ITEM 21
FINANCIAL STATEMENTS

Attached hereto as Exhibit A are copies of the audited consolidated financial statements for our parent, Quidditch Acquisition, Inc. which includes the consolidated balance sheets as of October 2, 2022 and October 3, 2021 and the related consolidated statements of operations, stockholder's (deficit) equity, and cash flows for the three fiscal years ended October 2, 2022, October 3, 2021, and September 27, 2020, and the related notes to the consolidated financial statements. Under the Guaranty of Performance (included in Exhibit A), Quidditch Acquisition, Inc. has absolutely and unconditionally guaranteed our duties and obligations under the Franchise Agreement.

ITEM 22
CONTRACTS

Attached are copies of all agreements used by us regarding the offering of a franchise:

Franchise Agreement	Exhibit E-1
License Agreement	Exhibit E-2
Development Agreement	Exhibit F
State-Specific Addenda and Agreement Amendments	Exhibit H
Certification of Entity Structure and Operation Form	Exhibit I
General Release of All Claims	Exhibit J
Master Technology Agreement	Exhibit K
Authorization for Prearranged Payments	Exhibit L
Non-Disclosure Agreement	Exhibit M
Stored Value Card Service Agreement	Exhibit N

ITEM 23
RECEIPT

The last pages of this disclosure document are documents acknowledging receipt of the disclosure document ("Receipts"). You should detach one receipt, sign it, and deliver it to us. You may keep the other for your records.

EXHIBIT A

CONSOLIDATED FINANCIAL STATEMENTS OF QUIDDITCH ACQUISITION, INC.

QUIDDITCH ACQUISITION, INC.

CONSOLIDATED FINANCIAL STATEMENTS

As of October 2, 2022 and October 3, 2021

and for the three fiscal years ended October 2, 2022

KPMG LLP
Suite 1100
4655 Executive Drive
San Diego, CA 92121-3132

Independent Auditors' Report

The Board of Directors
Quidditch Acquisition, Inc. and subsidiaries:

Opinion

We have audited the consolidated financial statements of Quidditch Acquisition, Inc. and subsidiaries (the Company), which comprise the consolidated balance sheets as of October 2, 2022 and October 3, 2021, and the related consolidated statements of operations, stockholder's (deficit) equity, and cash flows for the years ended October 2, 2022, October 3, 2021, and September 27, 2020, and the related notes to the consolidated financial statements.

In our opinion, the accompanying consolidated financial statements present fairly, in all material respects, the financial position of the Company as of October 2, 2022 and October 3, 2021, and the results of its operations and its cash flows for the years ended October 2, 2022, October 3, 2021, and September 27, 2020, in accordance with U.S. generally accepted accounting principles.

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 Auditors' Responsibilities for the Audit of the Consolidated Financial Statements section of our report. We are required to be independent of the Company and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audits. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Emphasis of Matter

The Company has changed its method of accounting for revenue as of September 28, 2020 due to the adoption of Accounting Standards Codification Topic 606, *Revenue from Contracts with Customers*. Our opinion is not modified with respect to this matter.

Responsibilities of Management for the Consolidated Financial Statements

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

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

Auditors' Responsibilities for the Audit of the Consolidated Financial Statements

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' 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

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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 consolidated 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 consolidated 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 consolidated financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the consolidated financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the Company's ability to continue as a going concern for a reasonable period of time.

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

KPMG LLP

San Diego, California
December 21, 2022

QUIDDITCH ACQUISITION, INC.
CONSOLIDATED BALANCE SHEETS
(*In thousands, except shares and par values*)

	October 2, 2022	October 3, 2021
ASSETS		
Current assets:		
Cash and cash equivalents	$ 13,183	$ 29,059
Accounts and other receivables, net	9,197	8,490
Inventories	3,152	3,234
Prepaid expenses	5,746	5,802
Other current assets	162	68
Total current assets	31,440	46,653
Property and equipment, net	83,270	90,990
Intangible assets, net	12,315	13,808
Tradename	91,000	91,000
Goodwill	63,326	63,343
Other assets	1,621	2,321
Total assets	$ 282,972	$ 308,115
LIABILITIES AND STOCKHOLDER'S DEFICIT		
Current liabilities:		
Current portion of long-term debt, including $104 as of October 2, 2022 and October 3, 2021 outstanding with Quidditch Topco, L.P.	$ 2,255	$ 2,287
Accounts payable	15,613	16,923
Accrued liabilities	36,988	29,237
Total current liabilities	54,856	48,447
Long-term debt, net of current portion including $9,811 as of October 2, 2022 and $9,916 as of October 3, 2021 outstanding with Quidditch Topco, L.P.	230,609	230,163
Deferred income tax liabilities, net	6,809	6,609
Other long-term liabilities	24,535	27,933
Total liabilities	316,809	313,152
Commitments and contingencies (Notes 4, 5 and 11)		
Stockholder's deficit:		
Common stock ($0.01 par value, 1,000 shares authorized, issued and outstanding as of October 2, 2022 and October 3, 2021)	—	—
Additional paid-in capital	137,473	137,208
Accumulated deficit	(171,310)	(142,245)
Total stockholder's deficit	(33,837)	(5,037)
Total liabilities and stockholder's deficit	$ 282,972	$ 308,115

See accompanying notes to consolidated financial statements.

QUIDDITCH ACQUISITION, INC.
CONSOLIDATED STATEMENTS OF OPERATIONS
(In thousands)

	Year Ended October 2, 2022	Year Ended October 3, 2021	Year Ended September 27, 2020
Revenues:			
Company restaurant sales	$ 436,293	$ 424,962	$ 389,455
Franchise revenue	27,367	21,560	18,701
Franchise advertising contributions	7,012	5,168	—
Other	5,601	3,369	1,057
Total revenues	476,273	455,059	409,213
Operating costs and expenses, net:			
Company restaurant costs:			
Food and packaging	132,591	126,745	118,119
Payroll and employee benefits	130,685	127,966	117,947
Occupancy and other	110,304	111,469	101,555
Total company restaurant costs (excluding depreciation and amortization)	373,580	366,180	337,621
Pre-opening costs	267	160	221
Depreciation and amortization	17,128	17,989	19,777
Franchise advertising expenses	7,012	5,168	—
Selling, general and administrative expenses	64,435	58,707	54,084
Impairment of goodwill	—	—	13,090
Impairment of tradename	—	—	24,000
Impairment of long-lived assets and other charges, net	12,747	11,341	17,492
Transaction and transformation-related costs	5,185	800	2,240
Total operating costs and expenses, net	480,354	460,345	468,525
Losses from operations	(4,081)	(5,286)	(59,312)
Interest expense, net	24,755	24,618	22,431
Losses from continuing operations and before income taxes	(28,836)	(29,904)	(81,743)
Income tax expense (benefit)	251	221	(7,359)
Losses from continuing operations	(29,087)	(30,125)	(74,384)
Earnings (losses) from discontinued operations, net of income taxes	22	(24)	(231)
Net losses	$ (29,065)	$ (30,149)	$ (74,615)

See accompanying notes to consolidated financial statements.

QUIDDITCH ACQUISITION, INC.
CONSOLIDATED STATEMENTS OF STOCKHOLDER'S (DEFICIT) EQUITY
(*In thousands, except shares*)

	Common Stock		Additional Paid-in Capital	Accumulated Deficit	Total Stockholder's (Deficit) Equity
	Shares	Amount			
Balance as of September 29, 2019	1,000	$ —	$ 136,536	$ (36,281)	$ 100,255
Share-based compensation expense	—	—	372	—	372
Net losses	—	—	—	(74,615)	(74,615)
Balance as of September 27, 2020	1,000	—	136,908	(110,896)	26,012
Adjustment for adoption of new revenue recognition standard	—	—	—	(1,200)	(1,200)
Share-based compensation expense	—	—	300	—	300
Net losses	—	—	—	(30,149)	(30,149)
Balance as of October 3, 2021	1,000	—	137,208	(142,245)	(5,037)
Share-based compensation expense	—	—	265	—	265
Net losses	—	—	—	(29,065)	(29,065)
Balance as of October 2, 2022	1,000	$ —	$ 137,473	$ (171,310)	$ (33,837)

See accompanying notes to consolidated financial statements.

QUIDDITCH ACQUISITION, INC.
CONSOLIDATED STATEMENTS OF CASH FLOWS
(*In thousands)*

	Year Ended October 2, 2022	Year Ended October 3, 2021	Year Ended September 27, 2020
Cash flows from operating activities:			
Net losses	$ (29,065)	$ (30,149)	$ (74,615)
Adjustments to reconcile net losses to net cash provided by (used in) operating activities:			
Depreciation and amortization	17,128	17,989	19,777
Amortization of favorable and unfavorable leases	(196)	(586)	(411)
Amortization of deferred financing costs and discount on long-term debt	3,124	3,110	2,714
Deferred income taxes	200	110	(7,693)
Share-based compensation expense	265	300	372
Losses on disposition and sale of assets	6,924	1,140	911
Impairment of goodwill	—	—	13,090
Impairment of tradename	—	—	24,000
Impairment of long-lived assets and other charges, net	4,873	9,755	16,468
Changes in operating assets and liabilities:			
Accounts and other receivables	(686)	(1,138)	1,746
Inventories	82	(422)	158
Prepaid expenses and other current assets	(100)	(3,273)	(476)
Due to Jack in the Box	—	—	(205)
Accounts payable	(1,871)	6,399	1,969
Accrued liabilities	5,105	(6,503)	7,814
Other assets and long-term liabilities	(3,285)	(3,248)	2,291
Cash flows provided by (used in) operating activities	2,498	(6,516)	7,910
Cash flows from investing activities:			
Purchases of property and equipment	(16,254)	(16,153)	(14,345)
Proceeds from the sale of property and restaurants	142	1,239	911
Other	31	44	589
Cash flows used in investing activities	(16,081)	(14,870)	(12,845)
Cash flows from financing activities:			
Proceeds from issuance of debt	—	—	53,450
Proceeds from revolving credit facility	—	—	34,000
Repayment of revolving credit facility	—	—	(34,000)
Principal repayments on debt	(2,293)	(2,866)	(12,201)
Payment of deferred financing costs	—	—	(1,379)
Cash flows (used in) provided by financing activities	(2,293)	(2,866)	39,870
Net (decrease) increase in cash and cash equivalents	(15,876)	(24,252)	34,935
Cash and cash equivalents at beginning of period	29,059	53,311	18,376
Cash and cash equivalents at end of period	$ 13,183	$ 29,059	$ 53,311

See accompanying notes to consolidated financial statements.

1. BUSINESS AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Quidditch Acquisition, Inc. through its wholly-owned subsidiaries owns, operates and franchises Qdoba fast-casual Mexican restaurants. Quidditch Acquisition, Inc. (the "Company"), a Delaware corporation, was formed on December 13, 2017 by funds affiliated with or controlled by Apollo Global Management, LLC ("Apollo") in connection with the acquisition of Qdoba Restaurant Corporation ("Qdoba") from its former owner, Jack in the Box Inc. ("Jack in the Box"). The acquisition of Qdoba from Jack in the Box (the "Qdoba Acquisition") closed on March 21, 2018 for a purchase price of $300.2 million, including net purchase price adjustments. References to “we,” “us” and “our” relate to Quidditch Acquisition, Inc. and its direct and indirect subsidiaries.

The Company operates its business as one operating and reportable segment. As of October 2, 2022, the Qdoba system included 733 restaurants in 44 states, the District of Columbia, Puerto Rico and Canada.

	October 2, 2022	October 3, 2021
Company	286	333
Franchise	447	406
Total system	733	739

Modern Restaurant Concepts Merger

On August 7, 2022, Quidditch Topco, Inc., the Company's indirect parent, and Quidditch Topco, L.P., entered into an Agreement and Plan of Merger (the “Merger Agreement”) with Modern Restaurant Concepts Holdings, LLC, a Delaware limited liability company and Dorado Merger Sub, Inc., a Delaware corporation (“Merger Sub”), whereby Merger Sub will merge with and into Quidditch Topco, Inc., with Quidditch Topco, Inc. continuing as the surviving entity and becoming a wholly-owned subsidiary of MRC Intermediate, Inc. (“MRC”) (the “MRC Merger”). Modern Restaurant Concepts Holdings, LLC, MRC and Merger Sub are affiliates of Butterfly Equity LP. The MRC Merger closed on October 3, 2022, which is the first day of the company’s fiscal year ending on October 1, 2023.

The base purchase price consideration in the Merger Agreement of $330.0 million is subject to adjustments for closing net working capital and indebtedness as well as contingent consideration that may be earned by the seller of up to $70.0 million based on the Company’s performance of Adjusted EBITDA for the trailing-13 fiscal periods ending on April 16, 2023, as specified within the Merger Agreement. In connection with the MRC Merger, all existing indebtedness for borrowed money under our Senior Facilities and First Priority Notes (each as defined in Note 4, Debt), was fully repaid and/or redeemed, and all liens and commitments with respect to such indebtedness were terminated. The MRC Merger was funded with equity and indebtedness, including a $170.0 million term loan borrowing and a $2.0 million revolver borrowing pursuant to a credit facility (the “MRC Credit Facility”) by and amongst MRC, MRC’s parent guarantor and MRC’s wholly-owned domestic subsidiaries, including Quidditch Acquisition Inc. and its subsidiaries. The MRC Credit Facility consists of a $170.0 million term loan, a $35.0 million delayed draw term loan and a $25.0 million revolving credit facility, all of which mature on October 3, 2028.

Basis of Presentation

Basis of Consolidation - The accompanying consolidated financial statements include the accounts of the Company and its wholly owned subsidiaries. All significant intercompany accounts and transactions have been eliminated in consolidation. The consolidated financial statements have been prepared in conformity with generally accepted accounting principles in the United States ("GAAP").

Fiscal Year - The Company and Qdoba operate on a 52-week or 53-week fiscal year that ends on the Sunday closest to September 30. The fiscal year ended October 2, 2022 is referred to herein as fiscal 2022 or the year ended October 2, 2022. The fiscal year ended October 3, 2021 is referred to herein as fiscal 2021 or the year ended October 3, 2021. The fiscal year ended September 27, 2020 is referred to herein as fiscal 2020 or the year ended September 27, 2020. Fiscal 2022 and 2020 each contain 52 weeks, where as fiscal 2021 contains 53 weeks.

Discontinued Operations - In fiscal 2013, Qdoba closed 62 restaurants. The decision to close these restaurants was based on a comprehensive analysis that took into consideration levels of return on investment and other key operating performance metrics. Since the closed locations were not predominantly located near those remaining in operation, the majority of cash flows and sales lost from these closures was not expected to be recovered. In addition, no ongoing involvement or significant direct cash flows from the closed restaurants was anticipated. Therefore, in accordance with the provisions of the Financial Accounting Standards Board ("FASB") authoritative guidance on the presentation of financial statements, the results of operations for these restaurants are reported as discontinued operations for all periods presented. Unless otherwise noted, amounts and disclosures throughout these

notes to the consolidated financial statements relate to continuing operations. As of October 2, 2022, all leases for these closed restaurants had expired.

COVID-19 Pandemic

The ongoing global pandemic of the COVID-19 virus and its variants ("COVID-19 pandemic") have had a significant impact on the restaurant industry. Our business has been adversely affected by the COVID-19 pandemic in varying degrees and times through temporarily closed restaurants, reduced operating hours, disruption in our supply chain and shortages in the labor required to operate our restaurants. We believe that we will continue to successfully navigate any residual challenges associated with the COVID-19 pandemic given our investments in our off-premise and digital channels and the consumer demand for our brand.

The ongoing effects of COVID-19 and its variants, along with other geopolitical and macroeconomic events could lead to further capacity restrictions, wage inflation, staffing challenges, product cost inflation and disruptions in the supply chain that impact our restaurants' ability to obtain the products needed to support our operations. We continue to monitor the situation across jurisdictions and have a team internally focused on governmental compliance and health and safety compliance procedures.

Summary of Significant Accounting Policies

Cash and cash equivalents - For purposes of reporting cash and cash equivalents, all highly liquid investment instruments with an original maturity of three months or less are considered cash equivalents.

Accounts and other receivables, net is primarily comprised of receivables from franchisees, credit card processors, third-party delivery companies, landlords and tenants. Franchisee receivables primarily include royalties and marketing fees associated with franchise agreements. Tenant receivables relate to subleased properties where we are on the master lease agreement. Landlord receivables generally consist of tenant improvement allowances related to new restaurant openings and remodels. The allowance for doubtful accounts is based on historical experience and a review of existing receivables.

Inventories consist principally of food, packaging and supplies and are valued at the lower of cost or net realizable value on a first-in, first-out basis.

Deferred financing costs are capitalized and amortized as a component of interest expense over the terms of the respective financing arrangements. The deferred financing costs related to the first lien term loan facility (the "Term Loan Facility") and $35.0 million of 11.25% first-priority senior secured notes due 2025 (the "First Priority Notes") are recorded as a reduction of the debt balance in the accompanying consolidated balance sheets. The deferred financing costs related to the first lien revolving credit facility (the "Revolving Credit Facility") are recorded in other assets in the accompanying consolidated balance sheets.

Assets Held for Sale - The Company classifies assets as held for sale and ceases depreciation when there is a plan for disposal within the next year and those assets meet the held for sale criteria. Assets held for sale are included in other current assets in the accompanying consolidated balance sheets. There were no assets held for sale as of October 2, 2022 and October 3, 2021.

Transaction and Transformation-related Costs - We incurred transaction costs of $5.2 million during the year ended October 2, 2022 in connection with the sale of the Company. We incurred transaction costs of $0.8 million and $2.0 million during the years ended October 3, 2021 and September 27, 2020, respectively, in connection with the potential sale of the Company. We incurred transformation-related costs of $0.2 million for the year ended September 27, 2020, which represent the direct costs incurred in connection with the separation of Qdoba from Jack in the Box primarily consisting of legal, accounting, consulting and software implementation costs. We did not incur any transformation-related costs for the years ended October 2, 2022 and October 3, 2021.

Property and equipment, net - Expenditures for new facilities and equipment and those that substantially increase the useful lives of the property, are capitalized. Maintenance and repairs are expensed as incurred. When property and equipment are retired or otherwise disposed of, the related cost and accumulated depreciation are removed from the accounts and gains or losses on the dispositions are reflected in results of operations.

Buildings, equipment and leasehold improvements are depreciated using the straight-line method based on the estimated useful lives of the assets over the initial lease term for certain assets acquired in conjunction with the lease commencement for leased properties, or the remaining lease term for certain assets acquired after the commencement of the lease for leased properties. In certain situations, one or more option periods may be used in determining the depreciable lives of assets related to leased properties if we deem that an economic penalty would be incurred otherwise. In either circumstance, our policy requires lease term consistency when calculating the depreciation period, in classifying the lease and in computing straight-line rent expense. Depreciation expense

related to property and equipment was $16.9 million, $17.7 million and $19.5 million for the years ended October 2, 2022, October 3, 2021 and September 27, 2020, respectively.

The estimated useful lives for property and equipment are:

	Estimated Useful Lives
Building and leasehold improvements	Shorter of lease term or estimated useful life, not to exceed 20 years
Restaurant and other equipment	3 to 15 years

Impairment of long-lived assets - We evaluate our long-lived assets, including property and equipment, favorable leases and definite-lived intangible assets for impairment whenever events or changes in circumstances indicate that their carrying value may not be recoverable. Long-lived assets are grouped and evaluated for impairment at the lowest level for which there are identifiable cash flows that are independent of the cash flows of other groups of assets, which is generally at the individual restaurant for our restaurant-level assets. Impairment evaluations for individual restaurants take into consideration a restaurant's operating cash flows, the period of time since a restaurant has been opened or remodeled and the maturity of the related market, which are all significant unobservable inputs ("Level 3 Inputs"). If it is determined that the carrying amounts of long-lived assets are not recoverable, we recognize an impairment loss by the amount that the carrying value of the assets exceeds fair value.

Refer to Note 7, *Impairment of Long-Lived Assets and Other Charges, Net*, for additional information.

Goodwill and intangible assets - Goodwill is the excess of the purchase price over the fair value of identifiable net assets acquired, if any. Upon the sale of restaurants to franchisees, goodwill is decremented. The amount of goodwill written-off is determined as the fair value of the reporting unit disposed of as a percentage of the fair value of the reporting unit retained. Goodwill is evaluated for impairment annually, or more frequently if indicators of impairment are present. We first assess qualitative factors to determine whether the existence of events or circumstances lead to a determination that it is more likely than not that the fair value of a reporting unit is less than its carrying amount. If the qualitative factors indicate that it is more likely than not that the fair value of a reporting unit is less than its carrying amount, we perform a single-step impairment test of goodwill. To perform our impairment analysis, we estimate the fair value of the reporting unit using Level 3 Inputs and compare it to the carrying value of the reporting unit. If the carrying value exceeds the fair value of the reporting unit, an impairment loss is recognized equal to the excess.

Intangible assets, net were primarily established in connection with the Qdoba Acquisition and are comprised of our tradename, franchise agreements and favorable lease agreements. Our tradename has an indefinite life and is not amortized. Our franchise agreements intangible asset primarily represents the fair value of the acquired franchise agreements in the Qdoba Acquisition, which is amortized over 20 years. The favorable lease agreements intangible asset and unfavorable lease liability represent the fair value of acquired lease contracts having contractual rents lower and higher, respectively, than fair market rents and are amortized over the lease term used to determine the fair value. Favorable leases have a weighted-average remaining useful life of ten years and unfavorable leases have a weighted-average remaining useful life of four years as of October 2, 2022.

Indefinite-lived intangible assets are evaluated for impairment annually, or more frequently if indicators of impairment are present. We first assess qualitative factors to determine whether the existence of events or circumstances leads to a determination that it is more likely than not that the fair value of the intangible asset is less than its carrying amount. If the qualitative factors indicate that it is more likely than not that the fair value of the intangible asset is less than its carrying amount, we compare the fair value of the indefinite-lived intangible asset, established using Level 3 Inputs, with its carrying amount. If the carrying amount of an intangible asset exceeds its fair value, an impairment loss is recognized equal to the excess. Refer to Note 3, *Goodwill and Intangible Assets*, for additional information.

Leases - We review all leases for capital or operating classification at their inception under the FASB authoritative guidance for leases, under Topic 840. Our operations are primarily conducted under operating leases. Within the provisions of certain leases, there are rent holidays and escalations in payments over the base lease term, as well as renewal periods. The effects of the holidays and escalations have been reflected in rent expense on a straight-line basis over the expected lease term. Differences between amounts paid and amounts expensed are recorded as straight-line rent accruals, which are included in other long-term liabilities in the accompanying consolidated balance sheets. The lease term commences on the date when we have the right to control the use of the leased property. Certain leases also include contingent rent provisions based on sales levels, which are accrued at the point in time we determine that it is probable such sales levels will be achieved. Tenant incentives received from landlords that are used to fund leasehold improvements are recorded as deferred tenant improvement allowances in the accompanying consolidated balance

sheets based on their short-term or long-term nature and amortized as reductions of rent expense over the term of the lease. Refer to Note 5, *Leases*, for additional information.

Revenue recognition - Company restaurant sales from the operation of company-operated restaurants are generally recognized net of discounts and incentives, when payment is tendered at the point of sale. We report revenue net of sales taxes collected from customers and remitted to governmental taxing authorities. We offer the delivery of our products for catering, through orders on our website and mobile app, and from third-party delivery partners. With respect to sales for catering, and through our website and mobile app, we generally recognize revenue, including delivery fees, when our products are delivered to the customer. With respect to sales of products through third-party delivery partners, we generally recognize revenue, excluding delivery fees collected by the delivery partner, when control of the food is transferred to the delivery partner.

Company restaurant sales also includes our loyalty program. The Company offers a customer loyalty program to entice end-customers to purchase goods and services from the company and franchised restaurants. These programs allow end-customers to earn points that can be redeemed for products at the restaurants. The estimation of the standalone selling price of points and rewards earned by customers involves several assumptions, including the estimated value of product for which the reward is expected to be redeemed. Our estimate of points and other rewards we expect to be redeemed is based on historical company specific data and these inputs are subject to change over time due to factors such as menu price increases, changes in point redemption options and changes in customer behavior.

Franchise revenue is comprised of (i) development fees, (ii) franchise fees, (iii) on-going royalties and (iv) renewal fees. Development and franchise fees, portions of which are collected in advance and are non-refundable, received pursuant to individual development agreements, grant franchisees the right to develop franchise-operated restaurants in future periods in specific geographic areas. Both development fees and franchise fees are deferred and recognized as revenue over the term of the related franchise agreement or renewal agreement, for the respective restaurant. Deferred development fees and deferred franchise fees are included in other non-current liabilities with the current portion included in accrued liabilities on the consolidated balance sheets. Royalties from franchise-operated restaurants are based on a percentage of franchise restaurant sales and are recognized in the period the related franchise-operated restaurant sales occur.

Franchise advertising contributions consist of a percentage of a franchise restaurant's net sales, typically 1.75% beginning May 16, 2022, and 1.25% for periods prior, paid to the Company for advertising and promotional services that the Company provides. The expense is recorded to franchise advertising expenses. During the years ended October 2, 2022 and October 3, 2021, the Company recognized $7.0 million and $5.2 million in franchise advertising contributions and franchise advertising expenses in the accompanying consolidated statements of operations, respectively.

Other income is comprised of rental income associated with properties subleased to franchisees or third parties and is recognized as revenue on an accrual basis. Other income also includes fees for services such as supply chain and technology fees since we are considered the principal related to the purchase and sale of the services to the franchisee. The related expenses are recognized in selling, general and administrative expenses.

Other income also includes revenue related to gift cards. We sell gift cards to our customers which do not have a stated expiration date. We recognize revenue from gift cards when redeemed by the customer at a company restaurant. The determination of the gift card breakage rate is based upon our specific historical redemption patterns. Amounts recognized on unredeemed gift card balances were $0.6 million, $0.5 million and $0.7 million for the years ended October 2, 2022, October 3, 2021 and September 27, 2020, respectively.

Pre-opening costs - The costs associated with the opening of a new restaurant consist primarily of property rent and employee training costs. Pre-opening costs are expensed as incurred.

Restaurant closure costs - We make decisions to close restaurants based on their cash flows, anticipated future profitability, leasing arrangements and other facts and circumstances pertaining to each location. We estimate future obligations associated with restaurant closures and establish a restaurant closure liability at the time of closure. The restaurant closure liability primarily consists of the present value of future lease obligations, net of estimated sublease income. Restaurant closure costs are primarily comprised of the initial charges associated with establishing restaurant closure liabilities, the accretion of interest on the closure liabilities during the period, the direct costs related to restaurant closures and any changes to the underlying assumptions in the closure liabilities in subsequent periods. Restaurant closure costs are included in impairment of long-lived assets and other charges, net in the accompanying consolidated statements of operations and the related liability is included in accrued liabilities and other long-term liabilities in the accompanying consolidated balance sheets. To the extent that the disposal or abandonment of related property

and equipment for restaurant closures results in gains or losses, such gains or losses are included in losses on disposition of property and equipment, net as disclosed in Note 7, *Impairment of Long-Lived Assets and Other Charges, Net*.

Self-insurance - We have entered into guaranteed cost insurance policies beginning January 1, 2019 for workers' compensation claims, March 21, 2018 for general liability claims and September 1, 2013 for auto claims. For periods prior to establishing guaranteed cost policies, we were self-insured for a portion of the losses for workers' compensation, general liability and auto claims through self-insurance programs. We have retained the exposure for these historical self-insured programs, which had predetermined loss limits per occurrence and in the aggregate. We establish our self-insurance liability (undiscounted) using actuarial estimates of expected self-insured losses for determining reported claims and as the basis for estimating claims incurred, but not reported.

Advertising costs - We administer a marketing fund that requires contractual contributions from company and franchise operated restaurants to pay a weekly fee to the Company. Marketing fund contributions were 1.75% beginning May 16, 2022, and 1.25% for periods prior, as a percentage of sales. Fees received in advance of payment for provided services are included in accrued liabilities in the accompanying consolidated balance sheets. Production costs of advertising assets and other marketing activities are expensed when the advertising is first used for its intended purpose. The costs of advertising and media placement are expensed as incurred. These costs, as well as other marketing-related expenses for advertising are included in selling, general and administrative expenses for company restaurant expenses and included in franchise advertising expenses for franchise expenses in the accompanying consolidated statements of operations. Company restaurant advertising costs were $15.5 million, $14.8 million and $13.7 million for the years ended October 2, 2022, October 3, 2021 and September 27, 2020, respectively.

Share-based compensation - We issue equity-based awards to our key officers, employees and non-employee directors under our equity-based compensation plans. Under the fair value recognition provisions of the authoritative guidance for equity-based compensation awards, we measure the fair value of equity-based awards at the grant date and the fair value is recognized as expense over the requisite service period. We generally recognize compensation expense ratably on a straight-line basis over the requisite service period for the entire award. We record compensation expense for performance vesting awards when we deem the achievement of the performance goals to be probable. Refer to Note 10, *Share-based Compensation*, for additional information.

Income taxes - Deferred income tax assets and liabilities are recognized for the future tax consequences attributable to differences between the financial statement carrying amounts of existing assets and liabilities and their respective tax bases, as well as tax loss, credit and disallowed interest carryforwards. Deferred income tax assets and liabilities are measured using enacted tax rates expected to apply to taxable income in the years in which those temporary differences are expected to be recovered or settled. We recognize interest and, when applicable, penalties related to unrecognized tax benefits as a component of our income tax provision.

Authoritative guidance issued by the FASB prescribes a minimum probability threshold that a tax position must meet before a financial statement benefit is recognized. The minimum threshold is defined as a tax position that is more likely than not to be sustained upon examination by the applicable taxing authority, including resolution of any related appeals or litigation processes, based on the technical merits of the position. Refer to Note 8, *Income Taxes*, for additional information.

Contingencies - We recognize liabilities for contingencies when we have an exposure that indicates it is probable that an asset has been impaired or that a liability has been incurred and the amount of impairment or loss can be reasonably estimated. Our ultimate legal and financial liability with respect to such matters cannot be estimated with certainty and requires the use of estimates. When the reasonable estimate is a range and there is a best estimate within the range, we record our best estimate of the loss within the range. We record legal settlement costs when those costs are probable and reasonably estimable. Refer to Note 11, *Contingencies and Legal Matters*, for additional information.

Use of Estimates - In preparing the financial statements in conformity with GAAP, management is required to make certain assumptions and estimates that affect reported amounts of assets, liabilities, revenues, expenses and the disclosure of contingencies. In making these assumptions and estimates, management may from time to time seek advice and consider information provided by actuaries and other experts in a particular area. Actual amounts could differ materially from these estimates.

Fair Value Measurements - Fair value is defined as the exchange price that would be received for an asset or paid to transfer a liability (an exit price) in the principal or most advantageous market for the asset or liability in an orderly transaction between market participants at the measurement date.

Assets and liabilities measured at fair value are assigned a level within the fair value hierarchy, depending on the source of the inputs into the calculation.

- *Level 1* - Quoted prices in active markets for identical assets or liabilities.
- *Level 2* - Observable inputs other than quoted prices included in Level 1, such as quoted prices for similar assets and liabilities in active markets; quoted prices for identical or similar assets and liabilities in markets that are not active; or other inputs that are observable or can be corroborated by observable market data.
- *Level 3* - Unobservable inputs that are supported by little or no market activity and that are significant to the fair value of the assets or liabilities.

There were no financial assets or liabilities measured at fair value on a recurring basis as of October 2, 2022 and October 3, 2021. As of October 2, 2022 and October 3, 2021, the carrying value of all non-debt related financial instruments was not materially different from fair value due to their short-term duration. As of October 2, 2022 and October 3, 2021, the carrying value of our debt was $232.9 million and $232.5 million, respectively, and we estimated the fair value of our debt to be $237.7 million and $240.7 million, respectively, using Level 2 inputs based on quoted market prices of debt instruments that are not considered active markets.

Non-financial assets and liabilities - Our non-financial instruments, which primarily consist of property and equipment, goodwill and intangible assets, are reported at carrying value and are not required to be measured at fair value on a recurring basis. However, on an annual basis or whenever events or changes in circumstances indicate that their carrying value may not be recoverable, non-financial instruments are assessed for impairment. If the carrying values are not fully recoverable, they are written down to fair value.

Refer to Note 3, *Goodwill and Intangible Assets* and Note 7, *Impairment of Long-lived Assets and Other Charges, Net,* for additional information regarding impairment charges.

Concentration of Credit Risk - Financial instruments that potentially subject the Company to concentrations of credit risk consist primarily of cash and cash equivalents and accounts receivable. The Company's cash balances may exceed federally insured limits and credit card transactions at the Company's restaurants are processed by one service provider.

New Accounting Pronouncements Not Yet Adopted

In February 2016, the FASB issued ASU No. 2016-02, *Leases* (Topic 842) (as subsequently amended by ASU 2018-01, ASU 2018-10, ASU 2018-11, ASU 2018-20 and ASU 2019-01, ASU 2020-05, ASU 2021-09) which requires a lessee to recognize assets and liabilities on the balance sheet for those leases classified as operating leases under previous guidance. Substantially all the Company's operating lease commitments will be subject to the new guidance and recognized as operating lease liabilities and right of use assets upon adoption, resulting in a significant increase in the assets and liabilities on our consolidated balance sheets. We do not expect the adoption of this guidance to have a material impact on our consolidated statements of earnings and statements of cash flows.

We are required to adopt this standard in fiscal 2023 and have elected to utilize the alternative transition method, whereby an entity records a cumulative adjustment to opening retained earnings in the year of adoption without restating prior periods. We will elect the transition package of three practical expedients, which, among other items, permits us not to reassess under the new standard our prior conclusions about lease identification, lease classification and initial direct costs. We will also elect the short-term lease recognition exemption for all leases that qualify, permitting us to not apply the recognition requirements of this standard to leases with a term of 12 months or less and an accounting policy to not separate lease and non-lease components for certain classes of assets. We will not elect the practical expedient to use hindsight when determining lease term as it is unavailable to adopt in conjunction with Topic 805, *Business Combinations* due to the MRC Merger that closed on the first day of fiscal 2023. We are substantially complete with our scoping analysis, data gathering process to ensure the completeness and accuracy of our current leasing portfolio, and have begun the testing of our existing leasing system for compliance with Topic 842, and are in the process of reviewing our accounting policies, processes and disclosures. We are unable to provide estimates of our right of use assets and corresponding operating lease liabilities as we have yet to determine our discount rate to apply as of the effective date.

The accounting guidance for lessors remains largely unchanged from previous guidance, except for the presentation of certain lease costs that the Company passes through to lessees, including but not limited to, property taxes and maintenance. These costs are generally paid by the Company and reimbursed by the lessee. Historically, these costs have been recorded on a net basis in the consolidated statements of operations but will be presented gross upon adoption of the new guidance. We do not expect the increase to our annual revenues and expenses to be material.

In December 2019, the FASB issued ASU No. 2019-12, *Income Taxes (Topic 740): Simplifying the Accounting for Income Taxes*, which is intended to simplify various aspects related to accounting for income taxes. ASU 2019-12 removes certain exceptions to the general principles in Topic 740 and also clarifies and amends existing guidance to improve consistent application. This standard is effective for fiscal years beginning after December 15, 2021, and interim periods within fiscal years beginning after December 15, 2022, with early adoption permitted. As such, we will be required to adopt this standard in our annual financial statements for fiscal 2023. We have not yet evaluated the impact that the adoption of this guidance will have on our consolidated financial statements and related disclosures.

New Accounting Pronouncements Adopted

Effective September 28, 2020 (the first day of fiscal 2021), the Company adopted the requirements of ASU No. 2014-09, *Revenue from Contracts with Customers* (Topic 606) using the modified retrospective transition method. Upon adoption, the Company recorded approximately $2.0 million as a cumulative effect adjustment to retained earnings.

2. SALE OF RESTAURANTS

During the year ended October 2, 2022, we sold 24 company restaurants including the related property and equipment to existing franchisees for purchase price consideration of $0.1 million. We recorded a $5.4 million loss as a result of the disposition of assets and lease intangibles in connection with the sale.

During the year ended October 3, 2021, we sold seven company restaurants including the related property and equipment to a new franchisee for a purchase price of $1.2 million. The property and equipment was impaired to fair value less costs to sell prior to the completed sale when the assets were classified as held for sale.

During the September 27, 2020, we sold one company restaurant including the related property and equipment to an existing franchisee. The property and equipment was impaired to zero prior to the completed sale when the assets were classified as held for sale. Refer to Note 7, *Impairment of Long-lived Assets and Other Charges, Net*, for further information.

3. GOODWILL AND OTHER INTANGIBLE ASSETS

Goodwill and certain other intangible assets deemed to have indefinite useful lives are not amortized and are instead subject to annual impairment testing. Finite-lived intangible assets are amortized over their respective estimated useful lives. Changes in the carrying amount of goodwill are as follows:

Goodwill *(in thousands):*

Balance as of September 29, 2019	$	76,659
Impairment of goodwill		(13,090)
Balance as of September 27, 2020		63,569
Disposal		(226)
Balance as of October 3, 2021		63,343
Disposal		(17)
Balance as of October 2, 2022	$	63,326

In March 2020, the outbreak of the COVID-19 pandemic prompted many state and local authorities in the markets in which we operate to mandate the temporary closure of non-essential businesses and dine-in restaurant activity, requiring us to temporarily close all of our restaurants' dining areas and transition to "to-go", pick-up and delivery across the Qdoba system. Due to the resulting decline in sales at our restaurants and the challenging environment for the restaurant industry, the Company determined there was an indicator of impairment for both goodwill and indefinite-lived intangible assets during the 12-weeks ended April 12, 2020.

As such, during the year ended September 27, 2020, using Level 3 Inputs, the Company performed a quantitative goodwill impairment assessment using the discounted cash flow method to determine the fair value of its reporting unit. Significant assumptions and estimates used in determining fair value included future revenues, operating costs, working capital changes, capital expenditures and a discount rate using a market participant weighted average cost of capital that included a selection of comparable companies. Based on the quantitative assessment, the Company determined that the fair value of its reporting unit was less than its

carrying value and recognized a non-cash goodwill impairment charge of $13.1 million, equal to the excess of the reporting unit's carrying value above its fair value. Accumulated goodwill impairment losses were $13.1 million as of October 2, 2022 and October 3, 2021.

In conjunction with the quantitative goodwill impairment assessment during the year ended September 27, 2020, the Company also performed a quantitative impairment assessment of its indefinite-lived tradename intangible asset. Using Level 3 Inputs, the Company used the relief from royalty method to determine the fair value of its tradename. Significant assumptions and estimates used in determining fair value include future revenues, the royalty rate, franchise attrition, brand maintenance expenses and a discount rate using a market participant weighted average cost of capital that included a selection of comparable companies. Based on the quantitative assessment, the Company determined the fair value of its tradename was less than its carrying value and recognized a non-cash impairment charge of $24.0 million, equal to the excess of the tradename's carrying value above its fair value. There were no impairment charges recorded during the years ended October 2, 2022 and October 3, 2021.

See Note 7, *Impairment of Long-lived Assets and Other Charges, Net* for our evaluation of long-lived assets, including favorable leases.

Other Intangible Assets *(in thousands):*

	Gross Carrying Value	Accumulated Amortization	Net
Balance as of October 2, 2022			
Franchise agreements	$ 5,062	$ (1,165)	$ 3,897
Favorable leases	14,606	(6,188)	8,418
Total other intangible assets	$ 19,668	$ (7,353)	$ 12,315
Balance as of October 3, 2021			
Franchise agreements	$ 5,062	$ (908)	$ 4,154
Favorable leases	14,635	(4,981)	9,654
Total other intangible assets	$ 19,697	$ (5,889)	$ 13,808

Amortization - Amortization expense for intangible assets, excluding favorable leases, was $0.3 million for the years ended October 2, 2022, October 3, 2021 and September 27, 2020. Such amounts have been presented as a component of depreciation and amortization in the accompanying consolidated statements of operations.

Favorable leases are amortized as rental expense as a component of operating costs in the accompanying consolidated statements of operations. Amortization expense for favorable leases was $1.2 million, $1.3 million and $1.8 million for the years ended October 2, 2022, October 3, 2021 and September 27, 2020, respectively.

The following table summarizes, as of October 2, 2022, the estimated definite-lived intangible asset amortization expense for each of the next five fiscal years and thereafter *(in thousands)*:

Fiscal year:	
2023	$ 1,449
2024	1,363
2025	1,187
2026	1,106
2027	1,014
Thereafter	6,196
Total	$ 12,315

4. DEBT

Debt consists of the following (*in thousands*):

	October 2, 2022	October 3, 2021
Term Loan Facility	$ 204,735	$ 206,879
First Priority Notes	35,000	35,000
Capital lease obligations	315	516
Less discount and deferred issuance costs	(7,186)	(9,945)
Total long-term debt	232,864	232,450
Less current portion of long-term debt	(2,255)	(2,287)
Long-term debt, net of current portion	$ 230,609	$ 230,163

Senior Facilities

Our first lien credit agreement dated as of March 21, 2018 initially provided for a $204.0 million first lien term loan facility (the "Initial Term Loan Facility") and a $35.0 million first lien revolving credit facility (the "Revolving Credit Facility").

The original principal amount of borrowings under the Initial Term Loan Facility was $204.0 million with a maturity in March 2025. The Revolving Credit Facility matures in March 2023 and includes a letter of credit sub-facility. Any outstanding borrowings under the Revolving Credit Facility are due and payable at maturity.

On March 25, 2020, we borrowed $10.2 million in the form of an incremental term loan (the "Incremental Term Loan") that is on the same terms as, and fungible with, the Initial Term Loan Facility. The Incremental Term Loan was provided by Quidditch Topco, L.P., an affiliate of Apollo. For further discussion, refer to Note 6, *Related Party Transactions.*

The Initial Term Loan Facility and Incremental Term Loan are referred to as the "Term Loan Facility", and together with the Revolving Credit Facility are referred to collectively as the "Senior Facilities".

The Term Loan Facility requires us to make scheduled quarterly principal payments in the amount of $535,500. Borrowings under the Term Loan Facility bear interest at a rate equal to, at our option, either (a) a LIBOR rate (the "LIBOR rate") plus a margin of 7.0% or (b) a base rate (the "Applicable Base Rate") determined by the highest of (i) the federal funds rate plus 6.5%, (ii) the prime rate plus 6.0% and (iii) the one-month adjusted LIBOR plus 7.0%. Borrowings under the Revolving Credit Facility bear interest at a rate equal to, at our option, either (a) the LIBOR Rate plus 4.75% or (b) the Applicable Base Rate plus 3.75%. In addition, we are required to pay a commitment fee of 0.50% per annum to the lenders under the Revolving Credit Facility for unutilized commitments and are also required to pay customary agency fees and fees for the issuance of letters of credit. The interest rates applicable to the Senior Facilities are subject to certain floors and/or step-downs if we satisfy certain net first lien leverage ratios. As of October 2, 2022, the interest rate for the borrowings under the Term Loan Facility was 9.52%.

On March 31, 2020, we borrowed $34.0 million under our Revolving Credit Facility as a precautionary measure in order to increase our cash position and preserve financial flexibility in response to the COVID-19 pandemic. On May 29, 2020, we fully repaid the $34.0 million of borrowings under the Revolving Credit Facility and all related accrued and unpaid interest. As of October 2, 2022, we had no outstanding Revolving Credit Facility borrowings, $1.0 million of outstanding standby letters of credit and undrawn commitments of $34.0 million on our Revolving Credit Facility.

We are required to prepay outstanding term loan borrowings based on certain percentages of excess cash flows and non-ordinary course asset sales and dispositions, and from the issuance of additional debt not permitted under the Senior Facilities. We may voluntarily repay outstanding loans under the Senior Facilities at any time, without prepayment premium or penalty.

All obligations under the Senior Facilities are unconditionally guaranteed by each of our existing and future direct and indirect material, wholly owned subsidiaries, subject to certain exceptions, and the Company’s direct parent on a limited recourse basis. The obligations are secured by a pledge of substantially all of the Company’s assets and those of each subsidiary guarantor, including capital stock of the subsidiary guarantors, in each case subject to certain exceptions, and the Company’s capital stock owned by its direct parent. Such security interests consist of a first-priority lien with respect to the collateral.

The Senior Facilities require that the Company comply on a quarterly basis with a maximum net first-lien leverage ratio (as defined in the Senior Facilities) of 6.55 to 1.00, if more than 35% of borrowings under the Revolving Credit Facility are outstanding (excluding up to $12.5 million of letters of credit and letters of credit that have been cash collateralized). The Senior Facilities contain certain customary affirmative covenants, negative covenants and events of default. The negative covenants in the Senior Facilities include, among other things, certain limitations on the ability of the Company and its subsidiaries to incur additional debt or issue certain preferred equity interests, create liens, make certain loans or investments (including acquisitions), pay dividends on or make distributions in respect of their equity interests or make other restricted payments, and sell assets. We were in compliance with the covenants under our Senior Facilities as of October 2, 2022.

Deferred financing costs of $11.1 million, $0.1 million and $1.8 million incurred in connection with the issuance of the Initial Term Loan Facility, Incremental Term Loan and Revolving Credit Facility are being amortized over the remaining terms of each respective facility. The deferred financing costs related to the Term Loan Facility are recorded as a reduction of the debt balance and the deferred financing costs related to the Revolving Credit Facility are recorded in other assets in the accompanying consolidated balance sheets. The Initial Term Loan Facility was issued with an original issue discount of $4.1 million, which is recorded as a reduction of the debt balance and amortized to interest expense over the term of the debt.

First Priority Senior Secured Notes

On May 21, 2020, the Company issued $35.0 million of 11.25% first-priority senior secured notes due 2025 (the "First Priority Notes"). The First Priority Notes were issued at 95% of par, have an original principal amount of $35.0 million and a maturity in March 2025. The First Priority Notes require semi-annual interest payments on May 15 and November 15 of each year, which commenced November 15, 2020.

We may redeem all or a portion of the First Priority Notes at the following redemption prices, plus accrued and unpaid interest to (but not including) the applicable redemption date:

- Between May 15, 2022 and May 14, 2023, 105.625% of the aggregate principal amount of First Priority Notes being redeemed;
- Between May 15, 2023 and May 14, 2024, 102.812% of the aggregate principal amount of First Priority Notes being redeemed; and
- On and after May 15, 2024, 100.000% of the aggregate principal amount of First Priority Notes being redeemed.

All obligations under the First Priority Notes are fully and unconditionally guaranteed by our existing and future direct and indirect material, wholly owned subsidiaries that guarantee the Senior Facilities, and the Company's direct parent on a limited recourse basis. The First Priority Notes are secured by first-priority security interest in substantially all of the Company's existing and future assets and those of each subsidiary guarantor, subject to permitted liens and certain exceptions, and the Company's capital stock owned by its direct parent. The First Priority Notes rank equally in right of payment with all of our existing and future senior indebtedness.

Additionally, upon the occurrence of specified change of control events, we are required to offer to repurchase the First Priority Notes at 101% of the principal amount, plus accrued and unpaid interest to the purchase date. The First Priority Notes also provide for customary events of default.

The indenture for the First Priority Notes, among other things, limits our ability and the ability of our restricted subsidiaries to incur or guarantee additional indebtedness; pay dividends or distributions on, or redeem or repurchase, capital stock and make other restricted payments; make investments; consummate certain asset sales; engage in certain transactions with affiliates; grant or assume certain liens; and consolidate, merge or transfer all or substantially all of our assets.

Deferred financing costs of $1.3 million incurred in connection with the issuance of the First Priority Notes are being amortized over the remaining term of the debt and are recorded as a reduction of the debt balance. The First Priority Notes were issued with an original issue discount of $1.8 million, which is recorded as a reduction of the debt balance and amortized to interest expense over the term of the debt.

Repayment of Debt

On October 3, 2022, the Company repaid all amounts due and payable under the Senior Facilities and First Priority Notes. Refer to further discussion in Note 1, *Business and Summary of Significant Accounting Policies- Modern Restaurants Concepts Merger*.

Principal Amortization Payments

Required minimum principal amortization payments under the Senior Facilities and the First Priority Notes as of October 2, 2022 are as follows *(in thousands)*:

Fiscal year:	
2023	$ 2,142
2024	2,142
2025	235,451
Thereafter	—
Total	$ 239,735

5. LEASES

We lease restaurants and other facilities, which generally include a base term of 10 years, with options to extend these leases for additional periods of five to 20 years. In some instances, these leases have provisions for contingent rentals based upon a percentage of defined revenues. Many of our restaurant leases also have rent escalation clauses and require the payment of property taxes, insurance and maintenance costs. We also lease certain restaurant and office equipment. Minimum rental obligations are accounted for on a straight-line basis over the term of the initial lease, plus lease option terms for certain locations.

The components of rent expense, excluding amortization of favorable and unfavorable leases, were as follows for each period presented *(in thousands)*:

	Year Ended October 2, 2022	Year Ended October 3, 2021	Year Ended September 27, 2020
Minimum rentals	$ 36,675	$ 37,114	$ 37,425
Contingent rentals	1,065	1,170	945
Total rent expense	$ 37,740	$ 38,284	$ 38,370

The following table presents, as of October 2, 2022, future minimum lease payments under capital and operating leases, including leases recorded as lease obligations relating to continuing and discontinued operations *(in thousands)*:

	Capital Leases	Operating Leases
Fiscal year:		
2023	$ 104	$ 33,731
2024	97	28,674
2025	65	25,261
2026	32	21,020
2027	15	16,158
Thereafter	11	39,400
Total minimum lease payments	324	$ 164,244
Less amount representing interest, 4.41% weighted-average interest rates	(9)	
Present value of obligations under capital leases	315	
Less current portion	(104)	
Long-term capital lease obligations	$ 211	

Assets recorded under capital leases are included in property and equipment, and consisted of the following as of the end of each period presented *(in thousands)*:

	October 2, 2022	October 3, 2021
Equipment	$ 650	$ 863
Less accumulated amortization	(380)	(398)
	$ 270	$ 465

Amortization of assets under capital leases is included in depreciation and amortization expense in the accompanying consolidated statements of operations.

In connection with the sale of certain restaurants to franchisees, we remain contingently liable for a total of 9 leases as a de facto guarantor or otherwise under the lease agreements, including potential option periods. If the franchisees fail to meet their obligations under these lease agreements, we could be required to make lease and other related payments for the remaining contractual term of the leases. Should we be required to make any lease payments under these lease agreements, the maximum amount of rent payments we could be required to make is $6.7 million as of October 2, 2022. The lease terms extend for a maximum of 19 years as of October 2, 2022, and we would remain contingently liable for the leases in the event the leases are extended for any established renewal periods. All locations were operating as of October 2, 2022.

6. RELATED PARTY TRANSACTIONS

Incremental Term Loan

On March 25, 2020, we entered into the Incremental Term Loan for $10.2 million, provided by Quidditch Topco, L.P., an affiliate of Apollo, which was the beneficial owner of the substantial majority of the equity interests of Quidditch Topco, Inc., our indirect parent company for periods prior to the MRC Merger. We incurred interest expense of $0.8 million, $0.8 million and $0.4 million under the Incremental Term Loan during the years ended October 2, 2022, October 3, 2021 and September 27, 2020, respectively. Refer to additional discussion in Note 4, *Debt*.

7. IMPAIRMENT OF LONG-LIVED ASSETS AND OTHER CHARGES, NET

Impairment of long-lived assets and other charges, net in the accompanying consolidated statements of operations is comprised of the following (*in thousands*):

	Year Ended October 2, 2022	Year Ended October 3, 2021	Year Ended September 27, 2020
Restaurant impairment charges	$ 1,628	$ 6,537	$ 9,187
Costs of closed restaurants and other	4,365	4,091	6,440
Losses on disposition of property and equipment, net	1,898	1,323	996
Write-off of intangible assets and liabilities[(1)]	(570)	(555)	707
Accelerated depreciation	—	42	196
Losses (gains) on sale of company restaurants[(2)]	5,426	(97)	(34)
	$ 12,747	$ 11,341	$ 17,492

(1) Includes the write-off of straight-line accruals, favorable lease intangible assets and unfavorable lease liabilities related to restaurant closures.
(2) Refer to Note 2, *Sale of Restaurants*, for discussion of the sale of company restaurants.

Restaurant impairment charges

We evaluate our long-lived assets, including property and equipment and favorable lease intangible assets for impairment whenever events or changes in circumstances indicate that their carrying value may not be recoverable. Impairment evaluations for individual restaurants take into consideration a restaurant's operating cash flows, the period of time since a restaurant has been opened or remodeled and the maturity of the related market, which are all Level 3 Inputs. If the assets of a restaurant subject to our impairment evaluation are not recoverable based upon the forecasted, undiscounted cash flows, we recognize an impairment loss by the amount that the carrying value of the assets exceeds fair value.

During the year ended October 2, 2022, the Company recorded non-cash impairment charges of $1.6 million for 12 underperforming company restaurants based on the estimate of future recoverable cash flows.

During the year ended October 3, 2021, the Company recorded impairment charges of $3.1 million for 28 company restaurants that were classified as held for sale and written down to fair value less costs to sell as well as $2.9 million of non-cash impairment charges related to 27 underperforming company restaurants based on the estimate of future recoverable cash flows, which includes impairment charges of $0.2 million of favorable leases. We also had an additional impairment charge of $0.5 million related to equipment that was no longer in use.

During the year ended September 27, 2020, the Company evaluated restaurants for indicators of impairment, taking into consideration the negative impact of the COVID-19 pandemic. Based on that evaluation, certain restaurant assets were triggered for recoverability assessments, which resulted in elevated impairment charges. The Company recorded restaurant impairment charges of $8.6 million for 28 underperforming company restaurants based on the estimate of future recoverable cash flows, $0.2 million for 3 restaurants that were classified as held for sale during the period and $0.4 million related to excess assets at the restaurant locations which were no longer usable due to COVID-19. Additionally, we impaired $0.7 million related to favorable lease assets, which is reflected within *write-off of intangible assets and liabilities* in the above table.

Costs of closed restaurants and other

Costs of closed restaurants primarily consist of future lease commitments and expected ancillary costs net of anticipated sublease rentals, as well as lease termination fees.

Accrued restaurant closing costs, included in accrued liabilities and other long-term liabilities in the accompanying consolidated balance sheets, changed as follows during the period (*in thousands*):

Balance as of September 27, 2020	$	7,087
Additions and Adjustments[(1)]		3,077
Interest expense		526
Cash payments		(5,511)
Balance as of October 3, 2021		5,179
Additions and Adjustments[(1)]		3,331
Interest expense		521
Cash payments		(3,172)
Balance as of October 2, 2022[(2)]	$	5,859

(1) Adjustments relate primarily to revisions of certain sublease and cost assumptions, as well as lease termination fees. Our estimates related to our future lease obligations, primarily the sublease income we anticipate, are subject to a high degree of judgment and may differ from actual sublease income due to changes in economic conditions, desirability of the sites and other factors.

(2) The weighted average remaining lease term related to these commitments is approximately five years.

Accelerated depreciation

When a long-lived asset will be replaced or otherwise disposed of prior to the end of its estimated useful life, the useful life of the asset is adjusted based on the estimated disposal date and accelerated depreciation is recognized. Accelerated depreciation for the years ended October 3, 2021 and September 27, 2020 relates to restaurant remodels. We did not have any accelerated depreciation for the year ended October 2, 2022.

8. INCOME TAXES

The CARES Act, which was signed into law on March 27, 2020, provides numerous tax provisions and other stimulus measures, including temporary changes regarding the prior and future utilization of net operating losses, temporary changes to the current and future limitations on interest deductions, technical corrections to tax depreciation methods for qualified improvement property ("QIP") and the deferral of the required payments for the employer portion of social security taxes. The Company utilized the CARES Act provision by increasing the net interest deduction by adjusting taxable income limitation from 30% to 50% for applicable fiscal years, electing to accelerate tax depreciation as a result of the technical amendment to QIP and electing to defer the employer portion of social security taxes. Due to our net operating loss position, the CARES Act provisions did not have a material impact on our current income tax expense (benefit) for fiscal 2022, 2021 and 2020.

Income tax expense (benefit) consists of the following *(in thousands)*:

	Year Ended October 2, 2022	Year Ended October 3, 2021	Year Ended September 27, 2020
Current:			
Federal	$ —	$ —	$ (17)
State	(2)	64	91
Foreign	75	16	—
	73	80	74
Deferred:			
Federal	180	182	(8,739)
State	(2)	(41)	1,306
	178	141	(7,433)
Income tax expense (benefit) from continuing operations	$ 251	$ 221	$ (7,359)
Income tax expense (benefit) from discontinued operations	$ 22	$ (5)	$ (245)

The following table provides a reconciliation from the U.S. federal statutory corporate income tax rate (the "Federal Rate") to the effective income tax rate, as a percentage of losses from continuing operations and before income taxes:

	Year Ended October 2, 2022	Year Ended October 3, 2021	Year Ended September 27, 2020
Income tax at the Federal Rate	21.0 %	21.0 %	21.0 %
State income taxes, net of federal benefit	3.4	3.7	4.0
Valuation allowance	(24.8)	(27.1)	(15.6)
Impact of tax credits	2.5	0.6	0.4
Transaction costs	(2.2)	—	—
Impact of change in state tax rate and prior year adjustments	(0.3)	1.5	—
Other	(0.5)	(0.4)	(0.8)
	(0.9)%	(0.7)%	9.0 %

The tax effects of net operating losses and temporary differences that give rise to significant portions of deferred income tax assets and deferred income tax liabilities are presented below *(in thousands)*:

	October 2, 2022	October 3, 2021
Deferred income tax assets:		
Tax loss and tax credit carryforwards	$ 30,972	$ 24,706
Disallowed interest carry-forward	17,123	12,318
Leasing transactions	2,561	2,450
Lease commitments related to closed locations	1,484	1,350
Other reserves and allowances	440	1,320
Transaction costs	697	732
Accrued incentive compensation	530	180
Other, net	2,374	3,006
Valuation allowance	(28,316)	(21,152)
Total deferred income tax assets	27,865	24,910
Deferred income tax liabilities:		
Intangible assets	(28,455)	(27,170)
Property and equipment	(6,219)	(4,349)
Total deferred income tax liabilities	(34,674)	(31,519)
Deferred income tax liabilities, net	$ (6,809)	$ (6,609)

Deferred income tax assets are included in deferred income tax liabilities, net in the accompanying consolidated balance sheets. Deferred income tax assets as of October 2, 2022 include federal net operating loss carry-forwards with indefinite carryforward period of approximately $97.4 million and federal net operating loss ("NOL") carry-forwards of $20.9 million with expiration starting in 2039, state net operating loss carry-forwards of $96.8 million with expirations ranging from 2022 and 2042, and immaterial foreign net operating loss carryforwards. We have considered the implications of IRC Section 382, which poses limitations on NOLs following an ownership change and do not believe our NOLs are at risk of limitation for any past changes in ownership up through the balance sheet date. Further, as a result of the Tax Act, any NOLs generated in fiscal years starting in fiscal 2019 and future fiscal years will maintain an indefinite carryforward period, limited to 80% of taxable income.

We regularly assess the need for a valuation allowance related to our deferred income tax assets, which includes consideration of both positive and negative evidence related to the likelihood of realization of such deferred income tax assets to determine, based on the weight of the available evidence, whether it is more-likely-than-not that some or all of our deferred tax assets will not be realized. In our assessment, we consider recent financial operating results, projected future taxable income, the reversal of existing taxable differences and tax planning strategies. During fiscal 2020, as a result of the impacts of COVID-19 on our business, we concluded that it was not more likely than not that a portion of our deferred income tax assets would be realized. As of the fiscal

year ended October 2, 2022, we reassessed the realizability of our deferred tax assets and continue to believe that a portion of our deferred income tax assets will not be realizable. As such, we continue to provide a valuation allowance on federal and state net operating loss carryforwards, and other net deferred income tax assets that have a limited life and are not supportable by indefinite-lived intangibles deferred tax liability sourced income as of October 2, 2022. As of October 2, 2022 and October 3, 2021, the Company's valuation allowance balance was $28.3 million and $21.2 million, respectively.

From time to time, we may take positions for filing our tax returns which may differ from the treatment of the same item for financial reporting purposes. The ultimate outcome of these items will not be known until the Internal Revenue Service or state has completed its examination or until the statutes of limitations has expired.

At October 2, 2022 and October 3, 2021, the Company has no gross unrecognized tax benefits associated with uncertain income tax positions.

The major jurisdictions in which the Company files income tax returns include the United States and states in which we operate that impose an income tax. The federal statutes of limitations have expired for fiscal years 2017 and prior.

9. EMPLOYEE RETIREMENT PLAN

Effective January 1, 2019, we established a 401(k) plan that allows employees to participate who meet certain age and minimum service hour requirements. Under the current 401(k) plan and a previously offered 401(k) plan, the Company provided matching contributions, which totaled $0.8 million, $0.8 million and $0.9 million, for the years ended October 2, 2022, October 3, 2021 and September 27, 2020, respectively.

10. SHARE-BASED COMPENSATION

The components of share-based compensation expense recognized in each period within selling, general and administrative expenses in the accompanying consolidated statements of operations were $0.3 million, $0.3 million and $0.4 million for the years ended October 2, 2022, October 3, 2021 and September 27, 2020, respectively.

The Company offers share-based compensation plans to attract, retain and motivate key members of our management team and non-employee directors to contribute to the long-term success of the Company. On June 14, 2018, Quidditch Topco, Inc. adopted the Quidditch Topco, Inc. Stock Incentive Plan (the “Equity Plan”). The Equity Plan is administered by the Board of Directors of Quidditch Topco, Inc. who determine the terms and conditions of each grant. Under the provisions of the Equity Plan, Quidditch Topco, Inc. is authorized to issue up to 1,500,000 shares of its common stock in connection with the granting of stock options (the “Options”) and is authorized to issue 500,000 shares of its common stock for grants or purchases. Since the Options are granted by Quidditch Topco, Inc. to employees of Qdoba, we recognize share-based compensation expense and additional paid-in capital in these consolidated financial statements.

The Options expire no later than seven years from the grant date. One-third of the Options are subject to time vesting conditions and vest in five equal annual installments on each anniversary of the effective date of the Options. Two-thirds of the Options are subject both to performance and market vesting conditions. The Options that are subject to performance and market vesting conditions will vest upon achievement of certain multiples of invested capital. Since the achievement of the required multiple of invested capital is unlikely without the occurrence of a liquidity event, no compensation cost is recorded for the related portion of the Options until such a liquidity event is considered to be probable of occurring.

During fiscal 2020, Quidditch Topco, Inc. modified the vesting conditions for half of the outstanding Options that are subject to performance and market vesting conditions by reducing the required multiple of invested capital necessary for such Options to vest. Since the modified portions of the Options were not probable of vesting immediately before and after the modification, there was no incremental compensation cost related to the modification.

The following table summarizes the activity of the Options for the year ended October 2, 2022:

	Number of Options	Weighted average exercise price	Weighted average remaining contractual life (years)
Outstanding as of October 3, 2021	1,090,662	$ 10.26	4.6
Granted	—	—	
Forfeited	(148,000)	10.31	
Outstanding as of October 2, 2022	942,662	10.25	3.4
Vested as of October 2, 2022	201,195	10.16	3.1

The maximum unrecognized compensation cost related to unvested Options as of October 2, 2022 is approximately $2.7 million, $2.3 million of which is related to performance and market vesting conditions. The Company recognizes forfeitures as a reduction of expense as they occur.

The risk-free interest rate was determined based on published U.S. Treasury spot rates using a term equal to the expected life of the related Options. The expected dividend yield assumption is based on the Company's history and expectations of dividend payouts at the grant date. The expected stock price volatility represents the median of selected peer companies in the Company's industry. The expected term of the Options represents the expected time to a liquidity event.

11. CONTINGENCIES AND LEGAL MATTERS

Commitments

The Company enters into various purchase obligations in the ordinary course of business, generally of a short-term nature. Those that are binding primarily relate to commitments for food and packaging, information technology contracts and marketing obligations, related to system-wide restaurant operations. The Company's future estimated cash payments under existing contractual purchase obligations for goods and services as of October 2, 2022 are approximately $58.0 million. These contracts have terms extending through the end of 2026. The Company has excluded agreements that are cancellable without penalty.

Legal matters

We assess contingencies, including litigation contingencies, to determine the degree of probability and range of possible loss for potential accrual in our financial statements. An estimated loss contingency is accrued in the financial statements if it is probable that a liability has been incurred and the amount of the loss can be reasonably estimated. Because litigation is inherently unpredictable, assessing contingencies is highly subjective and requires judgment about future events. When evaluating litigation contingencies, we may be unable to provide a meaningful estimate due to a number of factors, including the procedural status of the matter in question, the availability of appellate remedies, insurance coverage related to the claim or claims in question, the presence of complex or novel legal theories and the ongoing discovery and development of information important to the matter. In addition, damage amounts claimed in litigation against us may be unsupported, exaggerated or unrelated to possible outcomes and as such are not meaningful indicators of our potential liability or financial exposure. We regularly review contingencies to determine the adequacy of the accruals and related disclosures. The ultimate amount of loss may differ from these estimates.

We are subject to normal and routine litigation brought by former, current or prospective employees, customers, franchisees, landlords, vendors and others. We intend to defend ourselves in any such matters. We believe that the ultimate determination of liability in connection with legal claims pending against us, if any, in excess of amounts already provided for such matters in the accompanying consolidated financial statements, will not have a material adverse effect on our business, our results of operations, liquidity or financial position; however, it is possible that our business, results of operations, liquidity or financial condition could be materially affected in a particular future reporting period by the unfavorable resolution of one or more matters or contingencies during such period.

12. SUPPLEMENTAL CASH FLOW INFORMATION (*in thousands*)

	Year Ended October 2, 2022	Year Ended October 3, 2021	Year Ended September 27, 2020
Cash paid during the year for:			
Interest, net of amounts capitalized	$ 19,850	$ 25,419	$ 15,704
Income taxes	74	139	159
Non-cash transactions:			
Decrease (increase) in obligations for purchases of property and equipment	1,640	(440)	476
Equipment capital lease obligations incurred	—	59	40

13. SUPPLEMENTAL CONSOLIDATED BALANCE SHEET INFORMATION *(in thousands)*

	October 2, 2022	October 3, 2021
Accounts and other receivables, net:		
Credit card receivables	$ 3,966	$ 4,108
Trade receivables	2,222	2,097
Delivery services receivables	1,073	1,091
Other	2,310	2,261
Allowances for doubtful accounts	(374)	(1,067)
	$ 9,197	$ 8,490
Prepaid expenses:		
Prepaid rent	$ 3,068	$ 3,097
Prepaid insurance	939	1,125
Prepaid maintenance and subscriptions	914	845
Other	825	735
	$ 5,746	$ 5,802
Property and equipment:		
Buildings and leasehold improvements	$ 84,284	$ 85,385
Restaurant and other equipment	59,807	61,278
Construction in progress	7,165	5,305
	151,256	151,968
Less accumulated depreciation and amortization	(67,986)	(60,978)
Property and equipment, net	$ 83,270	$ 90,990
Other assets:		
Deposits	$ 999	$ 1,023
Deferred financing fees	168	533
Other	454	765
	$ 1,621	$ 2,321

13. SUPPLEMENTAL CONSOLIDATED BALANCE SHEET INFORMATION (continued) *(in thousands)*

	October 2, 2022	October 3, 2021
Accrued liabilities:		
Payroll and benefits	$ 10,059	$ 9,425
Legal and professional services	6,231	1,661
Accrued interest	3,353	1,707
Lease commitments related to closed locations, current portion	3,093	1,526
Deferred social security taxes, current portion	2,908	2,907
Gift card liability	2,786	2,854
Capital improvements	2,310	1,231
Sales and property taxes	1,985	2,458
Marketing loyalty liability	1,101	1,634
Utilities	753	714
Other	2,409	3,120
	$ 36,988	$ 29,237
Other long-term liabilities:		
Straight-line rent accrual	$ 12,996	$ 11,804
Deferred tenant improvement allowances	2,882	2,929
Lease commitments related to closed locations, long-term portion	2,766	3,758
Deferred franchise and development fees	2,760	1,649
Unfavorable lease liabilities	2,315	3,872
Deferred social security taxes, long-term portion	—	2,907
Other	816	1,014
	$ 24,535	$ 27,933

14. SUBSEQUENT EVENTS

The Company has evaluated subsequent events from the balance sheet date through December 21, 2022, the date on which the financial statements were available to be issued.

MRC Merger

Refer to discussion of the MRC Merger within Note 1, *Business and Summary of Significant Accounting Policies – Modern Restaurant Concepts Merger*, which closed on the first day of fiscal 2023.

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GUARANTEE OF PERFORMANCE

For value received, Quidditch Acquisition, Inc., a Delaware corporation located at 350 Camino De La Reina, Suite 400, San Diego, California 92108 (the "Guarantor"), absolutely and unconditionally guarantees to assume the duties and obligations of Qdoba Restaurant Corporation, a Colorado corporation located at 350 Camino De Law Reina, Suite 400, San Diego, California 92108 (the "Franchisor"), under its franchise registration in each state where the franchise is registered, and under its Franchise Agreement identified in its December 22, 20 22 Franchise Disclosure Document as it may be amended, and as that Franchise Agreement may be entered into with franchisees and amended, modified or extended from time to time. This guarantee continues until all such obligations of the Franchisor under its franchise registrations and the Franchise Agreement are satisfied or until the liability of Franchisor to its franchisees under the Franchise Agreement has been completely discharged, whichever occurs first. The Guarantor is not discharged from liability if a claim by a franchisee against the Franchisor remains outstanding. Notice of acceptance is waived. The Guarantor does not waive receipt of notice of default on the part of the Franchisor. This guarantee is binding on the Guarantor and its successors and assigns.

The Guarantor executes this guarantee at San Diego, California, on the 22 day of December, 2022.

GUARANTOR:
Quidditch Acquisition, Inc.

By: DocuSigned by: James D. Sullivan 15C6A6DB350F4C9...
Name: James D. Sullivan
Title: Chief Development Officer

EXHIBIT B

LIST OF STATE ADMINISTRATORS

LIST OF STATE ADMINISTRATORS

We intend to register this disclosure document as a "franchise" in some or all of the following states, if required by the applicable state laws. If and when we pursue franchise registration (or otherwise comply with the franchise investment laws) in these states, the following are the state administrators responsible for the review, registration, and oversight of franchises in these states:

CALIFORNIA Commissioner of Financial Protection and Innovation Department of Financial Protection and Innovation 320 West Fourth Street, Suite 750 Los Angeles, California 90013-2344 (213) 576-7500 Toll Free: (866) 275-2677	**NEW YORK** New York State Department of Law Investor Protection Bureau 28 Liberty Street, 21st Floor New York, New York 10005 (212) 416-8222
HAWAII Commissioner of Securities Department of Commerce & Consumer Affairs Business Registration Division Securities Compliance Branch 335 Merchant Street, Room 203 Honolulu, Hawaii 96813 (808) 586-2722	**NORTH DAKOTA** North Dakota Securities Department State Capitol Department 414 600 East Boulevard Avenue, Fifth Floor Bismarck, North Dakota 58505-0510 (701) 328-4712
ILLINOIS Illinois Office of the Attorney General Franchise Bureau 500 South Second Street Springfield, Illinois 62706 (217) 782-4465	**RHODE ISLAND** Department of Business Regulation Securities Division, Building 69, First Floor John O. Pastore Center 1511 Pontiac Avenue Cranston, Rhode Island 02920 (401) 462-9527
INDIANA Secretary of State Franchise Section 302 West Washington, Room E-111 Indianapolis, Indiana 46204 (317) 232-6681	**SOUTH DAKOTA** Division of Insurance Securities Regulation 124 South Euclid Avenue, 2nd Floor Pierre, South Dakota 57501 (605) 773-3563
MARYLAND Office of the Attorney General Securities Division 200 St. Paul Place Baltimore, Maryland 21202-2020 (410) 576-6360	**VIRGINIA** State Corporation Commission Division of Securities and Retail Franchising 1300 East Main Street, 9th Floor Richmond, Virginia 23219 (804) 371-9051
MICHIGAN Michigan Attorney General's Office Corporate Oversight Division, Franchise Section 525 West Ottawa Street G. Mennen Williams Building, 1st Floor Lansing, Michigan 48913 (517) 335-7567	**WASHINGTON** Department of Financial Institutions Securities Division – 3rd Floor 150 Israel Road, Southwest Tumwater, Washington 98501 (360) 902-8760
MINNESOTA Minnesota Department of Commerce 85 7th Place East, Suite 280 St. Paul, Minnesota 55101 (651) 539-1600	**WISCONSIN** Division of Securities 4822 Madison Yards Way, North Tower Madison, Wisconsin 53705 (608) 266-2139

EXHIBIT C

AGENTS FOR SERVICE OF PROCESS

AGENTS FOR SERVICE OF PROCESS

We intend to register this disclosure document as a "franchise" in some or all of the following states, if required by the applicable state law. If and when we pursue franchise registration (or otherwise comply with the franchise investment laws) in these states, we will designate the following state offices or officials as our agents for service of process in these states. There may be states in addition to those listed below in which we have appointed an agent for service of process. There may also be additional agents in some of the states listed.

CALIFORNIA Commissioner of Financial Protection and Innovation Department of Financial Protection and Innovation 320 West Fourth Street, Suite 750 Los Angeles, California 90013-2344 (213) 576-7500 Toll Free: (866) 275-2677	**NEW YORK** New York Secretary of State New York Department of State One Commerce Plaza, 99 Washington Avenue, 6th Floor Albany, New York 12231-0001 (518) 473-2492
HAWAII Commissioner of Securities Department of Commerce & Consumer Affairs Business Registration Division Securities Compliance Branch 335 Merchant Street, Room 203 Honolulu, Hawaii 96813 (808) 586-2722	**NORTH DAKOTA** North Dakota Securities Commissioner State Capitol 600 East Boulevard Avenue, Fifth Floor Bismarck, North Dakota 58505-0510 (701) 328-4712
ILLINOIS Illinois Attorney General 500 South Second Street Springfield, Illinois 62706 (217) 782-4465	**RHODE ISLAND** Director of Department of Business Regulation Department of Business Regulation Securities Division, Building 69, First Floor John O. Pastore Center 1511 Pontiac Avenue Cranston, Rhode Island 02920 (401) 462-9527
INDIANA Secretary of State Franchise Section 302 West Washington, Room E-111 Indianapolis, Indiana 46204 (317) 232-6681	**SOUTH DAKOTA** Division of Insurance Director of the Securities Regulation 124 South Euclid Avenue, 2nd Floor Pierre, South Dakota 57501 (605) 773-3563
MARYLAND Maryland Securities Commissioner 200 St. Paul Place Baltimore, Maryland 21202-2020 (410) 576-6360	**VIRGINIA** Clerk of the State Corporation Commission 1300 East Main Street, 1st Floor Richmond, Virginia 23219 (804) 371-9733
MICHIGAN Michigan Attorney General's Office Corporate Oversight Division, Franchise Section 525 West Ottawa Street G. Mennen Williams Building, 1st Floor Lansing, Michigan 48913 (517) 335-7567	**WASHINGTON** Director of Department of Financial Institutions Securities Division – 3rd Floor 150 Israel Road, Southwest Tumwater, Washington 98501 (360) 902-8760
MINNESOTA Commissioner of Commerce Minnesota Department of Commerce 85 7th Place East, Suite 280 St. Paul, Minnesota 55101 (651) 539-1600	**WISCONSIN** Division of Securities 4822 Madison Yards Way, North Tower Madison, Wisconsin 53705 (608) 266-2139

EXHIBIT D

LIST OF FRANCHISED LOCATIONS, FORMER FRANCHISEES, AND AGREEMENTS SIGNED BUT UNITS NOT OPEN

List of Franchised Locations (as of October 2, 2022)

Rest. No	Entity	Street Address	City	State / Province	Country	Zip / Postal Code	Phone
1894	Army and Air Force Exchange Service	9214 Hutton Plz	Fort Rucker	Alabama	USA	36362	
2425	Flavors West, LLC	1102 N Muldoon Rd Ste A4	Anchorage	Alaska	USA	99504	(907) 339-9611
2762	Flavors West, LLC	1515 E Parks Hwy	Wasilla	Alaska	USA	99654	(907) 373-7639
2261	Flavors West, LLC	702 E Benson Blvd	Anchorage	Alaska	USA	99503	(907) 276-4755
2324	Flavors West, LLC	1900 E 85th Ct	Anchorage	Alaska	USA	99507	(907) 336-0393
2931	Sodexo - Grand Canyon University	3300 W Camelback Rd Thunder Alley Bldg	Phoenix	Arizona	USA	85017	(602) 639-7863
2782	ARAMARK Educational Services, LLC	1290 S Normal Ave Memorial Union Building	Tempe	Arizona	USA	85287	(480) 965-9568
1967	ARAMARK Educational Services, LLC	7001 East Williams Field Road - Student Union	Mesa	Arizona	USA	85212	
1968	ARAMARK Educational Services, LLC	4701 West Thunderbird Road - University Center Cafe West	Glendale	Arizona	USA	85306	
1787	Sodexo - Northern Arizona University	306 E Pine Knoll Dr., DuBois Center	Flagstaff	Arizona	USA	86011	(928) 523-2372
1795	Army and Air Force Exchange Service	5405 E Granite St., Bldg 2527	Davis Monthan AFB	Arizona	USA	85707	
2676	Burrito Concepts, LLC**	2005 Promenade Blvd, Ste 100	Rogers	Arkansas	USA	72758	(479) 621-6111
1866	Burrito Concepts, LLC**	637 E Joyce Blvd	Fayetteville	Arkansas	USA	72703	(479) 444-6009
2868	Burrito Concepts, LLC**	2935 Parkwood Rd	Jonesboro	Arkansas	USA	72401	(870) 336-2172
2953	Sodexo - Chapman University	1 University Dr	Orange	California	USA	92866	(714) 628-7338
1887	Army and Air Force Exchange Service	690 Airman Dr., Bldg. 648	Travis	California	USA	94535	(707) 437-4490
1938	Sodexo - Loyola Marymount University	1 LMU Drive	Los Angeles	California	USA	90045	
2784	SSP America, Inc.	3225 North Harbor Dr, Terminal TW2 - Space 2060	San Diego	California	USA	92101	(619) 297-0098
3003	Ipai QSR Corporation	31267 Valley Center Road	Valley Center	California	USA	92082	
2793	Cal Poly Pomona	3801 W Temple Ave, Bldg 35 - Bronco Student Ctr	Pomona	California	USA	91768	(909) 869-5477

List of Franchised Locations (as of October 2, 2022)

Rest. No	Entity	Street Address	City	State / Province	Country	Zip / Postal Code	Phone
1937	Sodexo - CSU San Marcos	333 S. Twin Oaks Valley Rd. – University Student Union	San Marcos	California	USA	92096	(760) 750-4764
3021	Fly Away Foods LLC	18601 Airport Way John Wayne Airport - Terminal B Food Court	Costa Mesa	California	USA	92707	(949) 230-8872
2909	Sodexo Operations, LLC	1201 Larimer St, Academic Bldg One	Denver	Colorado	USA	80204	(303) 315-1152
2700	Scherger Limited	2161 N Frontage Rd W, Ste 9	Vail	Colorado	USA	81657	(970) 476-7539
2727	Flavors West, LLC	2620 Woodgate Rd, Ste 104	Montrose	Colorado	USA	81401	(970) 240-9908
2119	Flavors West, LLC	510 Laurel St	Glenwood Springs	Colorado	USA	81601	(970) 928-9700
2459	Flavors West, LLC	592 32nd Rd, Unit B	Clifton	Colorado	USA	81520	(970) 523-0184
2227	Flavors West, LLC	2536 Rimrock Dr, Ste 100	Grand Junction	Colorado	USA	81505	(970) 243-0877
3020	Sodexo Operations, LLC	1200 16th Street, Ben Parker Student Center	Golden	Colorado	USA	80401	
1868	Skyport Group, LLC	8500 Pena Blvd., Denver Airport Concourse B - Mezzanine	Denver	Colorado	USA	80249	
1911	Flavors West, LLC	401 Jurassic Ave B, Unit 2	Fruita	Colorado	USA	81521	(970) 639-2414
1762	Flavors West, LLC	2510 N 12th St, Unit A	Grand Junction	Colorado	USA	81501	(970) 628-4903
1771	Army and Air Force Exchange Service	1804 Prussman Blvd Bldg 1534	Ft Carson	Colorado	USA	80913	(719) 226-1269
2322	Flavors West, LLC	1755 Central Park Dr. Ste 116	Steamboat Springs	Colorado	USA	80488	(970) 879-7610
1718	TIG Queso, LLC**	58 E Main St.	Newark	Delaware	USA	19711	(302) 368-4541
2960	TIG Queso, LLC**	5609 Concord Pike, Unit 7a	Wilmington	Delaware	USA	19803	(302) 477-1832
2920	TIG Queso, LLC**	1211 N Dupont Hwy	Dover	Delaware	USA	19901	(302) 674-4168
2986	TIG Queso, LLC**	3230 Fashion Center Blvd Ste 228	Newark	Delaware	USA	19702	(302) 737-7348
2350	Q (E-Street), LLC	555 11th St NW	Washington	District of Columbia	USA	20004	(202) 347-8477
1819	ARAMARK Educational Services, LLC	12715 Pegasus Dr. Space #137	Orlando	Florida	USA	32816	(407) 823-2551
2367	JED-Fresh, LLC	12376 Apopka Vineland Rd	Lake Buena Vista	Florida	USA	32836	(407) 238-4787
2446	JED-Tampa, LLC	5001 E Fowler Ave	Tampa	Florida	USA	33617	(813) 984-4650

List of Franchised Locations (as of October 2, 2022)

Rest. No	Entity	Street Address	City	State / Province	Country	Zip / Postal Code	Phone
3049	Compass Group USA, Inc	1 UNF Drive, John A .Delaney Student Union Bldg, 58 W	Jacksonville	Florida	USA	32224	(904) 620-1543
2512	AREAS USA MCO, LLC	One Airport Blvd, Airside 3, Orlando Intrnl Airport	Orlando	Florida	USA	32827	(407) 506-7379
1744	Sodexo - Embry Riddle Aeronautical University	600 S Clyde Morris Blvd	Daytona Beach	Florida	USA	32114	(386) 226-6067
2557	JED-Tampa, LLC	13165 US 301, Ste G1	Riverview	Florida	USA	33578	(813) 741-9396
1983	Queso Time FL 1, LLC*	537 SW Pine Island Road	Cape Coral	Florida	USA	33991	(239) 980-0616
1829	JED-Fresh, LLC	10959 W Colonial Dr Ste 12	Ocoee	Florida	USA	34761	(407) 554-2132
2579	JED-Fresh, LLC	380 S State Rd 434 Ste 1005	Altamonte Springs	Florida	USA	32714	(407) 628-9217
1749	Hojeij Branded Foods, LLC	4100 George J Bean Pkwy Space T-3-1737	Tampa	Florida	USA	33607	(813) 387-9843
2313	JED-Fresh, LLC	202 W Lake Mary Blvd	Sanford	Florida	USA	32773	(407) 330-3039
2624	JED-Tampa, LLC	3801 W Gandy Blvd.	Tampa	Florida	USA	33611	(813) 837-0101
1818	Army and Air Force Exchange Service	345 Lindquist Rd	Ft Stewart	Georgia	USA	31314	
2354	Hojeij Branded Foods, LLC	6000 N Terminal Pkwy, Concourse E	Atlanta	Georgia	USA	30320	(404) 684-0312
2745	Fresh Made Foods, LLC	5610 Glenridge Dr NE Ste 105	Sandy Springs	Georgia	USA	30342	(404) 303-8800
1886	Army and Air Force Exchange Service	9220 Marne Road	Fort Benning	Georgia	USA	31905	
2787	Hojeij Branded Foods, LLC	12700 Spine Rd SW, Atlanta Intrnl Airport Spc AF8	Atlanta	Georgia	USA	30320	(404) 684-0312
1933	Premier Queso Kings, LLC	880 West Peachtree St NE Ste 2	Atlanta	Georgia	USA	30309	(470) 417-1174
1936	Premier Queso Kings, LLC	827 NE Church Street	Marietta	Georgia	USA	30060	(770) 235-6270
1948	Premier Queso Kings, LLC	1205 Joel Cowan Parkway	Peachtree City	Georgia	USA	30269	(470) 636-7313
2605	Fresh Made Foods, LLC	5530 Windward Pkwy Ste 330	Alpharetta	Georgia	USA	30004	(770) 346-0087

List of Franchised Locations (as of October 2, 2022)

Rest. No	Entity	Street Address	City	State / Province	Country	Zip / Postal Code	Phone
1774	Army and Air Force Exchange Service	103 Ingersol St. Fort Benning	Cusseta	Georgia	USA	31905	
1802	Army and Air Force Exchange Service	982 Macon St.	Robins AFB	Georgia	USA	31098	
1827	Compass Group USA, Inc	875 Perimeter Drive	Moscow	Idaho	USA	83844	(208) 892-8569
2472	Rojo Caliente Idaho, Inc.	16383 N Market Place Blvd	Nampa	Idaho	USA	83687	(208) 467-2136
2473	Rojo Caliente Idaho, Inc.	3068 E Overland Rd Ste 100	Meridian	Idaho	USA	83642	(208) 888-1462
2474	Rojo Caliente Idaho, Inc.	3319 N Eagle Rd, Ste 100	Merdian	Idaho	USA	83646	(208) 888-0675
2794	Rojo Caliente Idaho, Inc.	590 S Broadway Ave	Boise	Idaho	USA	83702	(208) 426-0794
2645	North Fork Fresh Mex, LLC**	4402 16th St	Moline	Illinois	USA	61265	(309) 797-7100
2658	Gem City Fresh Mex, Inc	415 N 32nd Street	Quincy	Illinois	USA	62301	(217) 222-4822
1786	Illinois State University	200 N University St. Bone Student Center	Normal	Illinois	USA	61761	
1897	Northern Illinois University	340 Carroll Ave Holmes Student Center	Dekalb	Illinois	USA	60115	
3051	Premium Wraps Inc	1650 Premium Outlet Blvd Food Court	Aurora	Illinois	USA	60502	(630) 375-1200
1950	Army and Air Force Exchange Service	207 W. Winters St. Bldg.1981	Scott AFB	Illinois	USA	62225	
1962	Sodexo - Western Illinois University	1 University Circle	Macomb	Illinois	USA	61455	
2759	North Fork Fresh Mex, LLC*	2320 Wabash Ave	Springfield	Illinois	USA	62704	(217) 698-7111
2803	Roaring Fork, LLC*	1025 W Dundee Road	Arlington Heights	Illinois	USA	60004	(224) 387-5647
2840	Roaring Fork, LLC*	2602 W Schaumburg Rd	Schaumburg	Illinois	USA	60194	(224) 208-3985
2584	North Fork Fresh Mex, LLC*	1040 W Camp St	East Peoria	Illinois	USA	61611	(309) 698-7100
2585	North Fork Fresh Mex, LLC*	1210 W Glen Ave	Peoria	Illinois	USA	61614	(309) 692-7100

List of Franchised Locations (as of October 2, 2022)

Rest. No	Entity	Street Address	City	State / Province	Country	Zip / Postal Code	Phone
2652	North Fork Fresh Mex, LLC*	2710 Laporte Ave, Ste 120	Valparaiso	Indiana	USA	46383	(219) 465-6330
2677	CMR Associates, LLC	2037 N State St	Greenfield	Indiana	USA	46140	(317) 318-1490
1793	North Fork Fresh Mex, LLC*	5310 N Main St	Mishawaka	Indiana	USA	46545	(574) 271-1952
2724	Tomatillo Enterprises, Inc.	5549 Hallie Rae Lane	Terre Haute	Indiana	USA	47802	(812) 234-3622
2726	North Fork Fresh Mex, LLC*	333 E 81st Ave, Unit 125	Merrillville	Indiana	USA	46410	(219) 793-9349
2732	North Fork Fresh Mex, LLC*	700 E Coliseum Blvd Ste C	Fort Wayne	Indiana	USA	46805	(260) 471-0040
2736	North Fork Fresh Mex, LLC*	10439 S Indianapolis Blvd	Highland	Indiana	USA	46322	(219) 924-6674
2426	EVVQDOBA1, LLC	922 N Burkhardt Rd Ste 101	Evansville	Indiana	USA	47715	(812) 401-0800
1960	ARAMARK Educational Services, LLC	201 Jischke Drive, Meredith Residence Hall	West Lafayette	Indiana	USA	47906	
2810	CMR Associates, LLC*	4682 S Scatterfield Rd	Anderson	Indiana	USA	46013	(765) 393-2508
3010	Qdoba of Dupont Road, LLC*	10070 Diebold Rd	Fort Wayne	Indiana	USA	46825	(260) 387-6061
1737	North Fork Fresh Mex, LLC*	405 E County Rd 6, Ste A	Elkhart	Indiana	USA	46514	(574) 264-4436
1875	North Fork Fresh Mex, LLC*	2104 E Kimberly Rd Ste 100A	Davenport	Iowa	USA	52807	(563) 232-1883
2804	Roaring Fork, LLC*	2105 Ingersoll Ave Ste 104	Des Moines	Iowa	USA	50312	(515) 619-5358
1816	QLine Foods, LLC	2300 Planet Ave	Salina	Kansas	USA	67401	(785) 515-5995
2872	QLine Foods, LLC	430 N Rock Rd	Wichita	Kansas	USA	67206	(316) 425-3554
2903	QLine Foods, LLC	3380 Vine St, Ste 40	Hays	Kansas	USA	67601	(785) 621-2515
1879	Army and Air Force Exchange Service	2210 Trooper Dr	Fort Riley	Kansas	USA	66442	
2946	Z-Topeka LLC	320 N 3rd St, Bldg O	Manhattan	Kansas	USA	66502	(785) 537-2444
2985	QLine Foods, LLC	583 S West St, Ste 100A	Wichita	Kansas	USA	67213	(316) 260-5184
2510	Z-Topeka LLC	1025 Sw Wanamaker Rd Ste A	Topeka	Kansas	USA	66604	(785) 271-9400
1958	QLine Foods, LLC	2710 Commerce Road	Goodland	Kansas	USA	67124	

List of Franchised Locations (as of October 2, 2022)

Rest. No	Entity	Street Address	City	State / Province	Country	Zip / Postal Code	Phone
2828	W.W.W.W., Inc.	700 W Horton Ave	Colby	Kansas	USA	67701	(785) 460-0041
2845	Z-Topeka LLC	820 E Chestnut St	Junction City	Kansas	USA	66441	(785) 210-1020
2846	Estes Enterprises, Inc.	1518 E 17th Ave	Hutchinson	Kansas	USA	67501	(620) 259-7132
1751	Z-Topeka LLC	918 N 17th St	Manhattan	Kansas	USA	66506	(785) 539-5599
1916	Army and Air Force Exchange Service	330 Kansas Ave. Bldg 700	Ft. Leavenworth	Kansas	USA	66027	
2887	Big Red Burritos, LLC	1971 Cave Mill Rd, Ste 6	Bowling Green	Kentucky	USA	42104	(270) 782-2020
1844	Army and Air Force Exchange Service	127 Gold Vault Road	Fort Knox	Kentucky	USA	40121	
1976	Sodexo - Kentucky State University	400 East Main St. Hill Student Center	Frankfort	Kentucky	USA	40601	(502) 597-6397
2349	Delicio, LLC	7683 Mall Rd, Ste C	Florence	Kentucky	USA	41042	(859) 647-0296
1959	Compass Group USA, Inc	20 Kenton Drive Student Union	Highland Heights	Kentucky	USA	41706	
1764	Army and Air Force Exchange Service	2840 Bastogne Ave	Ft Campbell	Kentucky	USA	42223	
2866	Salsa Brothers, LLC	618 N 12th St	Murray	Kentucky	USA	42071	(270) 767-0300
1803	Bluegrass Fresh Mex, LLC	5015 Hinkleville Rd	Paducah	Kentucky	USA	42001	(270) 408-9999
1980	Army and Air Force Exchange Service	455 Curtiss Road Bldg 4711	Barksdale AFB	Louisiana	USA	71110	(318) 752-9227
2284	Quality Fresh Food, LLC	7415 Corporate Blvd. Ste 940	Baton Rouge	Louisiana	USA	70809	(225) 248-6386
1765	Army and Air Force Exchange Service	7784 Colorado Ave	Ft Polk South	Louisiana	USA	71459	
1813	7207426 Manitoba Ltd.*	20-1545 Regent Ave W	Winnipeg	Manitoba	Canada	R2C 4J2	(204) 669-3718
2891	6496823 Manitoba LTD*	1340 Ellice Ave, Unit 1	Winnipeg	Manitoba	Canada	R3G 0E9	(204) 783-1601
1917	10037260 Manitoba, LTD*	2311 McPhillips Street	Winnipeg	Manitoba	Canada	R2V 3C9	(204) 334-1661
2984	7013230 Manitoba, Ltd*	1659 Kenaston Blvd, #4	Winnipeg	Manitoba	Canada	R3P 2M4	(204) 489-0373
2786	6347666 Manitoba Ltd.	2-1830 Park Ave	Brandon	Manitoba	Canada	R7B 0R9	(204) 717-3622

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Rest. No	Entity	Street Address	City	State / Province	Country	Zip / Postal Code	Phone
3016	10086891 Manitoba Ltd.*	831 Dakota Street	Winnipeg	Manitoba	Canada	R2M 4Z2	
1821	Sodexo - Ft. Meade NSA	9500 Savage Road	Fort Meade	Maryland	USA	20755	
2347	Q University Town Center, LLC	6450 America Blvd	Hyattsville	Maryland	USA	20782	(301) 985-1260
2358	Q (Glen Burnie) LLC	6653 Ritchie Hwy, Ste B	Glen Burnie	Maryland	USA	21061	(410) 760-6677
3009	Airport Bar-B-Que, Inc	7050 Friendship Road Concourse C, C3	Baltimore	Maryland	USA	21240	
2363	Q (Rockville), LLC	128 Rollins Ave	Rockville	Maryland	USA	20852	(301) 358-2271
2691	Q Westech, LLC	12265 Tech Road	Silver Spring	Maryland	USA	20904	(301) 625-3290
2379	Q (Columbia) LLC	6476 Dobbin Center Way	Columbia	Maryland	USA	21045	(410) 740-6977
1814	Army and Air Force Exchange Service	2799 Rose St.	Ft Meade	Maryland	USA	20755	(410) 305-4003
3013	MetroMex Hospitality Group, Inc	16260 Frederick Road	Gaithersburg	Maryland	USA	20877	
1901	University of Maryland	3972 Campus Drive, Stamp Student Union	College Park	Maryland	USA	20742	
2876	Southwind Restaurants, LLC	3883 E Grand River Ave	Howell	Michigan	USA	48843	(517) 545-0910
2267	North Fork Fresh Mex, LLC*	2909 Niles Ave, Ste 179	Saint Joseph	Michigan	USA	49085	(269) 982-0001
2685	Southwind Restaurants, LLC	1941 W Grand River Ave Ste B	Okemos	Michigan	USA	48864	(517) 580-8121
2971	Hojeij Branded Foods, LLC	2565 World Gateway Pl Airport-Dtw Mcnamara Terminal	Detroit	Michigan	USA	48242	(734) 941-3480
2994	Southwind Restaurants, LLC	910 E Main St.	Owosso	Michigan	USA	48867	(989) 472-3990
2725	Southwind Restaurants, LLC	1280 W South Airport Rd	Traverse City	Michigan	USA	49686	(231) 421-8475
2424	Southwind Restaurants, LLC	1529 S Mission St	Mount Pleasant	Michigan	USA	48858	(989) 772-2324
2764	Southwind Restaurants, LLC	832 W Main St	Gaylord	Michigan	USA	49735	(989) 448-2330
2470	Southwind Restaurants, LLC	5165 Bay Rd	Saginaw	Michigan	USA	48604	(989) 497-9800

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Rest. No	Entity	Street Address	City	State / Province	Country	Zip / Postal Code	Phone
2499	Southwind Restaurants, LLC	3500 Marketplace Cir Ste D	Traverse City	Michigan	USA	49684	(231) 995-0400
2081	Southwind Restaurants, LLC	1127 E Grand River, Ste G	East Lansing	Michigan	USA	48823	(517) 333-4594
1981	Southwind Restaurants, LLC	8709 W Grand River Ave	Brighton	Michigan	USA	48116	
2260	Southwind Restaurants, LLC	301 N Clippert St.	Lansing	Michigan	USA	48912	(517) 664-2994
2275	Southwind Restaurants, LLC	836 S State St.	Big Rapids	Michigan	USA	49307	(231) 796-8404
2565	Southwind Restaurants, LLC	6910 Eastman Rd	Midland	Michigan	USA	48642	(989) 837-2600
1730	Southwind Restaurants, LLC	2204 N. Mitchell St.	Cadillac	Michigan	USA	49601	(231) 468-3244
2613	Southwind Restaurants, LLC	5415 W Saginaw Hwy	Lansing	Michigan	USA	48917	(517) 977-0063
2911	CMP Foods, INC	3019 Hwy 29 S, Ste 101	Alexandria	Minnesota	USA	56308	(320) 460-7904
1881	CMP Foods, INC	4110 Division St	St Cloud	Minnesota	USA	56301	(320) 281-5854
1871	CMP Foods, INC	2522 Bridge Ave	Albert Lea	Minnesota	USA	56007	(507) 369-5211
2707	WarnerCo, Inc.	4057 Dean Lakes Blvd	Shakopee	Minnesota	USA	55379	(952) 496-1627
2404	WarnerCo, Inc.	324 14th Ave SE	Minneapolis	Minnesota	USA	55414	(612) 379-3100
1904	CMP Foods, INC	940 Frontenac Drive	Winona	Minnesota	USA	55987	(507) 474-2200
2735	CMP Foods, INC	600 19th Ave SE, Ste 101	Wilmar	Minnesota	USA	56201	(320) 222-5916
2448	WarnerCo, Inc.	4345 Nathan Ln	Plymouth	Minnesota	USA	55442	(763) 951-7300
1905	CMP Foods, INC	10720 W 10th St	Waconia	Minnesota	USA	55387	(952) 442-3312
1722	3D Burritos, Inc.	60 E Broadway, Space C364	Bloomington	Minnesota	USA	55425	(952) 854-6714
2572	M&M QMG Holdings, LLC	1000 Paul Bunyan Dr S	Bemidji	Minnesota	USA	56601	(218) 308-2772
1740	CMP Foods, INC	1380 Hwy 15 S, Suite A	Hutchinson	Minnesota	USA	55350	(320) 587-8279
1913	CMP Foods, INC	1011 18th Ave NW Suite C	Austin	Minnesota	USA	55912	(507) 509-9079
1903	CMP Foods, INC	180 Center Street W	Rochester	Minnesota	USA	55902	(507) 322-6305
2302	WarnerCo, Inc.	194 Pioneer Trail	Chaska	Minnesota	USA	55318	(952) 448-9310

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Rest. No	Entity	Street Address	City	State / Province	Country	Zip / Postal Code	Phone
1768	Midfield Concession Enterprises, Inc.	4300 Glumack Dr. Unit E-2307 Terminal 1, Concourse E	St. Paul	Minnesota	USA	55111	
3014	PDG Holdings, LLC*	1109 Cowan Road	Gulfport	Mississippi	USA	39507	(228) 206-0643
2558	Big Burritos, LLC	3705 Hardy St, Ste 10	Hattiesburg	Mississippi	USA	39402	(601) 450-4822
1798	ARAMARK Educational Services, LLC	218 Student Union Dr., Ole Miss Student Union	Oxford	Mississippi	USA	38677	(662) 915-1470
2930	Sodexo - St. Louis University	20 N Grand Blvd Busch Student Center	Saint Louis	Missouri	USA	63108	
2958	Burrito Concepts, LLC*	482 Branson Landing Blvd Ste 101	Branson	Missouri	USA	65616	(417) 598-8059
2740	Burrito Concepts, LLC*	3102 E 7th St, Ste 100b	Joplin	Missouri	USA	64801	(417) 782-7372
2195	Burrito Concepts, LLC*	900 E Battlefield Rd Ste 164	Springfield	Missouri	USA	65807	(417) 887-7329
2208	Burrito Concepts, LLC*	4127 S Kansas Expressway, Ste 104	Springfield	Missouri	USA	65809	(417) 823-7835
2808	Burrito Concepts, LLC*	401 S Kimbrough Ave Ste 100	Springfiled	Missouri	USA	65806	(417) 866-1388
2234	Burrito Concepts, LLC*	2631 E Sunshine St.	Springfield	Missouri	USA	65804	(417) 877-9777
2609	Bluegrass Fresh Mex, LLC*	3019 William St, Ste 101	Cape Girardeau	Missouri	USA	63703	(573) 332-1885
2855	Q Loco, LLC	708 W Karsch Blvd	Farmington	Missouri	USA	63640	(573) 701-9500
1772	Army and Air Force Exchange Service	14145 N Dakota Ave Bldg 490	Ft Leonard Wood	Missouri	USA	65473	
1773	TASBB, LLC dba Pedestal Foods	209 S Kings Hwy, Spellmann Center	St. Charles	Missouri	USA	63301	(636) 949-4644
2664	Eaglehead, LLC*	2350 King Ave, Ste 200	Billings	Montana	USA	59102	(406) 656-5500
2817	Eaglehead, LLC*	855 S 29th Ave, Ste 2	Bozeman	Montana	USA	59718	(406) 522-4166
2870	Eaglehead, LLC*	2080 Cromwell Dixon Ln	Helena	Montana	USA	59602	(406) 442-2255
2964	Q Investments, LLC	109 Halligan Dr	North Platte	Nebraska	USA	69101	(308) 534-4988
3065	Qdobee LLC*	18924 Evans Street	Elkhorn	Nebraska	USA	68022	(402) 504-4457
2570	K-H Enterprises, Inc.	2414 2nd Ave	Kearney	Nebraska	USA	68847	(308) 236-5447
1945	The Board of Regents of the University of Nebraska	600 N 15th Street Selleck Dinning	Lincoln	Nebraska	USA	68588	

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2622	Q-Mex GI, LLC	1010 N Diers Ave	Grand Island	Nebraska	USA	68803	(308) 384-1446
2339	QDOBAVEGAS LLC	175 N Stephanie St. Ste 100	Henderson	Nevada	USA	89074	(702) 832-5579
2355	Rojo Caliente Restaurantes, Inc.	151 Disc Drive Suites 105 & 107	Sparks	Nevada	USA	89436	(775) 626-3355
2366	Rojo Caliente Restaurantes, Inc.	933 Topsy Lane, Ste 420	Carson City	Nevada	USA	89706	(775) 267-9366
2368	Rojo Caliente Restaurantes, Inc.	135 Lemmon Dr.	Reno	Nevada	USA	89506	(775) 972-6364
2760	The Primadonna Company, LLC	100 W Primm Blvd	Primm	Nevada	USA	89019	(702) 679-6610
2475	Rojo Caliente Restaurantes, Inc.	6135 S Virginia St	Reno	Nevada	USA	89502	(775) 852-5475
2531	QDOBAVEGAS LLC	6965 S Rainbow Blvd Ste 105	Enterprise	Nevada	USA	89113	(702) 832-5540
1885	Army and Air Force Exchange Service	5691 Rickenbacker Rd	Nellis AFB	Nevada	USA	89191	
2276	Rojo Caliente Restaurantes, Inc.	197 Damonte Ranch Pkwy Unit E	Reno	Nevada	USA	89521	(775) 852-4745
2305	Rojo Caliente Restaurantes, Inc.	10310 N McCarran Blvd, Unit 500	Reno	Nevada	USA	89523	(775) 824-0305
2747	TIG Queso, LLC***	3535 US Route 1 Suite 179	Princeton	New Jersey	USA	08540	(609) 378-3109
2566	TIG Queso, LLC*	1630 Kings Hwy	Cherry Hill	New Jersey	USA	08002	(856) 433-8194
2650	Midfield Concession Enterprises, Inc.	10 Toler Place, Term A Level3 Food Ct Spc A6G	Newark	New Jersey	USA	07114	(973) 242-0916
2963	TIG Queso, LLC*	64 Halsey St.	Newark	New Jersey	USA	07102	(973) 353-0213
2701	VNP Morristown, LLC	40 W Park Place, Ste 5	Morristown	New Jersey	USA	07960	(973) 898-3836
2893	TIG Queso, LLC*	26-31 Rt. 208	Fair Lawn	New Jersey	USA	07410	(201) 703-7903
2827	TIG Queso, LLC*	30 Mall Dr West	Jersey City	New Jersey	USA	07310	(201) 222-6095
2684	AFC III, Inc.	1220 Willowbrook Mall Ste 13	Wayne	New Jersey	USA	7470	(973) 256-1215
2070	VNP Ventures, Inc.	400 Washington St	Hoboken	New Jersey	USA	7030	(201) 386-8974
2633	TIG Queso, LLC*	561 Route 1 South Suite E7	Edison	New Jersey	USA	08817	(732) 985-0690

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Rest. No	Entity	Street Address	City	State / Province	Country	Zip / Postal Code	Phone
2126	VNP Ventures, Inc.	3056 New Jersey 10 Ste F	Denville	New Jersey	USA	7834	(973) 361-8700
2716	TIG Queso, LLC*	905 Bayonne Crossing Way	Bayonne	New Jersey	USA	07002	(201) 339-1463
2818	TIG Queso, LLC*	3710 Route 9, Suite 2418	Freehold	New Jersey	USA	07728	(732) 303-1685
2779	TIG Queso, LLC*	2268 US Highway 22 E	Union	New Jersey	USA	07083	
2798	TIG Queso, LLC*	55 Rockafeller Rd Unit 10	Piscataway	New Jersey	USA	08854	(732) 839-2024
2225	VNP Ventures, Inc.	70 Elm St	Westfield	New Jersey	USA	7090	(908) 301-0050
2924	TIG Queso, LLC*	770 US Route 1 N	Iselin	New Jersey	USA	08830	(732) 634-1902
2882	TIG Queso, LLC*	1595 US 22	Watchung	New Jersey	USA	07069	(908) 322-1142
1898	Bridgewater Eats, LLC	400 Commons Way	Bridgewater	New Jersey	USA	08807	(908) 842-5887
2295	Q of Rockaway, LLC	395 Mount Hope Ave Ste 350	Rockaway	New Jersey	USA	07866	(973) 366-7444
2331	Q Fresh Meadows, LLC*	61-40 188th St	Fresh Meadows	New York	USA	11365	(718) 454-9400
2989	TIG Queso, LLC*	1275 Woodrow Rd	Staten Island	New York	USA	10309	(718) 966-1353
1847	Q EAST MEADOW LLC*	2160 Hempstead Tpke	East Meadow	New York	USA	11554	(516) 743-9890
1859	Q Myrtle LLC*	1422 Myrtle Ave	Brooklyn	New York	USA	11237	(347) 627-3905
1907	Q Hauppauge LLC*	670 Motor Pkwy	Hauppauge	New York	USA	11788	
2863	TIG Queso, LLC*	7001 Amboy Rd Unit 106	Staten Island	New York	USA	10307	(718) 356-1481
1908	Q Massapequa, LLC*	4870 Sunrise Hwy	Massapequa	New York	USA	11762	
2752	TIG Queso, LLC*	2335 Richmond Ave	Staten Island	New York	USA	10314	(718) 494-3425
1927	Q Bay Shore LLC*	331 E Main Street	Bay Shore	New York	USA	11706	
1902	Q Plainview, LLC*	327 South Oyster Bay Road	Plainview	New York	USA	11803	(516) 595-7526
1769	Army and Air Force Exchange Service	10730A Enduring Freedom Drive, Fort Drum Food Court Bldg P	Ft Drum	New York	USA	13602	(315) 773-0065
1899	Q Farmingdale, LLC*	1024 Broadhollow Road	Farmingdale	New York	USA	11735	(631) 393-6772
2873	ARAMARK Educational Services, LLC	100 Dalton Mcmichael Dr, Daniel Commons	Elon	North Carolina	USA	27244	(336) 278-5353
1848	Army and Air Force Exchange Service	85050 Butner Road	Fort Bragg	North Carolina	USA	28307	

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Rest. No	Entity	Street Address	City	State / Province	Country	Zip / Postal Code	Phone
2072	QCarolina Restaurants, LLC	230 E WT Harris Blvd Ste B1	Charlotte	North Carolina	USA	28262	(704) 547-7460
2996	QCarolina Restaurants, LLC	16615 Lancaster Hwy Ste 101	Charlote	North Carolina	USA	28277	(980) 299-9204
2084	QCarolina Restaurants, LLC	2233 Matthews Township Pkwy, Ste F	Matthews	North Carolina	USA	28105	(704) 849-8030
2096	GD Restaurants, LLC	700 Pembroke Rd	Greensboro	North Carolina	USA	27408	(336) 235-2376
2103	QCarolina Restaurants, LLC	1600 E Woodlawn Rd Ste 210	Charlotte	North Carolina	USA	28209	(704) 295-9007
2162	QCarolina Restaurants, LLC	8152 South Tryon St Unit G	Charlotte	North Carolina	USA	28273	(704) 295-0004
1876	Sodexo Operations, LLC	1601 E Market St., Williams Dinning Hall	Greensboro	North Carolina	USA	27411	
2203	QCarolina Restaurants, LLC	3101 Edwards Mill Rd Ste 102	Raleigh	North Carolina	USA	27612	(919) 781-9220
2215	QCarolina Restaurants, LLC	1005 Beaver Creek Commons Dr	Apex	North Carolina	USA	27502	(919) 362-8737
2812	Wilkesboro QMG, LLC	1510 Winkler Mill Rd Ext, Unit A	Wilkesboro	North Carolina	USA	28697	(336) 973-6394
1963	The Trustees of Davidson College	204 Baker Drive Stowe Tennis Hut	Davidson	North Carolina	USA	28036	
2569	QCarolina Restaurants, LLC	3321 Siskey Pkwy Ste 100	Matthews	North Carolina	USA	28105	(704) 708-5961
1742	Army and Air Force Exchange Service	4401 Reilly Road, Smoke Bomb Hill Shopping Center	Fort Bragg	North Carolina	USA	28310	
2589	QCarolina Restaurants, LLC	401 Cox Rd, Ste 182	Gastonia	North Carolina	USA	28054	(704) 852-9822
2612	QCarolina Restaurants, LLC	210 Hinton Oaks Blvd Ste A	Knightdale	North Carolina	USA	27545	(919) 217-4690
2627	QCarolina Restaurants, LLC	127 N Tryon St, Ste 2	Charlotte	North Carolina	USA	28202	(704) 295-4111
2906	Dakota Kid, LLC	1701 3rd Ave W, Ste 254	Dickinson	North Dakota	USA	58601	(701) 483-8500
2947	Dakota Kid, LLC	120 26th St East	Williston	North Dakota	USA	58801	(701) 572-5210
2959	Dakota Kid, LLC	2045 N Broadway	Minot	North Dakota	USA	58703	(701) 420-9702
2710	Dakota Kid, LLC	1700 S Broadway	Minot	North Dakota	USA	58701	(701) 420-2936
1830	QMG Venture, LLC	859 E State St, Unit 1830	Athens	Ohio	USA	45701	(740) 447-5120

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Rest. No	Entity	Street Address	City	State / Province	Country	Zip / Postal Code	Phone
2702	Delicio, LLC	2721 Edmonson Road	Cincinnati	Ohio	USA	45209	(513) 351-2268
2422	Fresco Food Group, LLC	1689 W 5th Ave	Columbus	Ohio	USA	43212	(614) 481-1971
1942	ARAMARK Educational Services, LLC	2701 Bearcat Way, Tangeman University Center	Cincinnati	Ohio	USA	45221	
2193	Delicio, LLC	5030 Deerfield Blvd	Deerfield	Ohio	USA	45040	(513) 770-0310
2194	Delicio, LLC	9749 Kenwood Rd	Blue Ash	Ohio	USA	45242	(513) 984-2629
2801	Fresco Food Group, LLC	1956 N High St	Columbus	Ohio	USA	43201	(614) 299-9449
1878	Fiesta Ventures DM, LLC	1524 Miamisburg Centerville Road	Dayton	Ohio	USA	45458	(937) 439-1033
2236	Sapp Restaurant Enterprises, Inc.	1055 Polaris Pkwy	Columbus	Ohio	USA	43240	(614) 842-4700
1743	ARAMARK Educational Services, LLC	303 Carroll Street Student Union	Akron	Ohio	USA	44325	
2854	QMG Venture, LLC	100 Pike St	Marietta	Ohio	USA	45750	(740) 336-7835
2304	Zaytoon, LTD	129 S Main St	Bowling Green	Ohio	USA	43402	(419) 353-7200
2878	DCW Investments, LLC*	1300 W Covell Rd	Edmond	Oklahoma	USA	73003	(405) 285-0355
1846	DCW Investments, LLC*	2620 Classen Blvd	Norman	Oklahoma	USA	73071	(405) 310-2740
2899	Burrito Concepts, LLC*	9168 S Yale Ave, Ste 170	Tulsa	Oklahoma	USA	74137	(918) 608-0336
2942	Burrito Concepts, LLC*	8115 S Olympia Ave.	Tulsa	Oklahoma	USA	74132	(918) 524-9508
2948	DCW Investments, LLC*	4621 N Kickapoo St	Shawnee	Oklahoma	USA	74804	(405) 395-2642
2376	DCW Investments, LLC*	13720 N Pennsylvania Ave, Ste 1	Oklahoma City	Oklahoma	USA	73134	(405) 752-9878
2718	DCW Investments, LLC*	660 SW 19th St Ste A	Moore	Oklahoma	USA	73160	(405) 378-2017
1964	DCW Investments, LLC*	1865 12 Ave NW	Ardmore	Oklahoma	USA	73401	(580) 798-3970
2734	DCW Investments, LLC*	2145 SW 104th St	Oklahoma City	Oklahoma	USA	73159	(405) 703-8811
2756	DCW Investments, LLC*	6432 SW 3rd St	Oklahoma City	Oklahoma	USA	73128	(405) 792-7999

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2500	DCW Investments, LLC*	7191 Se 29th St	Midwest City	Oklahoma	USA	73110	(405) 455-5151
2527	DCW Investments, LLC*	301 S Bryant St	Edmond	Oklahoma	USA	73034	(405) 513-5200
2530	Burrito Concepts, LLC*	2401 W Kenosha St	Broken Arrow	Oklahoma	USA	74012	(918) 994-7385
2258	Burrito Concepts, LLC*	139 S Knoblock St	Stillwater	Oklahoma	USA	74074	(405) 707-7153
1890	DCW Investments, LLC*	2600 Exchange Drive	Edmond	Oklahoma	USA	73034	(405) 509-6414
2288	Burrito Concepts, LLC*	7153 S Lewis Ave	Tulsa	Oklahoma	USA	74136	(918) 494-7022
1935	DCW Investments, LLC*	2450 W Robinson Street	Norman	Oklahoma	USA	73069	(405) 701-5655
1747	DCW Investments, LLC*	114 N Washington Ave	Weatherford	Oklahoma	USA	73096	(580) 816-5022
2857	DCW Investments, LLC*	1772 Nw 82nd St	Lawton	Oklahoma	USA	73505	(580) 699-8754
2619	DCW Investments, LLC*	7002 Northwest Expressway Ste A	Oklahoma City	Oklahoma	USA	73132	(405) 470-7772
1971	DCW Investments, LLC*	12444 NW 10th St.	Yukon	Oklahoma	USA	73099	(405) 467-4329
1889	Army and Air Force Exchange Service	1718 Gruber Road	Fort Sill	Oklahoma	USA	73503	(580) 250-1759
1849	QFairway, Inc.*	10 Manitou Dr., Bldg L	Kitchener	Ontario	Canada	N2C 2N3	(519) 895-2200
1872	QWDivision, Inc*	650 Division Road, Ste 2A	Windsor	Ontario	Canada	N8X 5E7	(519) 967-1669
2822	SWO Hospitality Group, Inc.*	841 Wellington Rd S, Unit B3	London	Ontario	Canada	N6E 1W4	(519) 204-8676
1932	2604864 Ontario, Inc.*	747 Great Northern Road	Sault Ste. Marie	Ontario	Canada	P6B 5X5	(705) 450-4282
2851	SWO Hospitality Group, Inc.*	1920 Dundas St, Unit 100	London	Ontario	Canada	N5V 3P1	(519) 601-4111
1756	QBeaverbrook, Inc.	1371 Beaverbrook Ave	London	Ontario	Canada	N6H 0J1	(519) 601-7779
2962	QMEXSAL, LLC	4405 Commercial St Se, Ste 120	Salem	Oregon	USA	97302	(971) 600-3174

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Rest. No	Entity	Street Address	City	State / Province	Country	Zip / Postal Code	Phone
2699	Qmexwil, LLC	30040 SW Boones Ferry Rd Ste 24	Wilsonville	Oregon	USA	97070	(503) 783-1711
2380	Qmexbpt, LLC	7132 Sw Hazelfern Rd	Tigard	Oregon	USA	97224	(503) 670-7800
2224	Qmexcor, LLC	2001 NW Monroe Ave, Unit 105	Corvallis	Oregon	USA	97330	(541) 757-2800
2539	Qmexeug, LLC	840 E 13th Ave	Eugene	Oregon	USA	97401	(541) 343-2720
2244	Qmexhil, LLC	2288 Nw Allie Ave, Ste 850	Hillsboro	Oregon	USA	97124	(503) 645-2244
2315	Qmexbeav, LLC	4655 SW Griffith Dr	Beaverton	Oregon	USA	97005	(503) 643-5820
2638	Qmexloy, LLC	825 NE Weidler ST.	Portland	Oregon	USA	97232	(503) 688-5551
2693	TIG Queso, LLC*	500 Broad St, Suite 4	Collegeville	Pennsylvania	USA	19426	(610) 409-5615
1929	Metz Culinary Management, Inc.	300 Campus Drive, Frame Westerburg Commons	Bradford	Pennsylvania	USA	99202	
2774	TIG Queso, LLC*	2669A Mac Arthur Rd	Whitehall	Pennsylvania	USA	18052	(610) 432-2119
2370	Philadelphia Fresh Foods, LLC	1054 Baltimore Pike	Springfield	Pennsylvania	USA	19064	(610) 543-4104
2152	Philadelphia Fresh Foods, LLC	1528 Walnut St.	Philadelphia	Pennsylvania	USA	19102	(215) 546-8007
2607	TIG Queso, LLC*	100 Welsh Rd, Unit M	Horsham	Pennsylvania	USA	19044	(215) 657-3750
2166	Brooks Hospitality, LLC	2777 E Carson St	Pittsburgh	Pennsylvania	USA	15203	(412) 481-1229
2168	Urban Eats, LLC	230 S 40th St., #140	Philadelphia	Pennsylvania	USA	19104	(215) 222-2887
3005	Queso Time PA 2, LLC*	2B Summit Square Center	Langhorne	Pennsylvania	USA	19047	(215) 583-5100
2606	TIG Queso, LLC*	261 Old York Rd Suite 215A	Jenkintown	Pennsylvania	USA	19046	(215) 887-2341
2582	TIG Queso, LLC*	1107 West Chester Pike, Space B4	West Chester	Pennsylvania	USA	19382	(484) 266-0459
2860	TIG Queso, LLC*	1991 Sproul Rd	Broomall	Pennsylvania	USA	19008	(610) 359-6270
1735	Philadelphia Fresh Foods, LLC	1112 W Lancaster Ave	Bryn Mawr	Pennsylvania	USA	19010	(484) 222-6164
2292	Philadelphia Fresh Foods, LLC	33 E City Line Ave	Bala Cynwyd	Pennsylvania	USA	19004	(610) 664-2906
2916	TIG Queso, LLC*	200 W Ridge Pike, Ste 108	Conshohocken	Pennsylvania	USA	19428	(484) 243-6118
1758	ARAMARK Educational Services, LLC	400 E 2nd St, Scranton Commons	Bloomsburg	Pennsylvania	USA	17815	(570) 389-5456
3000	Queso Time PA 1, LLC*	690 Rockhill Drive	Bensalem	Pennsylvania	USA	19020	(215) 315-8900

List of Franchised Locations (as of October 2, 2022)

Rest. No	Entity	Street Address	City	State / Province	Country	Zip / Postal Code	Phone
2316	Urban Eats, LLC	1600 N Broad St, Ste 12	Philadelphia	Pennsylvania	USA	19123	(215) 763-4090
3028	Q Puerto Rico Franchise, LLC*	22 Av. González Giusti	Guaynabo	Puerto Rico	USA	00968	(787) 641-3015
1867	Army and Air Force Exchange Service	4110 Moseby St.	Fort Jackson	South Carolina	USA	29207	
3001	Metz Culinary Management, Inc.	500 Aviation Parkway, Grand Hall	Greer	South Carolina	USA	29651	
2678	Rushmore QMG, LLC	1745 Eglin St., Ste 550	Rapid City	South Dakota	USA	57701	(605) 791-1555
2050	Black Hills QMG, LLC	741 Mountain View Rd	Rapid City	South Dakota	USA	57702	(605) 341-9900
2973	Conklin Companies, LLC	130 Ryan Rd	Spearfish	South Dakota	USA	57783	(605) 559-0542
3060	Sodexo Operations, LLC	1421 Student Union Ln, Student Union	Brookings	South Dakota	USA	57006	
2852	Sodexo Operations, LLC	414 E Clark St Muenster University Center	Vermillion	South Dakota	USA	57069	(605) 667-5899
2450	Dolittle For More Investments, Inc.	7339 Kingston Pike	Knoxville	Tennessee	USA	37919	(865) 588-3333
2853	ARAMARK Educational Services, LLC	1502 Cumberland Ave Student Union Bldg	Knoxville	Tennessee	USA	37996	
2661	DCW Investments, LLC*	3201 Lawrence Rd, Ste 540	Wichita Falls	Texas	USA	76308	(940) 689-8200
2900	Deep Taran, Inc.	5017 Milwaukee Ave, Ste 300	Lubbock	Texas	USA	79407	(806) 771-2411
1862	Compass Group USA, Inc	303 Administration Drive Hubbard Hall	Denton	Texas	USA	76201	
1861	DCW Investments, LLC*	8924 Tehama Ridge Pkwy	Fort Worth	Texas	USA	76177	(817) 847-2053
2015	BDAA Holdings II, LP*	6002 Camp Bowie Blvd	Fort Worth	Texas	USA	76116	(817) 377-9411
2026	BDAA Holdings II, LP*	1930 Coit Rd	Richardson	Texas	USA	75080	(972) 231-6655
2687	BDAA Holdings II, LP*	1401 E Debbie Lane, Ste 109	Mansfield	Texas	USA	76053	(817) 473-2112
2690	O&S First Investments, INC	1505 SW Wilshire Blvd, Ste 630	Burleson	Texas	USA	76028	(817) 295-5419
1839	Army and Air Force Exchange Service	1385 Reese	San Antonio	Texas	USA	78236	
1931	DCW Investments, LLC*	4540 W. Bailey Boswell Road Suite 130	Fort Worth	Texas	USA	76179	(817) 349-9328

List of Franchised Locations (as of October 2, 2022)

Rest. No	Entity	Street Address	City	State / Province	Country	Zip / Postal Code	Phone
2151	BDAA Holdings II, LP*	6505 W Park Blvd Ste 340	Plano	Texas	USA	75093	(972) 403-7372
3007	SnowBear, LLC	2105 Sidney Baker St. Unit 4	Kerrville	Texas	USA	78028	
1915	DCW Investments, LLC*	Keller	Keller	Texas	USA	76248	
2775	Odehmickens DFW Concessions, LLC*	2040 N International Pkwy, Terminal A, Cols 41-44	Dallas	Texas	USA	75261	(972) 973-7323
1926	Deeptaran QMG, Inc	12406 Indiana Ave, Suite 100	Lubbock	Texas	USA	79423	(806) 516-9393
1833	Army and Air Force Exchange Service	2503 Funston Road	San Antonio	Texas	USA	78234	
3067	VESSEL OPERATING HOLDCO LLC	1805 Airport Blvd, AUS13	Austin	Texas	USA	78702	
1918	BDAA Holdings II, LP*	4050 S Collins	Arlington	Texas	USA	76014	(682) 276-6064
1884	BDAA Holdings II, LP*	4235 W Northwest Hwy.	Dallas	Texas	USA	75220	(469) 466-9101
1766	Army and Air Force Exchange Service	761st Tank Battalion Ave, Bldg 118	Ft Hood	Texas	USA	76544	
2639	CK Mexican Grill, LLC	9671 Liberia Ave	Manassas	Virginia	USA	20110	(571) 292-1158
1825	North Fork Fresh Mex, LLC*	1140 N Military Hwy, Ste 812	Norfolk	Virginia	USA	23502	(757) 431-7300
1834	Army and Air Force Exchange Service	300 A Ave, Bldg 1605	Fort Lee	Virginia	USA	23801	
2656	Kosmos Fresh Grill, LLC	2824 Prince William Pkwy	Woodbridge	Virginia	USA	22192	(571) 285-4276
1975	Sodexo - HOPS Government Services	1000 Colonial Farm Road, LN1	McLean	Virginia	USA	22101	
1910	ARAMARK Educational Services, LLC	4607 Hampton Blvd #1110 Monarch Hall	Norfolk	Virginia	USA	23529	
2704	Hojeij Branded Foods, LLC	1 Aviation Cir, Terminal B, Level 2, Room 31	Arlington	Virginia	USA	22202	(703) 415-4410
2717	Kosmos Fresh Grill, LLC	10338 Main St	Fairfax	Virginia	USA	22030	(703) 273-8202
1880	Army and Air Force Exchange Service	1386 Washington Blvd	Fort Eustis	Virginia	USA	23604	
1977	North Fork Fresh Mex, LLC*	14279 Winterview Parkway	Midlothian	Virginia	USA	23113	
2761	Virginia Tech	117A Lavery Hall	Blacksburg	Virginia	USA	24061	(540) 231-8203

List of Franchised Locations (as of October 2, 2022)

Rest. No	Entity	Street Address	City	State / Province	Country	Zip / Postal Code	Phone
2892	North Fork Fresh Mex, LLC*	7201 Hancock Village Dr.	Chesterfield	Virginia	USA	23832	(804) 739-0476
2145	North Fork Fresh Mex, LLC*	223 Burgess Rd., Ste H	Harrisonburg	Virginia	USA	22801	(540) 564-1515
2200	YCB Enterprises, LLC	13031 Worldgate Dr	Herndon	Virginia	USA	20170	(703) 796-1101
1741	North Fork Fresh Mex, LLC*	1731 Gilbert St., Bldg C-9	Norfolk	Virginia	USA	23511	(757) 489-1939
1754	North Fork Fresh Mex, LLC*	3918 Lenox Ave	Charlottesville	Virginia	USA	22901	(434) 244-5641
2576	North Fork Fresh Mex, LLC*	4501 S Laburnum Ave, Unit 597	Richmond	Virginia	USA	23231	(804) 226-1133
1888	Army and Air Force Exchange Service	61 Spaatz Dr, Bldg 290	Hampton	Virginia	USA	23665	(757) 766-1298
2278	YCB Enterprises, LLC	7376 Atlas Walk Way	Gainsville	Virginia	USA	20155	(571) 248-4191
2864	North Fork Fresh Mex, LLC*	121 Stonebridge Plaza Ave	North Chesterfield	Virginia	USA	23236	(804) 674-4050
1906	Army and Air Force Exchange Service	8651 John J Kingman Rd Bldg 2321	Fort Belvoir	Virginia	USA	22060	
1731	North Fork Fresh Mex, LLC*	11282 W Broad St.	Glen Allen	Virginia	USA	23060	(804) 360-4265
2378	North Fork Fresh Mex, LLC*	1865 Carl D Silver Pkwy	Fredericksburg	Virginia	USA	22401	(540) 548-8886
2620	Q Baileys, LLC	5872 Crossroads Ctr Way	Falls Church	Virginia	USA	22041	(703) 933-8712
2289	North Fork Fresh Mex, LLC*	935 W Broad St.	Richmond	Virginia	USA	23220	(804) 213-0047
1850	Kalispel Tribal Economic Authority	100 N Hayford Road	Airway Heights	Washington	USA	99001	
1930	Sodexo Operations, LLC	1117 N. Dakota, Welch Hall	Spokane	Washington	USA	99202	(509) 313-7216
2682	Qmex192, LLC	155 NE 192nd Ave, Ste 101	Camas	Washington	USA	98607	(360) 448-6996
1710	Bellevue Subway, LLC	106000 Quil Ceda Blvd, Suite 381A	Quil Ceda Village	Washington	USA	98271	(360) 716-3017
2643	Canticle, Inc.	500 Mall Road, Unit 103	Barboursville	West Virginia	USA	25504	(304) 736-3030
2720	Canticle, Inc.	98 Rhl Blvd.	South Charleston	West Virginia	USA	25309	(304) 744-2700
1891	Canticle, Inc.	250 Emily Dr	Clarksburg	West Virginia	USA	26301	(304) 627-0032

List of Franchised Locations (as of October 2, 2022)

Rest. No	Entity	Street Address	City	State / Province	Country	Zip / Postal Code	Phone
1979	QMG Venture, LLC	116 Grand Central Mall	Vienna	West Virginia	USA	26105	
2320	Canticle, Inc.	386 Patteson Dr	Morgantown	West Virginia	USA	26505	(304) 598-5555
2869	Canticle, Inc.	100 Galleria Plaza	Beckley	West Virginia	USA	25801	(304) 894-8961
2871	Roaring Fork, LLC*	127 S 3rd St	La Crosse	Wisconsin	USA	54601	(608) 782-1914
2343	Roaring Fork, LLC*	920 W Paradise Dr	West Bend	Wisconsin	USA	53095	(262) 353-4900
2344	Roaring Fork, LLC*	N95 W18181 Appleton Ave	Menomonee Falls	Wisconsin	USA	53051	(262) 251-3200
2651	Roaring Fork, LLC*	1114 W Main St.	Whitewater	Wisconsin	USA	53190	(262) 472-9200
2877	Roaring Fork, LLC*	4550 Calumet Ave	Manitowoc	Wisconsin	USA	54220	(920) 482-3980
2884	Roaring Fork, LLC*	1125 Winneconne Ave	Neenah	Wisconsin	USA	54956	(920) 486-7406
1835	Roaring Fork, LLC*	5347 US-10	Stevens Point	Wisconsin	USA	54481	(715) 203-8953
3047	Roaring Fork, LLC*	1821 8th St S	Wisconsin Rapids	Wisconsin	USA	54494	(715) 203-8941
2890	Roaring Fork, LLC*	2777 Milwaukee Rd Unit A	Beloit	Wisconsin	USA	53511	(608) 299-2500
2896	Roaring Fork, LLC*	2201 Humes Rd, Ste 190	Janesville	Wisconsin	USA	53546	(608) 531-9138
1912	Roaring Fork, LLC*	13330 Washington Ave, Suite 400	Mt. Pleasant	Wisconsin	USA	53177	(262) 953-2543
1857	Roaring Fork, LLC*	885 S Rochester, Ste 200	Mukwonago	Wisconsin	USA	53149	(262) 953-2535
1864	Roaring Fork, LLC*	485 Wright Rd	Johnson Creek	Wisconsin	USA	53038	(920) 699-9132
2353	Roaring Fork, LLC*	325 E North St	Waukesha	Wisconsin	USA	53188	(262) 436-0510
1874	Roaring Fork, LLC*	4020 Schofield Ave, Ste 1	Weston	Wisconsin	USA	54476	(715) 203-8954
2014	Roaring Fork, LLC*	3101 Oakland Ave	Milwaukee	Wisconsin	USA	53211	(414) 332-3000
2033	Roaring Fork, LLC*	548 State St.	Madison	Wisconsin	USA	53703	(608) 280-8720
2040	Roaring Fork, LLC*	2831 S 108th St	West Allis	Wisconsin	USA	53227	(414) 321-3650
2695	Roaring Fork, LLC*	639 W Layton Ave	Milwaukee	Wisconsin	USA	53221	(414) 847-7003
2051	Roaring Fork, LLC*	12345 W Capitol Dr	Wauwatosa	Wisconsin	USA	53222	(414) 462-1000
2061	Roaring Fork, LLC*	2741 University Ave	Madison	Wisconsin	USA	53705	(608) 218-9670
2381	Roaring Fork, LLC*	4343 W Wisconsin Ave	Appleton	Wisconsin	USA	54913	(920) 734-3244
2382	Roaring Fork, LLC*	187 N Pioneer Road	Fond Du Lac	Wisconsin	USA	54935	(920) 273-0359
2386	Roaring Fork, LLC*	2476 S Oneida St	Green Bay	Wisconsin	USA	54304	(920) 965-0602
2075	Roaring Fork, LLC*	8789 N Port Washington Rd	Fox Point	Wisconsin	USA	53217	(414) 228-0500
2393	Roaring Fork, LLC*	6430 Green Bay Rd	Kenosha	Wisconsin	USA	53142	(262) 997-0052

List of Franchised Locations (as of October 2, 2022)

Rest. No	Entity	Street Address	City	State / Province	Country	Zip / Postal Code	Phone
2091	Roaring Fork, LLC*	6650 Mineral Point Rd	Madison	Wisconsin	USA	53705	(608) 827-7720
2110	Roaring Fork, LLC*	418 N Mayfair Rd	Wauwatosa	Wisconsin	USA	53226	(414) 431-2155
2412	Roaring Fork, LLC*	510 W Silver Spring Drive Unit K125	Glendale	Wisconsin	USA	53217	(414) 431-1913
2124	Roaring Fork, LLC*	15620 W National Ave	New Berlin	Wisconsin	USA	53151	(262) 786-0900
2144	Roaring Fork, LLC*	16005 W Bluemound Rd	Brookfield	Wisconsin	USA	53005	(262) 432-3500
2187	Roaring Fork, LLC*	3250 Golf Rd., Ste 100	Delafield	Wisconsin	USA	53018	(262) 646-4222
2201	Roaring Fork, LLC*	5075 S 76th St, Unit A	Greenfield	Wisconsin	USA	53220	(414) 431-3900
2202	Roaring Fork, LLC*	5401 Caddis Bend Rd	Fitchburg	Wisconsin	USA	53711	(608) 442-9400
2788	Roaring Fork, LLC*	1990 Menard Dr	Oshkosh	Wisconsin	USA	54902	(920) 966-0306
2789	Roaring Fork, LLC*	3813 E Calumet St	Appleton	Wisconsin	USA	54915	(920) 968-0077
2483	Roaring Fork, LLC*	2506 Washington St.	Grafton	Wisconsin	USA	53024	(262) 377-8100
2805	Roaring Fork, LLC*	1240 Miller Park Way	Milwaukee	Wisconsin	USA	53214	(414) 755-4604
2815	Roaring Fork, LLC*	2450 E Mason St, Ste C	Green Bay	Wisconsin	USA	54311	(920) 965-0350
2555	Roaring Fork, LLC*	1150 N Water St.	Milwaukee	Wisconsin	USA	53202	(414) 389-8744
2559	Roaring Fork, LLC*	803 N 16th St	Milwaukee	Wisconsin	USA	53233	(414) 431-0099
2263	Roaring Fork, LLC*	1890 Meadow Ln	Waukesha	Wisconsin	USA	53188	(262) 521-2221
1716	Roaring Fork, LLC*	1241 Kalahari Dr., Suite 1	Lake Delton	Wisconsin	USA	53940	(608) 253-3685
2564	Roaring Fork, LLC*	4718 E Towne Blvd	Madison	Wisconsin	USA	53704	(608) 819-8910
1984	Roaring Fork, LLC*	2485 Lineville Road Ste 108	Howard	Wisconsin	USA	54313	(920) 305-7421
1723	Roaring Fork, LLC*	103 W Broadway Ave	Monona	Wisconsin	USA	53716	(608) 286-1416
2835	Roaring Fork, LLC*	3551 Washington Ave	Sheboygan	Wisconsin	USA	53081	(920) 694-0220
1724	Roaring Fork, LLC*	1680 Old School House Rd	Oconomowoc	Wisconsin	USA	53066	(262) 567-3699
2283	Roaring Fork, LLC*	6035 W Durand Ave	Mount Pleasant	Wisconsin	USA	53406	(262) 598-9277
2583	Roaring Fork, LLC*	2205 Stewart Ave, Ste 400	Wausau	Wisconsin	USA	54401	(715) 298-1700
1763	Roaring Fork, LLC*	351 Peller Rd	Lake Geneva	Wisconsin	USA	53147	(262) 953-2534
2856	Roaring Fork, LLC*	1417 N Wauwatosa Ave	Milwaukee	Wisconsin	USA	53213	(414) 755-8001
1797	Roaring Fork, LLC*	1348 E Brady St.	Milwaukee	Wisconsin	USA	53202	(474) 847-7015
2321	Roaring Fork, LLC*	8750 S Howell Ave	Oak Creek	Wisconsin	USA	53154	(414) 435-0117
2635	Roaring Fork, LLC*	2 N Park St	Madison	Wisconsin	USA	53715	(608) 251-0238
1869	QMex WYO, LLC	3927 E Pershing Blvd.	Cheyenne	Wyoming	USA	82001	(305) 635-9050
2895	EDG, LLC	4009 CY Ave	Casper	Wyoming	USA	82604	(307) 472-0892

List of Franchised Locations (as of October 2, 2022)

Rest. No	***Entity***	***Street Address***	***City***	***State / Province***	***Country***	***Zip / Postal Code***	***Phone***
2348	QMex WYO, LLC	1958 Dell Range Blvd, Unit F	Cheyenne	Wyoming	USA	82009	(307) 637-0482
2748	Conklin Companies, LLC	2711 S Douglas Hwy Ste 120	Gillette	Wyoming	USA	82718	(307) 363-4088
2427	QMex WYO, LLC	252 N 3rd St	Laramie	Wyoming	USA	82072	(307) 742-9962
2790	Akers Investments, LLC	2112 Coffeen Ave	Sheridan	Wyoming	USA	82801	(307) 675-1120
2791	Adega, LLC	5030 E 2nd St, Ste 1	Casper	Wyoming	USA	82609	(307) 473-1100

*Indicates current area developers.
**Certain restaurants have not provided a site-specific telephone number; therefore no telephone number is included.

The following is a list of the names, addresses and last known telephone numbers of all franchisees who have had their Qdoba restaurant franchise outlet(s) terminated, cancelled, not renewed or otherwise voluntarily or involuntarily ceased to do business under a Franchise Agreement during the most recently completed fiscal year ended October 2, 2022, or who have not communicated with us within the 10 weeks preceding the date of this disclosure document.

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

STORE TRANSFERS (FRANCHISE TO COMPANY)

None

STORE TRANSFERS (FRANCHISEE TO FRANCHISEE OR NEW OWNER)

1. **Jacob Stauffer**
   1903 East Battlefield, Springfield, MO 65804

#1731	11282 W Broad St	Glen Allen, Virginia	23060	(804) 360-4265
#1741	1731 Gilbert St. Bldg C-9	Norfolk, Virginia	23511	(757) 489-1939
#1754	3918 Lenox Ave	Charlottesville, Virginia	22901	(434) 244-5641
#1825	1140 N Military Hwy, Ste 812	Norfolk, Virginia	23502	(757) 431-7300
#1875	2104 E Kimberly Rd, Ste 100A	Davenport, Iowa	52807	(563) 232-1883
#1977	14279 Winterview Parkway	Midlothian, Virginia	23113	(000) 000-0000
#2145	223 Burgess Rd., Ste H	Harrisonburg, Virginia	22801	(540) 564-1515
#2289	935 W Broad St.	Richmond, Virginia	23220	(804) 213-0047
#2378	1865 Carl D Silver Pkwy	Fredericksburg, Virginia	22401	(540) 548-8886
#2576	4501 S Laburnum Ave, Unit 597	Richmond, Virginia	23231	(804) 226-1133
#2584	1040 W Camp St	East Peoria, Illinois	61611	(309) 698-7100
#2585	1210 W Glen Ave	Peoria, Illinois	61614	(309) 692-7100
#2645	4402 16th St	Moline, Illinois	61265	(309) 797-7100
#2652	2710 Laporte Ave, Ste 120	Valparaiso, Indiana	46383	(219) 465-6330
#2726	333 E 81st Ave, Unit 125	Merrillville, Indiana	46410	(219) 793-9349

#2732	700 E Coliseum Blvd, Ste C	Fort Wayne, Indiana	46805	(260) 471-0040
#2736	10439 S Indianapolis Blvd	Highland, Indiana	46322	(219) 924-6674
#2864	121 Stonebridge Plaza Ave	North Chesterfield, Virginia	23236	(804) 674-4050
#2892	7201 Hancock Village Dr.	Chesterfield, Virginia	23832	(804) 739-0476
#2759	2320 Wabash Ave	Springfield, Illinois	62704	(217) 698-7111

2. **Suzanne Bowden**
   2716 W. Old Highway 30, Grand Island, NE 68803

#2622	1010 N Diers Ave	Grand Island, Nebraska	68803	(308) 384-1446

STORE CLOSURES – FRANCHISE

1. Closed 12/31/2021 #2299 – 5220 S Yale Ave, Tulsa, OK 74135, (918) 493-7179/ John Ghirardelli / Burrito Concepts, LLC, 4127 S. Kansas Expressway Ste. 100, Springfield, MO 65807

2. Closed 12/31/2021 #2477 – 8310 E 71st St., Tulsa, OK 74133, (918) 994-7145/ John Ghirardelli / Burrito Concepts, LLC, 4127 S. Kansas Expressway Ste. 100, Springfield, MO 65807

3. Closed 12/31/2021 #2767 – 2024 Concessions Pentagon, Room 2C353, Washington D.C. 20301, (571) 302-5169 / Seven Hills, Inc., 5010 Lenker St. Ste. 100, Mechanicsburg, PA 17050

4. Closed 1/15/2022 #1892 – 3911 S Walton Walker Blvd., Dallas, TX 75236, (000) 000-0000 / AAFES, 3911 S. Walton Walker Blvd., Dallas, TX 75236

5. Closed 1/28/2022 #2129 – 2019 West End Ave, Bldg A, Nashville, TN 37203, (615) 340-9039/ Britt Hunt / CI Guide-Q2129, LLC, 2967 Sidco Drive, Nashville, TN 37204

6. Closed 1/258/2022 #2662 – 5225 Old Hickory Blvd, Ste 201, Hermitage, TN 37076, (615) 823-3851/ Britt Hunt / CI Guide-Q2662, LLC / 2967 Sidco Drive, Nashville, TN 37204

7. Closed 3/15/2022 #2644 – 700 E Townline Road, Ste 100, Vernon Hills, IL 60061, (847) 573-0610/ Michael Pranke / Roaring Fork, LLC / 241 N. Broadway Suite 501, Milwaukee, WI 53202

8. Closed 5/13/2022 #2694 – 1220 Richmond Road, Unit D, Williamsburg, VA 23185, (757) 208-0824/ Demetrios Florakis / Zeus, Inc, 1220 Richmond Road, Williamsburg, VA 23185

9. Closed 5/16/2022 #1734 – 7100 Foundry Row, Suite S-254, Liberty Township, OH 45011, (513) 755-0486 / Randy Key / Delicio, LLC, 4360 Brownsboro Road Suite 305, Louisville, KY 40207

10. Closed 6/27/2022 #2092 – 16926 Birkdale Commons Pkwy, Huntersville, NC 28078, 804-378-3050 / Tom Lewison / QCarolina Restaurants, LLC, 3321 Siskey Parkway, Suite 100, Matthews, NC 28105

11. Closed 6/27/2022 #2904 – 1 Campus Dr., 111 Kleiner Commons, Allendale, MI 49401, (616) 331-8660 / ARAMARK / ARAMARK Educational Services, LLC, 1101 Market Street, 24th Floor, Philadelphia, PA 19107

12. Closed 6/28/2022 #1750 – 150 Bluestone Dr, Gibbons Hall Food Ct, Harrisonburg, VA 22801, (000) 000-0000 / ARAMARK / ARAMARK Educational Services, LLC, 1101 Market Street, 24th Floor, Philadelphia, PA 19107

13. Closed 6/28/2022 #2415 – 601 Grant St., Pittsburgh, PA 15219, (412) 281-3143 / Chad Brooks / Brooks Hospitality, LLC, 408 Mill St., Coraopolis, PA 15108

14. Closed 8/1/2022 #2112 – 1200 Morris Tpk, Ste B101, Essex, NJ 07078, (973) 564-5255 / Robert Palmer / VNP Ventures, Inc, 100 Peterson Plank Rd. #425, Jersey City, NJ 07307

15. Closed 9/27/2022 #1953 – 330 W. Bell Rd, Phoenix, AZ 85023, 503-241-1144 / Eric Persson / TROPICALSMOOTHIEAZ7 LLC, 2926 Montessouri St., Las Vegas, NV 89117

16. Closed 10/31/2021 #2755 – 4923 E Chandler Blvd, Suite 300, Phoenix, AZ 85048, 480-961-3400 / Shabir Pathari / QME Arizona,LLC, 8158 E. Plymouth Dr. Mesa, AZ 85207

Franchise Agreements Signed but Units Not Yet Opened as of October 3, 2021

1. #1982 – 5037 S. Cleveland Ave, Ft. Myers, FL 33907
2. #3040 - 1202 W. Thomas Rd., Hannelly Student Center, Phoenix, AZ 85013
3. #3041 - 1833 W. Southern Ave. - Kirk Student Center, Mesa, AZ 85202
4. #1914 - 601 West Livingston Street, Orlando, FL 32801
5. #3022 - Camp Pendleton MCCS Pacific Plaza, Building 20845, Ste 110, Camp Pendleton, CA 92055
6. #3024 - 6801 Roosevelt Drive, Jacksonville, FL 32212

Franchisees Who Have Not Communicated in 10 Weeks Prior to Issuance Date

None

EXHIBIT E-1

FRANCHISE AGREEMENT

REQUEST FOR QDOBA FRANCHISE AGREEMENT

Page/Section	Information Needed	Insert The Following
cover page	Franchisee (EntityName)	EntityName
	State	State
	SiteAddress	SiteAddress
	SiteCity	SiteCity
	SiteNo	00 SiteNo
page 1	SiteNo	Auto fill-in
	EntityName & EntityState on 3rd line	Auto fill-in
	EntityAddress	EntityAddress
	EntityCity	EntityCity
§ 32.4/p 41	Notice to EntityName	Auto fill-in
	Notice to c/o Owner	Owner
	Notice to EntityAddress	Auto fill-in
	Notice to EntityCity	Auto fill-in
45 (sgntrs)	EntityName	Auto fill-in
	State	Auto fill-in
	Owner, Managing Member	Auto fill-in
	Title - secretary (if corporation)	Type in manually
Ex. A/p 46	Site #	Auto fill-in
	SiteAddress	Auto fill-in
	SiteCity	Auto fill-in
	Radius (reg. field code)	Empty field code
	Expiration Date (reg. field code)	Empty field code
	Initial Franchise Fee (reg. field code)	Empty field code
	Del'y Boundaries (reg. field code)	Empty field code
	Catering Boundaries (reg. field code)	Empty field code
	EntityName	Auto fill-in
	EntityState	Auto fill-in
	By Owner, Managing Member	Auto fill-in
	Title - secretary (if corporation)	Type in manually
Ex. B/p 47	EntityName & EntityState on 1 line	Auto fill-in
page 49	Guarantors' Names (Owner)	Auto fill-in
	Guarantor (Owner)	Guarantor2
	Guarantor (Owner)	Guarantor3
	Guarantor (Non-Owner)	Type in manually
Ex. C /p 50	Owner / Guarantor2 / Guarantor3	Auto fill-in
	EntityName	Auto fill-in
§ 4.2/p 52	Notice to EntityName	Auto fill-in
	Notice to c/o Owner	Auto fill-in
	Notice to EntityAddress	Auto fill-in
	Notice to EntityCity	Auto fill-in
54 (sgntrs)	Owner signatures	Auto fill-in
	Owner signatures	Type in manually

QDOBA MEXICAN EATS® FRANCHISE AGREEMENT

Franchisee:	EntityName, a State limited liability company/corporation
Address:	SiteAddress SiteCity
Site #:	00SiteNo

QDOBA MEXICAN EATS® FRANCHISE AGREEMENT

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EXHIBITS:

Exhibit A Accepted Location, Territory, Term and Franchise Fee
Exhibit B Guaranty and Assumption of Franchise Owner's Obligations
Exhibit C Confidentiality and Non-Competition Agreement
Exhibit D Franchise Insurance Requirements

QDOBA MEXICAN EATS®
FRANCHISE AGREEMENT

This Qdoba Mexican Eats® Franchise Agreement ("Agreement") is made between Qdoba Restaurant Corporation**,** a Colorado corporation, with its principal place of business at 350 Camino De La Reina, Suite 400, San Diego, California 92108 ("QRC"); and [EntityName], a [jurisdiction] [type of entity], having its principal place of business at [EntityAddress], [EntityCity] ("Franchisee"). The Agreement is dated _____, 20____.

RECITALS:

WHEREAS, QRC has expended significant time, effort, and money to develop a distinctive system relating to the establishment and operation of Mexican-themed, fast-casual restaurants featuring a specialized menu of wrapped burritos, tacos, bowls, quesadillas, salads, soups, and salsas, as well as other food and beverage items, some of which are prepared on site (the "System"); and

WHEREAS, the distinguishing characteristics of the System include, without limitation, the use of distinctive exterior and interior design, decor, color scheme and furnishings; special recipes and menu items; uniform standards, specifications and procedures for operations; a catering program; high quality and uniform products and services; standardized and/or tiered pricing structures; 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 QRC from time to time; and

WHEREAS, QRC identifies the System by means of certain trade names, service marks, trademarks, logos, emblems, and indicia of origin, including but not limited to, the marks "Qdoba Mexican Eats®" and variations thereon, and such other trade names, service marks, trademarks, logos and indicia of origin that may be designated by QRC in the future for use in connection with the System (collectively, the "Proprietary Marks" or "Marks"); and

WHEREAS, QRC continues to develop, use, and control the use of such Proprietary Marks in order to identify for the public the source of services and products marketed under the Marks and System, and to represent the System's high standards of quality, appearance and service; and

WHEREAS, Franchisee desires to enter into the business of operating a *Qdoba* Mexican Eats® ("*Qdoba*") restaurant under QRC's System, to obtain a franchise from

QRC for that purpose, and to receive the training and other assistance provided by QRC in connection with the franchise; and

WHEREAS, Franchisee recognizes the value of the System and Marks, and the importance of maintaining QRC's high standards of quality, cleanliness, appearance and service in the operation of *Qdoba* restaurants.

NOW, THEREFORE, the parties, in consideration of the undertakings and commitments set forth in this Agreement, agree as follows:

1. GRANT OF LICENSE

1.1. QRC grants to Franchisee, upon the terms and conditions contained in this Agreement, the right to use and do business under the System and under certain Proprietary Marks of the System at the location described in Exhibit A to this Agreement ("Accepted Location"). The license permits Franchisee to operate a *Qdoba* restaurant ("Restaurant" or "Franchised Business") (including offering catering from the Accepted Location, as described in Section 11.1.4) under the System and Proprietary Marks solely at the Accepted Location, and to use the Proprietary Marks and the System solely in connection with operating that Restaurant.

1.2. Franchisee acknowledges and agrees that QRC may modify, update and improve the System and the Marks at any time, all in its sole discretion. Franchisee acknowledges and agrees that QRC may enter into co-branding relationships, marketing agreements, and other strategic alliances with other companies or entities, all of which, in addition to other factors, may result in changes to the System and Marks. As the System and Marks change, Franchisee may be required to purchase new fixtures, furniture, equipment, décor items and signage, and make other investments in the Franchised Business to reflect the then-current System and Marks. Franchisee understands and agrees that it must develop and operate the Restaurant throughout the term of this Agreement in accordance with the System and Marks, as they are modified, updated, improved and changed from time to time. This requirement is in addition to the refresh and reimaging requirements described in Sections 11.2 through 11.3.

1.3. Except as otherwise provided in Section 1.4 below, during the term of this Agreement, QRC will not operate, or license anyone other than Franchisee to operate, any restaurant under the System within the lesser of a two-mile radius of the Accepted Location or such smaller radius as is specified in Exhibit A ("the Protected Territory"). The grant of this franchise does not imply the grant of rights to any other location or territory.

1.4. Franchisee acknowledges that this license is non-exclusive, as described below:

1.4.1. At any time, QRC may operate, or license others to operate, restaurants under the System or the Marks outside of the Protected Territory.

1.4.2. At any time, QRC, or any Affiliate of QRC, may purchase or be purchased by any third party that operates itself, or licenses or franchises others to operate, restaurants or similar businesses inside the Protected Territory, regardless of whether such restaurants or businesses offer different, the same or similar products as those offered by the Franchised Business.

1.4.3. At any time, QRC may sell products and services within the Protected Territory even if those products and services bear the Marks and/or are authorized for sale at *Qdoba* restaurants, provided that QRC makes such sales through channels of distribution dissimilar to the primary channels of distribution of the Franchised Business. Dissimilar channels of distribution include, but are not limited to, grocery and other retail stores (including supermarkets), motor vehicles (such as food trucks), the Internet, satellite locations, sales or mail order catalogs, temporary locations, carts or kiosks, or through any other electronic or print media.

1.4.4. At any time, QRC may operate, or franchise others to operate, *Qdoba* restaurants under the System or the Marks at food courts and other similar locations, including the campuses of universities or colleges, hospitals, public transportation facilities, amusement parks, government facilities, shopping malls, stadiums, arenas, or other sports facilities, and similarly situated sites, whether or not the sites are located within the Protected Territory.

1.4.5. After this Agreement expires or is terminated, QRC may operate, or license others to operate, restaurants under the System and/or the Marks within what was formerly the Protected Territory.

1.5. Termination or expiration of this Agreement constitutes a termination or expiration of the franchise and any and all licenses granted under this Agreement.

2. TERM AND RENEWAL

2.1. Except as otherwise provided herein, this Agreement expires on the date shown in Exhibit A ("Expiration Date"). In no event will the term of this Agreement exceed ten years from the date the Restaurant opens for business.

2.2. QRC grants to Franchisee an option to enter into a new franchise agreement for the Accepted Location for one additional consecutive term of ten years or a term that is coterminous with the lease for the Accepted Location, whichever is shorter, subject to the following conditions:

2.2.1. Not less than twelve months or more than eighteen months before the end of the initial term, Franchisee must have given QRC written notice of Franchisee's election to exercise the option. If Franchisee does not provide timely written notice of its election to exercise the option, Franchisee will be deemed to have waived the option.

2.2.2. Franchisee must sign QRC's then-current franchise agreement, which will supersede this Agreement in all respects. The provisions of that franchise agreement may differ from the provisions of this Agreement. The differences may include, without limitation, a higher percentage royalty fee, marketing fee, local advertising obligation, and/or a smaller Protected Territory, Delivery Boundaries and/or Catering Solicitation Boundaries (as those terms are used in Section 11.1.4).

2.2.3. Franchisee must pay, in lieu of an initial franchise fee, a renewal fee equal to the greater of five thousand dollars ($5,000) or fifteen percent (15%) of QRC's then-current franchise fee.

2.2.4. Franchisee must present evidence satisfactory to QRC that Franchisee has the right to remain in possession of the Accepted Location for the entire additional term of the franchise, and the lease provisions must be acceptable to QRC, as described in Section 5.

2.2.5. No more than six (6) months after any new franchise agreement is signed (whether pursuant to an exercise of Franchisee's one ten (10) year extension right under Section 2.2 above, or by agreement of QRC in accordance with the procedure described in Section 2.3 below), Franchisee must complete such renovation, modernization and improvement of the Restaurant, and the furniture, fixtures, equipment located thereon, as QRC may reasonably require ("Reimage"). Franchisee acknowledges and agrees that such Reimage work may include, without limitation, replacement or addition of signs, equipment, furnishings, fixtures, finishes and décor items, both interior and exterior, and redesign of the layout of the Restaurant, to reflect the then-current standards and image of the System; provided, however, that the maximum amount that Franchisee will be required to spend on the furniture, fixtures and equipment and décor items (collectively, "FF&E") associated with such Reimage will be $150,000, and such maximum will not include any construction costs, installation costs, any soft costs such as overhead, architectural or consulting fees, permit fees, or any other costs not directly incurred for the purchase of the FF&E.

2.2.6. Franchisee must not be in default under any provision of this Agreement, any amendment or successor to this Agreement, or any other agreement between Franchisee and QRC.

2.2.7. Franchisee, the Owners of Franchisee (as defined in Section 19.2), and Affiliates of Franchisee must have timely met all monetary obligations to QRC and its Affiliates throughout the term of this Agreement. The term "Affiliate" means any entity that owns, is owned by, or is under common ownership with, the entity being referenced.

2.2.8. Franchisee must not have received a notice of default more than three times during the term of this Agreement; however, regardless of the number of prior notices of default, QRC will not be obligated to grant a new franchise if, in its

opinion, Franchisee has not substantially complied with all of the terms and conditions of this Agreement or any other agreement between Franchisee and QRC.

2.2.9. Franchisee must have complied with QRC's then-current qualification and training requirements for new applicants.

2.2.10. At the time of renewal, Franchisee must sign a general release, in a form prescribed by QRC, releasing any and all claims, including known and unknown claims, against QRC and its Affiliates, and their respective officers, directors, agents and employees.

2.2.11. At the time of renewal, Franchisee must have provided QRC with a copy of its lease or other evidence that Franchisee has the right to remain in possession of the Accepted location.

2.3. After Franchisee has exercised its right to extend the term of the franchise agreement for one additional term of ten (10) years, as described above, Franchisee will have the right at the end of that ten (10) year extension term to request a new franchise agreement for the Accepted Location, and Franchisor may grant or deny such request, in its reasonable discretion. In all cases, any extension of Franchisee's rights with respect to the Accepted Location will require that Franchisee comply with the requirements and conditions set forth in Sections 2.2.1 through 2.2.11 above, except that notwithstanding the provisions of Section 2.2.3 above, after the first ten (10) year extension described above Franchisee will thereafter be obligated to pay the QRC's then current franchise fee. If Franchisee fails to satisfy the conditions of Sections 2.2.1 through 2.2.11 above with respect to Franchisee's exercise of its initial ten (10) year extension right under such Section 2.2, or if for whatever reason QRC determines not to grant any further extensions beyond such initial extension right, QRC will provide written notice of such determination, and the reasons for such failure or determination by QRC, as required by law.

3. FRANCHISE FEE AND ROYALTIES

3.1. Franchisee must pay to QRC an initial franchise fee in the amount shown on Exhibit A, less any credit provided for in any applicable Development Agreement. The franchise fee is payable in full upon the execution of this Agreement. The franchise fee is fully earned and is nonrefundable in consideration of administrative and other expenses incurred by QRC in granting this franchise and for QRC's lost or deferred opportunity to franchise to others. "

3.2. Each week during the term of this Agreement, Franchisee will owe to QRC a continuing weekly royalty fee ("Royalty") in an amount equal to five percent (5%) of the Restaurant's Gross Sales, as defined below in Section 3.5. For purposes of this Agreement, a week runs from Monday to Sunday ("Week"). If alcohol is served at the Franchised Business, and applicable law prohibits payment of royalties on alcohol

sales, then the gross amount of the Royalty shall be increased proportionally to account for the royalty percentage on alcohol sales that otherwise would have been owed.

3.3. All payments required by this Agreement will be withdrawn from Franchisee's bank account by direct debit initiated by the QRC or its authorized representative. Payments for Royalties and any other weekly payments will be withdrawn by direct debit on or before the Friday following the end of each Week, and will be based on sales for the Week ending approximately twelve days earlier. Franchisee must sign whatever form of direct debit authorization is required by the relevant financial institutions. To the extent permitted by law, Franchisee hereby waives the benefit of all rights, statutory or otherwise and whether now or hereafter in existence, to suspend the payment of Royalties, Contributions to Marketing Fund, or any other amounts due under this Agreement, or to offset against such amounts, any monies allegedly due from, or any alleged obligations of QRC, it being the intent of QRC and Franchisee that the provisions of this Agreement shall operate to the exclusion of any such rights.

3.4. Any payment not actually received by QRC on or before its due date will be deemed overdue. If any payment is overdue, Franchisee must pay QRC, in addition to the overdue amount, interest on such amount from the date it was due until paid, at the rate of eighteen percent (18%) per annum, or the maximum rate permitted by law, whichever is less. QRC's collection of such interest in no way limits its rights or ability to pursue any and all other remedies or forms of relief it may have.

3.5. "Gross Sales" includes all revenue from the sale of all services and products, including delivery and catering services, as well as from vending machines and similar sources of revenue, and all other income of every kind and nature related to the Franchised Business, including proceeds from business interruption insurance, and revenue from off-site events, whether for cash or credit and, in the case of credit, regardless of collection. The calculation of "Gross Sales" does not include any sales taxes or other taxes collected from customers by Franchisee which are actually transmitted to the appropriate taxing authority, customer refunds, credits or allowances which are actually made by the Restaurant, employee discounts, or the discounted value of payment by coupon from a QRC-approved coupon program. To the extent applicable and contrary to statements in this Agreement, any gift cards/stored value cards shall be included in gross sales when redeemed, not when sold. If the Restaurant is closed for more than 14 consecutive days due to damage, destruction or other casualty loss, Gross Sales for each day of the entire period of closure shall be the daily average of the Gross Sales of the Restaurant over the prior 12 complete months of continuous operation (or if the Restaurant was not in operation for 12 continuous months, the total complete months of continuous operation).

3.6. Franchisee must, in addition to all other amounts required by this Agreement, reimburse QRC for all sales, use, goods and services, personal property, gross receipt, excise, value added and similar taxes in force now and/or in the future that are imposed upon or required to be collected by QRC due to the sale, lease, or

license of goods, services, or other tangible or intangible assets to Franchisee. Franchisee will reimburse QRC for such taxes upon demand, in the manner designated by the QRC.

4. SITE ACCEPTANCE

If a site for the Restaurant has not been agreed upon by the parties by the time this Agreement is signed, a site must be selected in accordance with the following provisions. If this franchise is granted in connection with a Development Agreement, Franchisee must also comply with all provisions of the Development Agreement before QRC will accept a site. Upon acceptance by QRC, the site will be described in Exhibit A to this Agreement, and become the Accepted Location.

4.1. Before acquiring a site for the Restaurant, whether through lease, purchase or otherwise, Franchisee must obtain QRC's acceptance of the site. No site will be deemed accepted unless it has been expressly accepted in writing in a Notice of Site Acceptance. The acceptance or non-acceptance of any site submitted by Franchisee will be at the sole discretion of QRC. In determining whether to approve or disapprove a proposed site, QRC may consider a variety of factors, including but not limited to, demographic characteristics, traffic patterns, parking, visibility, allowed signage, the predominant character of the neighborhood, competition for other food service businesses, the nature of other businesses in the areas, and other commercial factors such as the size of the proposed space, the lease terms for the proposed site, and the physical appearance of the site.

4.2. To request acceptance of a site for the Restaurant, Franchisee must submit to QRC the then-current form of Real Estate Committee Package. The Real Estate Committee Package must include the following:

4.2.1. a site evaluation (which must include demographics showing daytime and residential population in one-, two- and three-mile radii (or other dimensions as required by QRC) around the site, a floor plan, shopping center site plan (if applicable), elevation drawings showing signage, and photographs of the site);

4.2.2. a letter of intent or other evidence satisfactory to QRC confirming the Franchisee's favorable prospects for obtaining the site from the landowner or landlord;

4.2.3. Franchisee's financial information, including but not limited to recent financial statements, financing information, and development cost estimates in a form approved by QRC; and

4.2.4. such other information or materials as QRC may reasonably require.

4.3. If QRC elects to visit the site, Franchisee must coordinate and arrange for the visit by QRC's representative, but QRC will pay its own travel expenses.

4.4. QRC will use its best efforts to send either a Notice of Site Acceptance or a letter indicating the site has not been accepted within forty-five days after QRC receives the complete Real Estate Committee Package, or forty-five days after receipt of any additional materials requested from Franchisee after the initial Real Estate Committee Package was submitted, whichever is later.

4.5. If Franchisee has not obtained legal possession of the Accepted Location within one hundred twenty days of the date of QRC's Notice of Site Acceptance, QRC may retract such acceptance.

4.6. Neither QRC's examination and acceptance of a site, nor any information communicated to Franchisee regarding the site, constitute a representation, guaranty or warranty, express or implied, of the successful operation of any restaurant at such location. Franchisee and QRC acknowledge that QRC's criteria for accepting a site may change over time. Additionally, demographic and economic factors, including competition from other food service businesses, could change, thereby changing the potential of the site. QRC is not responsible for the failure of an accepted site to meet Franchisee's expectations as to customer traffic, revenue, profits or any other matter.

5. LEASE CONDITIONS

5.1. If Franchisee intends to occupy the Restaurant premises under a lease, Franchisee must submit the proposed lease to QRC for its written acceptance before signing it.

5.2. Franchisee must use its best efforts to use QRC's standard form lease addendum that is to be executed by Franchisee, and the landlord, and QRC, along with its successors and assigns, shall be an intended third party beneficiary of the provisions of such addendum. Franchisee must present the QRC's standard form lease addendum to the landlord before the initiation of negotiations for the lease. Regardless, all final leases or lease addendums for a Restaurant must include the following terms and conditions:

5.2.1. That the premises may be used only for the operation of the Franchised Business.

5.2.2. That the landlord consents to Franchisee's use of such Proprietary Marks and signage as QRC may require for the Franchised Business.

5.2.3. That the landlord and Franchisee each agree that whenever they send the other any letter, notice, amendment or other document pertaining to the lease or the premises, they will simultaneously send a copy to QRC.

5.2.4. That Franchisee may not sublease or assign all or any part of its occupancy rights, or extend the term of, or renew, the lease without QRC's prior written consent.

5.2.5. The landlord must copy QRC on any notices to Franchisee that are related to Franchisee's performance under the lease, including, but not limited to, late rent notices, notices of default, and notices of termination; and Franchisee agrees to copy QRC on Franchisee's responses to such notices;

5.2.6. That QRC has the right to enter the premises to make any modification necessary to protect the Proprietary Marks or to cure any default under the lease or under this Agreement.

5.2.7. That if Franchisee is in default under the lease or this Agreement, the landlord agrees that QRC will have the right to cure the default and assume the lease, and sublease the premises for all, or any part of, the term of the lease.

5.2.8. The lease must provide for Franchisee to freely assign the Lease, without Landlord's consent, to QRC, or a subsidiary designee of QRC.

5.2.9. That a memorandum or notice of the lease will be recorded in the appropriate recorder's office in the county in which the Restaurant is located, and that a copy of the recording certificate will be delivered to QRC.

5.2.10. The term of the Lease, including options, must be at least as long as the term of this Agreement.

5.2.11. If the Restaurant is to be located in a shopping center, mall or other multi-tenant facility, the lease must provide that the landlord agrees it will not lease other space within such facility to any food service business that serves primarily Mexican food or for which burritos, tacos, and/or bowls comprise more than twenty percent (20%) of the menu, or represent more than twenty percent (20%) of the sales ("Competitive Business"), such Gross Sales to be measured over a trailing twelve month period.

5.3. QRC's examination and approval of a lease, or any information communicated to Franchisee regarding the lease, does not constitute a representation, guaranty or warranty, express or implied, of the successful operation or profitability of any restaurant operated at such location, nor does such examination and acceptance constitute a legal review of the terms and conditions of that lease. Such examination, acceptance and information indicate only that QRC consents to Franchisee leasing the premises for use as a *Qdoba* restaurant.

5.4. Franchisee hereby agrees that whenever Franchisee sends or receives from its landlord any material document relating to Franchisee's lease, Franchisee will promptly forward a copy of the document to the QRC.

5.5. Franchisee irrevocably appoints and designates the QRC as its attorney with full power and authority to execute and deliver any documents necessary to effect any permitted transfer or the exercise of any right under the lease addendum.

6. CONSTRUCTION OF RESTAURANT

6.1. In the course of designing the Restaurant, Franchisee must comply with all of the following requirements:

6.1.1. Franchisee must employ a qualified, licensed architect and/or engineer, subject to QRC's approval.

6.1.2. Because the design of the Restaurant is crucial to the success of the Restaurant, Franchisee must strictly adhere to all design standards for the Restaurant as they change from time to time. QRC will provide the Franchisee, at no additional cost, design details for the trade dress, equipment, vehicles, signs, decor features, furnishings, and fixtures for a standard *Qdoba* restaurant. Franchisee must use all such items in the interior and exterior construction of the Restaurant. Franchisee may not use any different or additional products, trade dress, equipment, vehicles, signs, décor features, furnishings, and fixtures in the Restaurant, and Franchisee must buy all such things from QRC-approved suppliers and from no one else, unless it submits those products to QRC and obtains QRC's prior written approval. QRC may withhold its approval in its sole discretion.

6.1.3. Franchisee must obtain or prepare a schematic layout of the Restaurant site. Franchisee may either: (i) obtain a schematic layout at no charge from QRC, if Franchisee uses an architect recommended by QRC for the Restaurant site's complete set of architectural plans, or (ii) at Franchisee's own expense, hire an architect or other independent contractor to prepare one. If the schematic layout is prepared other than by QRC, Franchisee must obtain QRC's written approval of the schematic layout. QRC may withhold its approval in its sole discretion. If QRC is to prepare the schematic layout for Franchisee, Franchisee or Franchisee's architect must provide QRC with critical dimension measurements from which the layout will be prepared. Franchisee understands and agrees that Franchisee bears sole responsibility for verifying the critical dimensions. QRC has no liability for any consequences that may arise from any inaccuracy in the dimensions provided by Franchisee or Franchisee's architect.

6.1.4. Franchisee must provide to QRC a schedule setting forth in detail the expected date on which Franchisee will: (a) deliver the final construction plans for the Restaurant; (b) receive all necessary building permits; and (c) complete construction of the Restaurant.

6.1.5. Franchisee's architect and engineer must prepare construction plans for the site improvements based upon the schematic layout. Upon request, and at no cost to the Franchisee, QRC will loan to Franchisee either construction plans for previously built QRC-owned restaurants or a complete set of prototypical drawings ("Prototype Drawings"). Any such construction plans or Prototype Drawings will remain the property of QRC, and must be returned by Franchisee upon request. Before QRC will loan Franchisee construction plans or Prototype Drawings, QRC may require Franchisee's architect and engineer to sign non-disclosure agreements.

6.1.6. Franchisee must submit the construction plans, including all engineering and signage plans, to QRC for written approval. QRC may withhold approval of any construction plans in its sole discretion. Once approved by QRC, such final plans must not thereafter be changed or modified without the prior written permission of QRC. QRC's examination and approval of plans, or any information communicated to Developer regarding the plans, does not constitute a representation, guaranty or warranty, express or implied, of the successful construction, operation or profitability of any restaurant. Such examination, approval and information indicate only that QRC consents to Franchisee using the plans for construction of a *Qdoba* restaurant.

6.1.7. Franchisee must obtain all zoning classifications and clearances that may be required by state or local laws, ordinances or regulations, or that may be necessary or advisable due to any restrictive covenants relating to Franchisee's location.

6.2. Before beginning any construction of the Restaurant, Franchisee must comply with all of the following requirements:

6.2.1. Franchisee must employ a qualified, licensed general contractor to oversee the construction of the Restaurant and to complete all site improvements.

6.2.2. Franchisee must obtain the insurance required under Section 23 of this Agreement, as well as Builders' All Risk Insurance for the full replacement cost of all real and personal property involved in the construction, and maintain that insurance during the entire period of construction.

6.2.3. Franchisee must obtain all permits and certifications required for the lawful construction of the Restaurant and, upon the request of QRC, must certify in writing that all such permits and certifications have been obtained, or submit copies of such permits and certificates to QRC.

6.3. At the time construction is completed, Franchisee must comply with the following requirements:

6.3.1. Franchisee must obtain all customary contractors' sworn statements and partial and final waivers of lien for construction, remodeling, decorating and installation services.

6.3.2. Franchisee must obtain all permits and certifications required for the lawful operation of the Restaurant, including but not limited to, a certificate of occupancy and health permits. Franchisee must certify in writing, upon the request of QRC, that all such permits and certifications have been obtained, or submit copies of such permits and certificates to QRC. Franchisee understands and acknowledges that QRC will not dispatch its pre-opening staff to Franchisee's location until all permits necessary for the operation of the Restaurant have been received.

6.3.3. Franchisee must submit to QRC a summary of its construction costs and a copy of Franchisee's final contract with its general contractor, as further specified in the Manual or elsewhere in writing.

6.4. Franchisee must notify QRC of the date of completion of construction. Franchisee understands and acknowledges that Franchisee may not open the Restaurant for business unless it receives the written authorization of QRC. Franchisee further understands and agrees that QRC's authorization to open will be conditioned upon Franchisee's strict compliance with the provisions of this Agreement, including compliance with the training requirements.

7. TIMING OF OPENING

Franchisee must open the Restaurant for business within 15 days after receiving the QRC's authorization to open, and within nine months after the execution of this Agreement, or as otherwise specified in this Agreement. The parties agree that time is of the essence in the opening of the Restaurant.

8. TRAINING

8.1. QRC must provide, and the primary representative of Franchisee must attend, an orientation program at QRC headquarters. This program will be provided at no expense to the Franchisee, except that all ancillary expenses, including but not limited to, salaries, wages, transportation, meals and lodging, will be the sole responsibility of Franchisee.

8.2. QRC must provide a certified training program for up to three individuals. Unless otherwise specified in writing by QRC, Franchisee must ensure that the Designated Operator (defined in Section 16.1), a General Manager (defined in Section 16.2), and one other employee have successfully completed the certified training program. The program is approximately five weeks in duration, but is subject to change at QRC's discretion. If Franchisee is operating more than one *Qdoba* restaurant location, then the Designated Operator of Franchisee must also complete an additional week of Regional Manager training. The additional week will consist of (but not be

limited to) training program administration and multi-unit responsibilities. Currently, all training is done at QRC-operated restaurant locations, chosen by QRC, in its sole discretion. QRC reserves the right to designate another training facility in its sole discretion. The initial training program will be provided at no expense to the Franchisee, except that all ancillary expenses, including but not limited to, transportation, meals, lodging, wages and insurance, will be the sole responsibility of Franchisee. If QRC provides training in excess of the standard training specified in this section, QRC may charge reasonable fees for that training (currently up to one thousand six hundred dollars ($1,600) per trainee) and for training materials. Before the new restaurant opening training begins at the Restaurant, Franchisee must ensure that the Designated Operator, Franchisee's General Manager, and one other employee have all attended and successfully graduated from QRC's initial training program.

8.3. QRC will certify any supervisory employee of Franchisee who successfully completes the Qdoba certified training program to its satisfaction as a "Trained Manager." QRC may require the Trained Managers to offer QRC's training programs to Franchisee's personnel before they assume their role at the Restaurant. QRC will evaluate all individuals trained by the Trained Managers and determine whether to certify that the trainee has completed training to QRC's satisfaction.

8.4. If Franchisee operates two (2) or more Qdoba restaurants and QRC has certified the Trained Mangers to conduct the initial franchise management training program, before opening the Restaurant: (1) the Designated Operator, Franchisee's General Manager, and any managers, owners or employees QRC designates must attend and complete the management training program that the Trained Managers conduct at one of Franchisee's existing Qdoba Restaurants, unless the individuals previously completed that training program to QRC's satisfaction; and (2) the Trained Managers must fully train the Designated Operator, Franchisee's General Manager, and any managers, owners or employees of the Restaurant, and the Trained Managers are responsible for providing any required opening training at the Restaurant.

8.5. The content and administration of Franchisee's training programs must be at least equal to those of QRC's training programs and must be approved in advance by QRC. QRC will provide Franchisee with materials and, to the extent it deems necessary, assistance in designing and developing Franchisee's training programs. QRC has the right to review Franchisee's training programs periodically to ensure their quality and to verify that Franchisee's personnel are being trained in a timely and satisfactory manner. QRC will notify Franchisee of any deficiencies in the training programs. Franchisee must promptly cure the deficiencies. In its sole discretion, QRC reserves the right to revoke training certification status if deficiencies are not cured within a timetable determined by QRC.

8.6. QRC may provide such other refresher courses, seminars and training programs as it, in its sole discretion, deems necessary or desirable, and charge a reasonable fee (currently up to one thousand dollars six hundred dollars ($1,600) per trainee) for each refresher course, seminar or training program. For all training courses,

seminars and programs, Franchisee or its employees will be responsible for any expenses incurred by them in connection with any such courses, seminars and programs, including but not limited to, the costs of transportation, meals, lodging, and any wages and insurance.

9. OTHER ASSISTANCE TO FRANCHISEE

9.1. QRC will provide Franchisee such on-site pre-opening and opening assistance and such continuing operational advice as QRC deems advisable for the first two Qdoba restaurants Franchisee opens, subject to the availability of personnel.

9.2. QRC will make its confidential manual available to Franchisee as described in Section 10 of this Agreement. The manual may consist of more than one volume, including without limitation an Operations Manual, Trainers Guide, and Store Opening Manual (collectively, the "Manual"), as more fully described in Section 10 of this Agreement.

9.3. QRC will provide to Franchisee, from time to time as QRC deems advisable, advice and written materials concerning techniques of operating the Franchised Business, including new developments and improvements in restaurant equipment, food products, packaging and preparation.

9.4. QRC will conduct inspections of the Restaurant, and evaluations of the products sold and services rendered at the Restaurant, as it deems advisable.

9.5. QRC will provide Franchisee with a template of the standardized chart of accounts, statement of earnings, and balance sheet, all of which Franchisee must use in the operation of the Franchised Business.

10. CONFIDENTIAL OPERATING MANUAL

10.1. In order to protect the reputation and goodwill of QRC, and to maintain high standards of operation under the Proprietary Marks, Franchisee must conduct its business in accordance with the Manual (as defined in Section 9.2 hereof). Franchisee will receive access to the Manual from QRC for the term of this Agreement in any manner QRC chooses, including electronically through the QRC intranet. The Manual may consist of more than one volume, including, without limitation, an Operations Manual, Trainers Guide, and Store Opening Manual.

10.2. Franchisee must at all times treat the Manual, any other manuals created for, or approved for use in, the development or operation of the Franchised Business, and the information contained therein, as secret and confidential, and must use all reasonable efforts to maintain such information as secret and confidential, as specified in Section 24 below, including but not limited to keeping access to the Manual secure, at all times.

10.3. The Manual will at all times remain the sole property of QRC.

10.4. Franchisee understands and acknowledges that QRC may, in its sole discretion, modify or replace the Manual or its contents. Franchisee agrees to conduct its business in accordance with all terms of QRC's then-current Manual. If the Manual is stored by Franchisee in hard copy form, Franchisee must at all times ensure that the Manual is kept current and up to date. If there is any dispute as to the contents of the Manual, the terms of the master copy of the Manual maintained by QRC will be controlling.

11. OPERATIONS AND MAINTENANCE OF FRANCHISED BUSINESS

11.1. Throughout the term of this Agreement, Franchisee must operate the Restaurant in strict conformity with the following requirements, as well as such methods, standards and specifications as QRC may from time to time prescribe in the Manual or otherwise in writing:

11.1.1. Franchisee must use the Restaurant premises solely for the operation of the Franchised Business, and must not use, or permit the use of, the premises for any other purpose or activity at any time. Franchisee may not install any electronic games, telephones, cash machines or similar devices without the prior written consent of the QRC.

11.1.2. Franchisee must keep the business open and in normal operation for such hours and days as QRC may from time to time specify in the Manual or as QRC may otherwise specify or approve in writing.

11.1.3. QRC may require that Franchisee obtain a liquor license to sell certain required alcoholic beverages at the Restaurant and, if QRC requires that Franchisee obtain a liquor license, Franchisee must submit an application for the license no later than thirty days after signing the Lease for the site. Notwithstanding the foregoing, QRC will establish a policy to allow Franchisee to request a variance from QRC's requirement that franchisee obtain a liquor license to sell certain required alcoholic beverages at the Restaurant.

11.1.4. Franchisee must offer catering service from the Restaurant at its sole cost and expense and in accordance with the QRC's catering standards and procedures, as they are revised from time to time. The standards and procedures may include but will not be limited to the mandatory use of an on-line ordering system and participation in a catering rewards program. Franchisee must offer delivery service within the Delivery Boundaries, and not deliver outside of the Delivery Boundaries, provided that all such activities shall be conducted only in accordance with the requirements of this Agreement, the procedures set forth in the Manual and all applicable laws. Franchisee may solicit catering business within the Catering Solicitation Boundaries, and may not solicit catering business outside of those boundaries. The current Delivery Boundaries and Catering Solicitation Boundaries are set forth on Exhibit A, but the QRC may modify the boundaries if there is a significant change in population, or new or additional *Qdoba* restaurants are established in the

trade areas where the Restaurant is located, as determined by QRC. The boundaries will be non-exclusive and will not extend into any protected or exclusive territory previously or hereafter provided by QRC to another Qdoba restaurant. Any rights herein granted in respect of Delivery Boundaries and Catering Solicitation Boundaries shall, without notice nor any further agreement, be deemed to be immediately rescinded with respect to any geographic area at such time as QRC hereafter grants a protected or exclusive territory to another Qdoba restaurant, franchisee, or licensee. Catering standards and procedures will be set forth in the Manual and are established and modified by QRC in its sole discretion. Franchisee shall not engage in any other type of sale of, or offer to sell, or distribution of food and beverage products, including but not limited to, selling, distributing, or otherwise providing, any such products at wholesale, or for resale or distribution by any third party, or through satellite locations, sales or mail order catalogs, temporary locations, carts or kiosks, the Internet, or through any other electronic or print media.

11.1.5. Franchisee may determine what prices to charge to customers for products and services sold at the Restaurant, except that QRC may require that franchisee use an "all inclusive" pricing structure, a tiered pricing structure for various menu items, and/or other pricing structures, and QRC may set maximum prices on products and services to the extent permitted by law; provided, however, that QRC will establish a policy to allow Franchisee to request a variance from any maximum prices established by QRC, if any. If QRC imposes a maximum price on a particular item, Franchisee may charge any price on the item that is consistent with the *Qdoba* pricing structure, up to and including the maximum price. Franchisee acknowledges and agrees that the specified retail price and maximum prices for products and services Franchisee and other franchisees sell may vary from region to region to the extent necessary in order to reflect differences in costs and other factors applicable to such regions. QRC may also require that condiments and certain products or services that are supplementary to the main products and services provided at *Qdoba* restaurants be provided to customers free of charge.

11.1.6. Franchisee must use such credit card, debit card, gift card/loyalty card, check verification, direct debit, electronic fund transfer systems, and similar systems as QRC may from time to time require. Use of the specified payment methods may require Franchisee to pay a program fee to QRC and/or third parties. Franchisee may accept only such methods of payment that QRC authorizes or approves. Gift/loyalty card programs may require Franchisee to provide certain products to guests free of charge.

11.1.7. Franchisee must use the QRC-approved music content/supplier to play custom music content designed for *Qdoba* restaurants. Franchisee may not play or supply music through another supplier without the prior written consent of the QRC.

11.1.8. Franchisee must identify itself as the independent owner of the Restaurant on a visible plaque at the Restaurant as well as in any other manner QRC requires.

11.1.9. Franchisee may be required to offer delivery for all food and beverage products that QRC from time to time authorizes. Franchisee shall offer and sell such products only from the Restaurant and only in accordance with the requirements of this Agreement and the procedures and standards set forth in the Manual; provided that all such activities shall be conducted only in accordance with the requirements of this Agreement, the procedures set forth in the Manual and all applicable laws. As used in this Agreement, the term "delivery customers" means customers that purchase food and beverage products for delivery to (and consumption in) their home or office.

11.1.10. Franchisee shall comply with QRC's web-based applications, social media, and other technology-related standards and procedures, as they are established and modified by QRC in its sole discretion from time to time.

11.2. Franchisee must satisfy the Reimage requirements described in Section 2.2.5 above. Any capital expenses or other costs necessary for the repair and maintenance of the Accepted Location, and any modifications required by applicable law or required to abate a hazardous situation, are not subject to the time or cost limitations described in such Section 2.2.5.

11.3. After this Agreement has been in effect for five (5) years, Franchisee must refresh the image of the Restaurant premises at its sole cost as QRC may reasonably require ("Refresh"). The refresh may include, without limitation, repainting, refinishing or replacing surfaces (both interior and exterior), landscaping and installation of new décor items. In addition to the Refresh requirement described above, Franchisee must constantly maintain and continuously operate the Restaurant and all furniture, fixtures, equipment, furnishings, floor coverings, interior and exterior signage, the building interior and exterior, interior and exterior lighting, landscaping and parking lot surfaces in first-class condition and repair in accordance with the requirements of the System, and Franchisee will promptly and diligently perform all necessary maintenance, repairs and replacements to the Restaurant as Franchisor may prescribe from time to time including periodic interior and exterior painting; resurfacing of the parking lot; roof repairs; and replacement of obsolete or worn out signage, floor coverings, furnishings, equipment and decor.

11.4. If, during the course of this Agreement, Franchisee would like to relocate the Restaurant, Franchisee must follow the steps outlined in the then-current *Qdoba* Restaurant Corporation Relocation Policy. The new site must be located in the Protected Territory and open within five days of the closure of the existing Restaurant. It is subject to a Site Acceptance and Relocation Fee of five thousand dollars ($5,000).

11.5. If Franchisee leases the Restaurant premises from someone other than QRC, Franchisee agrees that whenever it sends its landlord any notice or other material document relating to Franchisee's performance under the lease for the Restaurant premises, including, but not limited to, late rent notices, notices of default, and notices of termination, or receives such a document from the landlord, Franchisee will promptly

forward a copy of that document to QRC in accordance with the notice provisions of this Agreement.

12. COMPUTER AND POINT OF SALE SYSTEMS

12.1. In the development and operation of the Restaurant, Franchisee must use certain brands, types, makes and models of communications and computer systems (including hardware, software, and web-based applications) that QRC may specify or require from time to time. These include but are not limited to computerized point-of-sale systems and computer systems for recordkeeping and other business functions. QRC's development and modification of specifications for such systems may require Franchisee to purchase, lease and/or license new or modified point-of-sale systems, computer hardware and software and to obtain service and support for such systems, hardware and software during the term of this Agreement.

12.2. QRC may collect information from Franchisee's computerized point-of-sale and other systems via an electronic data transfer ("Polling"). Franchisee hereby acknowledges QRC's right to Poll at any time, at QRC's sole discretion, and Franchisee agrees to set up the systems to maintain and facilitate such Polling. In complying with its obligations under this Agreement, Franchisee shall comply with all applicable privacy laws.

12.3. Franchisee consents to QRC obtaining, using, and disclosing to third parties (including, without limitation, prospective franchisees, financial institutions, legal and financial advisors), for any purpose as QRC deems necessary or as may be required by law, any financial or other information contained in or resulting from information, data, materials, statements and reports received by QRC or disclosed to QRC in accordance with this Agreement or any other agreement between QRC and Franchisee.

13. INGREDIENTS, MATERIALS, SUPPLIES AND SUPPLIERS

13.1. Franchisee must ensure that the Franchised Business uses, offers and sells all food items, ingredients, supplies, materials and other goods, services, and products ("Products") that QRC from time to time requires. The Franchised Business may not use, offer or sell any other Products without QRC's written approval.

13.2. Franchisee must purchase all Products to be used, offered or sold by the Restaurant solely from suppliers, providers, distributors and other vendors ("Suppliers") that have been approved in writing by QRC, and have not thereafter been disapproved. At Franchisee's request, QRC will provide Franchisee with names of approved Suppliers. If Franchisee purchases such items under contract terms negotiated by QRC, then Franchisee may use those items only at the Restaurant.

13.3. Franchisee must use in the development and operation of the Restaurant only those brands, types and models of equipment, vehicles, signs, fixtures and

furnishings (collectively, “Equipment”) that meet QRC’s standards and specifications. Franchisee may purchase approved brands, types and models of Equipment that meet QRC’s specifications only from Suppliers that have been approved by QRC in writing, and have not thereafter been disapproved. At Franchisee’s request, QRC will provide Franchisee with names of approved Equipment Suppliers. If Franchisee purchases such items under contract terms negotiated by QRC, then Franchisee may use those items only at the Restaurant.

13.4. If Franchisee wants to purchase any Products or Equipment from a Supplier who is not yet approved, Franchisee or the Supplier must submit to QRC a written request for such approval. QRC may require that its representatives be permitted to inspect the Supplier’s facilities, and that samples from the Supplier be delivered to QRC, and/or to an independent laboratory designated by QRC, for testing. Franchisee or Supplier must pay QRC an inspection fee not to exceed the reasonable cost of the inspection (to include any and all travel expenses associated with the inspection) and the actual cost of the tests. QRC may also require that the Supplier comply with such other requirements as QRC may deem appropriate, including, without limitation, payment of reasonable continuing inspection fees and administrative costs, signing of non-disclosure agreements, and ethical sourcing standards. QRC reserves the right, at its option, to re-inspect the facilities and Products or Equipment of any such approved Supplier from time to time, and to revoke its approval if the Supplier’s fails to meet any of QRC’s then-current criteria. Nothing in the foregoing should be construed to require QRC to approve any particular Supplier.

13.5. QRC may require Franchisee to purchase any Product or Equipment from a single Supplier, and may approve a Supplier to supply only certain Products or Equipment. QRC may concentrate purchases with one or more Suppliers to obtain lower prices and/or advertising support or services for the benefit of the *Qdoba* System. QRC may be a Supplier for some or all Products or Equipment.

13.6. QRC may, in its sole discretion, designate certain Products to be produced and/or prepared at the Restaurant, at Franchisee’s expense. QRC may, at any time, modify the list of these items.

13.7. In the event that any cash rebates, volume discounts, concessions, advertising allowances, discount bonuses or other benefits (collectively, “Discounts”), whether by way of cash kind or credit, are received by QRC from any Supplier, whether or not on account of purchases made (i) by QRC for its own account or for the account of Franchisee, franchisees generally, or (ii) by Franchisee directly for its own account, QRC shall be entitled to retain the whole of the amount or any part of such Discounts. QRC and its Affiliates are entitled to mark up and profit on the sale of goods and services to Franchisee.

13.8. Franchisee must pay all Suppliers (and all other providers of services or products) according to agreed-upon terms of payment, so as not to impair the reputation of QRC or of other franchisees, or otherwise impair the Marks.

13.9. All advertising and promotional materials, signs, decorations, paper goods (including disposable food containers, napkins, menus and all forms and stationery used in the Franchised Business), and other items that may be designated by QRC to bear the Proprietary Marks, must be used in the form, color, location and manner prescribed by QRC. All such items must be submitted to QRC for approval, and must meet QRC's specifications regarding design, materials and manufacture.

13.10. QRC may offer Franchisee the opportunity to participate in the testing and development of new menu items, operating techniques, pricing levels, and/or marketing materials, among other things. If Franchisee agrees to participate in such testing and development, Franchisee understands and agrees that Franchisee may be required to purchase new Products and/or Equipment related to the test.

14. ADVERTISING

The parties recognize the value of advertising and standardized advertising programs to the goodwill and public image of the System. Accordingly, the parties agree as follows:

14.1. MARKETING AND PROMOTION

14.1.1. Franchisee must make a weekly contribution to the *Qdoba* Marketing Fund ("Marketing Fund"). As of the date of this Agreement, the contribution is one and three-quarters percent (1.75%) of Franchisee's weekly Gross Sales from the Franchised Business. QRC, in its sole discretion, may increase or decrease the rate of contribution up to 4%, but in no event will the rate increase by more than .5% of Gross Sales in any 12-month period. This contribution increase shall take effect upon notice to Franchisee by QRC. Increases over 4% can only occur upon majority vote as follows: franchisees and QRC will each have one vote for each restaurant that pays the then-standard marketing fee. QRC must make a weekly contribution to the Marketing Fund for each of its company-owned restaurants, and the rate of contribution must be the same as the rate of contribution of the majority of the traditional *Qdoba* restaurants in North America.

14.1.2. Franchisee's contribution to the Marketing Fund will be made by direct debit from Franchisee's bank account, as referenced in Section 3.3 of this Agreement.

14.1.3. All sums paid into the Marketing Fund must be accounted for separately by the QRC.

14.1.4. The Marketing Fund, including all contributions thereto, must be used exclusively to maintain and administer the Marketing Fund, for payments including for creative services or materials, and/or to direct, prepare and/or place advertising, promotions and/or communications to build the brand including, among other things, preparing and conducting digital, social, television, radio, magazine, and newspaper

advertising campaigns; purchasing radio, television, digital, social, magazine, newspaper and other media for the distribution of advertising campaigns; advertising through direct mail and outdoor billboards; preparing and conducting marketing/brand surveys and research, which may include awareness and usage surveys, focus groups, marketing surveys and consumer feedback surveys; public relations activities; research, development and testing of products, packaging, and concepts; brand positioning; preparing and executing e-mail and internet-based marketing programs; creating, administering, and maintaining gift card promotions and customer loyalty programs; employing advertising, public relations, and branding agencies and other professional consultants; and providing point-of-purchase, collateral and other marketing materials to the restaurants operated under the System.

14.1.5. All contributions to the Marketing Fund are expected to be used during the fiscal year within which the contributions are received. If excess funds remain in the Marketing Fund at the end of such fiscal year, all expenditures in the following fiscal year(s) must be made first out of excess funds from previous years, next out of funds in the current year, and finally from contributions.

14.1.6. A statement showing categories of sources and uses of the Marketing Fund will be prepared annually by the QRC, and will be made available to Franchisee for inspection, upon request.

14.1.7. QRC will oversee all marketing, advertising and promotional programs paid for through the Marketing Fund, and has sole discretion to approve or disapprove the creative concepts, materials and media used in such programs, and the placement and allocation of such programs. In administering the Marketing Fund, QRC is under no obligation to make expenditures for Franchisee that are equivalent or proportionate to its contribution, or to ensure that any particular franchisee benefits directly or pro rata from the advertising or promotion paid for by the Marketing Fund. Without limiting the generality of the foregoing, QRC is under no obligation to administer or distribute the Marketing Fund according to any particular geographic area or territory, including Canada or the United States. Franchisee further acknowledges and agrees that, if QRC deems appropriate, QRC shall have the right to separate, combine and/or co-mingle funds and/or administrative functions to create one or more Marketing Fund(s) or other funds for one or more systems, in Canada and/or the United States, and/or to allocate all or a portion of the Marketing Fund to regional, national or international advertising and marketing administered by one or more groups of franchisees.

14.1.8. Although the Marketing Fund is intended to be of perpetual duration, QRC maintains the right to terminate the Marketing Fund at its sole discretion. The Marketing Fund will not be terminated, however, until all monies in the Marketing Fund have been expended as permitted by this Agreement or refunded to then-existing Franchisees and QRC restaurants pro rata.

14.2. LOCAL ADVERTISING AND PROMOTION

14.2.1. Franchisee must annually spend a percentage of its Gross Sales on local advertising and promotion, subject to the QRC's sole discretion. As of the date of this Agreement, the contribution is one and a quarter percent (1.25%) of Franchisee's weekly Gross Sales from the Franchised Business. This contribution reduction shall take effect upon notice to Franchisee by QRC. If an audit discloses that Franchisee failed to spend that amount, the QRC may directly debit from Franchisee's bank account and contribute to the Marketing Fund, the amount that Franchisee was required to, but did not, spend on local advertising and promotion. Franchisee must also reimburse QRC for the cost of the audit. These remedies are in addition to all other remedies available to the QRC.

14.2.2. All local advertising and promotion by Franchisee in any medium must be conducted in a dignified manner, and must conform to the standards and requirements of QRC as set forth in the Manual or elsewhere in writing. Franchisee must not use any advertising and promotional plans and materials that have not been prepared, or previously approved in writing, by QRC within the previous 12 months. If Franchisee wants to use any other plans or materials, Franchisee must submit such plans and materials to QRC and obtain written confirmation that the QRC has received them. QRC will endeavor to approve or disapprove such plans and materials within 15 days after QRC receives them. If the plans or materials are not approved in writing within 15 days, they are deemed disapproved. Franchisee must not use plans or materials unless and until QRC approves them in writing, and Franchisee must promptly discontinue use of any advertising or promotional plans or materials upon notice from QRC. Any and all costs associated with discontinuing the use of such plans and materials will be borne exclusively by Franchisee.

14.2.3. Franchisee must participate in any gift and/or loyalty program that QRC requires. Franchisee must promote, supply, and honor gift and/or loyalty redemptions upon the terms determined by the QRC in its sole discretion.

14.2.4. QRC may from time to time develop and create advertising and sales promotion programs designed to promote and enhance the collective success of all Restaurants operating under the System. Franchisee shall participate in all such advertising and sales promotion programs in accordance with the terms and conditions established by QRC for each program.

14.3. ADVERTISING COOPERATIVE

14.3.1. Franchisee acknowledges and agrees that QRC has the right, in its discretion, to designate any geographical area for purposes of establishing an advertising cooperative covering the Franchisee's Protected Territory. If such a cooperative has been established at the time Franchisee commences operations under this Agreement, Franchisee must immediately become a member of such cooperative. If such a cooperative is established at any later time during the term of this Agreement,

Franchisee must become a member of such cooperative no later than thirty days after the date on which Franchisee is notified that the cooperative has commenced operation. In no event will Franchisee be required to be a member of more than one cooperative unless Franchisee operates restaurants in the geographic territories of more than one cooperative. The following provisions will apply to each cooperative:

14.3.2. Each cooperative will be organized and governed in a form and manner approved in advance by QRC in writing, and will commence operation on a date chosen by QRC.

14.3.3. Each cooperative will be organized for the exclusive purposes of administering regional advertising programs and developing standardized promotional materials for use by the members in local advertising.

14.3.4. No advertising or promotional plans or materials may be used by a cooperative or furnished to its members without the prior approval of QRC. All such plans and materials must be submitted to QRC in accordance with the procedure set forth in Section 14.2.2 of this Agreement.

14.3.5. Each cooperative may require its members to make contributions to the cooperative in such amounts as are determined by the cooperative; however, Franchisee will not be required to make a contribution to any cooperative of more than two percent (2%) of the Gross Sales of the Restaurant(s) in the cooperative's geographic territory. Any contribution to such cooperative will be credited against Franchisee's spending obligation on local advertising; however, Franchisee must in any case spend not less than two percent (2%) on local advertising, either through a cooperative or on its own, as required in Section 14.2.1 hereof.

14.3.6. Franchisee understands and acknowledges that after becoming a member of a cooperative, it will be subject to the cooperative's by-laws. Franchisee further acknowledges and agrees that QRC bears no responsibility for the Cooperative's actions.

14.4. OPENING ADVERTISING PROGRAM

Franchisee must conduct an opening advertising program for the Restaurant, which program must begin no later than 30 days after the opening of the Restaurant and be completed within 6 months. The actual dates of the advertising program will be determined by Franchisee after consultation with QRC. Franchisee agrees to spend not less than five thousand dollars ($5,000) for the opening advertising program, unless a different sum is agreed to by the QRC in writing. The opening advertising program must conform to QRC's requirements, and must use the media and advertising formats designated by QRC. Franchisee must submit vendor invoices for opening advertising expenses to QRC within 60 days of the commencement of the advertising program to evidence compliance with this Section. If Franchisee fails to conduct its opening advertising program as required in this Agreement, QRC may

directly debit from Franchisee's bank account and contribute to the Marketing Fund, any amount that Franchisee was required to, but did not, spend on the opening advertising program. This remedy is in addition to all other remedies available to the QRC.

15. ACCOUNTING AND RECORDS SYSTEMS

15.1. Franchisee may be required to use a bookkeeping, accounting and record-keeping system conforming to the QRC's requirements, including a general ledger system that uses a chart of accounts prescribed by QRC from time to time. Franchisee's books, records and accounts must be complete and accurate, and maintained in accordance with the generally accepted accounting principles in use in the United States. Franchisee must retain these documents for at least three (3) years from the date of their preparation.

15.2. Franchisee must advise QRC of the beginning and ending dates of the chosen fiscal year before the beginning of that fiscal year.

15.3. Franchisee must prepare financial reporting materials in the form required by QRC, and submit those materials to QRC, as follows:

15.3.1. Each Monday, no later than 10:00 a.m., Central Time, by Polling, or such other method as QRC specifies, Franchisee must submit a report of the Gross Sales, net sales, manager comps, promotions, check counts for the preceding week, and any other information QRC may require, broken down by day.

15.3.2. Upon QRC's request, Franchisee must submit its state sales tax returns to QRC, and must do so by email, fax, mail or such other means as QRC specifies.

15.3.3. Within thirty days after the end of each four week period ("Period"), Franchisee may be required to submit by email, fax, mail or such other means as QRC specifies, an unaudited profit and loss statement showing the then-current Period and the year-to-date business results of the franchise.

15.3.4. Within thirty days after the end of each quarter of the fiscal year, Franchisee may be required to submit by email, fax, mail or such other means as QRC specifies, a quarterly balance sheet (which may be unaudited). Each such submission must be signed by Franchisee or by Franchisee's treasurer or chief financial officer attesting that it is true and correct.

15.3.5. Within thirty days after the end of each quarter of each fiscal year, Franchisee may be required to submit by email, fax, mail or such other means as QRC specifies, reports of any income and expense items of the Restaurant. QRC may use those reports to provide income and expense information to prospective or existing franchisees. QRC agrees that it will not provide prospective or existing franchisees with

any specific financial results of any specific restaurant operated by Franchisee, without Franchisee's consent.

15.3.6. Within ninety days after the end of each fiscal year, Franchisee must submit by email, fax, mail or such other means as QRC specifies, a financial statement including a profit and loss statement, balance sheet and statement of cash flow showing the results of operations of the Franchised Business during said fiscal year ("Financial Statement(s)"), certified by the Treasurer or CFO of Franchisee as true and correct and as having been prepared in accordance with generally accepted accounting principles in use in the United States; provided, however, that if Franchisee is required by its lender, investors or any other third party, or otherwise elects, to have Financial Statements prepared by a certified public accountant, then Franchisee will provide a copy of such certified Financial Statements to QRC.

15.3.7. Franchisee must also submit to QRC, for review or auditing, such other forms, reports, records, information and data as QRC may reasonably require, including, without limitation, reports and information concerning the costs and other matters relating to the development of the Restaurant, in the form and at the times and places as QRC may reasonably require. All such materials must be prepared at Franchisee's own expense, in the format prescribed by QRC and transmitted in the form prescribed by QRC. At QRC's discretion, QRC may also obtain such information through Polling.

15.4. QRC or its designated agents may at any time, on an announced or unannounced basis, enter and inspect Franchisee's place of business and examine and copy, at QRC's expense, the books, records and tax returns of Franchisee. QRC may also, at any time, conduct an audit or have an independent audit made of the books of Franchisee. If an inspection or audit reveals that any payments have been understated in any report to QRC, then Franchisee must pay to QRC upon demand the amount understated, in addition to interest from the date such amount was due until paid, at the rate of eighteen percent (18%) per annum, or the maximum rate permitted by law, whichever is less. If an inspection or audit discloses an understatement in any report of 2% or more of Franchisee's Gross Sales for the audited period, Franchisee must, in addition, reimburse QRC for any and all costs and expenses connected with the inspection and audit, including, without limitation, travel, lodging and wage expenses, and reasonable accounting and legal costs. These remedies are in addition to any other remedies QRC may have.

15.5. All customer data, customer contact lists, sales, transaction and restaurant operating data is and will be owned exclusively by QRC. QRC may use that data in any manner that it deems appropriate, including, without limitation, providing general or consolidated financial or operating reports to existing and prospective franchisees and other third parties. QRC hereby licenses use of such data back to Franchisee for the term of this Agreement and only for use in connection with the operation of the Restaurant. Franchisee may not use the data for any purpose other than operating the Restaurant, or sell or transfer any of the above data except to a buyer as part of an

approved Transfer. Franchisee shall comply with any standards and policies that QRC may issue relating to data used in the operation of the Restaurant. Franchisee shall immediately notify QRC of any possible or actual data breach.

16. PERSONNEL OF THE FRANCHISED RESTAURANT

16.1. Franchisee must choose one individual as the Designated Operator to oversee the operation of the Restaurant (and any other *Qdoba* restaurants franchised by Franchisee). The Designated Operator is subject to QRC's approval. If Franchisee is operating more than one *Qdoba* restaurant, then the Designated Operator must have at least three (3) years of multi-unit experience in the operation of restaurants. Franchisee hereby authorizes QRC to communicate with and give notice to Franchisee through the Designated Operator.

16.2. Franchisee must employ at all times a full-time General Manager who must have at least one (1) year of experience as a General Manager in the restaurant industry. That individual must make operating the Restaurant his/her sole employment, and dedicate his/her full efforts toward running the Restaurant.

16.3. The Designated Operator and General Manager must attend QRC's certified training program, as specified in Section 8.

16.4. The Designated Operator, the General Manager and other employees must attend such refresher courses, seminars and other training programs as QRC may reasonably require from time to time. QRC, in its sole discretion, may require that Franchisee send additional personnel to the certified training program or other training programs at Franchisee's own expense. For all training courses, seminars and programs, ancillary expenses, including but not limited to transportation, meals, lodging, wages and insurance will be the sole responsibility of Franchisee.

16.5. Franchisee must employ at all times a competent, conscientious, trained staff in sufficient numbers to optimize sales at the Franchised Business. Franchisee must take all necessary steps to ensure that all of its employees preserve and maintain good customer relations and comply with any dress code QRC prescribes.

16.6. Franchisee may not retain or otherwise contract with any third party to provide management services for the Restaurant unless such entity is either an employee of Franchisee or has been approved in writing by QRC. QRC may condition such approval on the receipt of a non-disclosure covenant from the third party.

16.7. All persons working for Franchisee are employees of Franchisee, not of the QRC. All rights and duties regarding recruiting, training, scheduling, supervising and paying employees belong to Franchisee. The QRC has no rights or duty to operate the Restaurant or direct Franchisee's employees.

17. COMPLIANCE WITH LAWS AND HEALTH STANDARDS

17.1. Franchisee must meet and maintain the highest health standards and ratings applicable to the operation of the Restaurant. Franchisee must promptly inform QRC when health inspections occur. Franchisee must also furnish to QRC a copy of any inspection report, warning, citation, certificate or rating applicable to the health or safety standards in the operation of the Restaurant, within the time frame specified by QRC.

17.2. Franchisee must maintain the Restaurant in a high degree of cleanliness, repair and condition. Franchisee must make such additions, alterations, repairs and replacements at the Restaurant that QRC deems necessary for that purpose. All such work must be completed within a reasonable time, as specified by QRC.

17.3. Franchisee must at all times, at its own expense, conform to and comply with all federal, state and local laws, ordinances, regulations, and applicable industry standards now in force or that are hereafter enacted affecting the operation of the Franchised Business, including, without limitation, wage and hour laws, labor laws, the Americans with Disability Act, OSHA, the Sherman Act, the Federal Trade Commission Act, the Clayton Act, and the USA PATRIOT Act; any security standards (such as the Payment Card Industry Data Security Standard) imposed by the credit card or similar industries); and any similar federal, state, or local laws. Specifically, Franchisee shall not enter into any agreement or understanding with any competitor, including other Qdoba® franchisees, that would result in a restraint of trade in violation of federal, state, or local laws.

18. INSPECTIONS OF THE RESTAURANT

18.1. Franchisee acknowledges and agrees that it must adhere to all specifications, standards and operating and inspection procedures prescribed from time to time by QRC in the Manual or otherwise communicated to Franchisee in writing. Franchisee also acknowledges and agrees that its failure to adhere to such specifications, standards, operating procedures and inspection procedures, or to pass QRC's quality control inspections, constitutes grounds for termination of this Agreement.

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

18.3. Franchisee must allow QRC and its agents to enter upon the Restaurant premises at any time, announced or unannounced, for the purpose of conducting

inspections and audits. Franchisee must cooperate with QRC's representatives in such inspections and audits by rendering such assistance as they may reasonably request. Upon notice from QRC or its agents, and without limiting QRC's other rights under this Agreement, Franchisee must take such steps as necessary to immediately correct any deficiencies detected during any such inspection, and must reimburse QRC for the reasonable cost of a follow-up inspection. If Franchisee fails to correct deficiencies within a reasonable time, as determined by QRC, QRC may correct such deficiencies. Franchisee must reimburse QRC immediately upon demand for its reasonable expenses for doing so.

18.4. If the QRC reasonably determines through sources that include but are not limited to any health or safety notice to the public, administrative hearing by any local, state or federal health agency, or change in any food safety grade from passing to failing, that a threat or danger to public health or safety is likely to result from the continued construction or operation of the Franchised Business, the QRC may, in its sole discretion, exercise its termination rights under Section 28 or take any lesser right, such as directing a temporary closure of the Restaurant until the situation can be corrected to QRC's satisfaction.

18.5. If the results of any inspection are unsatisfactory, Franchisee must reimburse QRC for the reasonable cost of a follow-up inspection.

19. GUARANTEES

19.1. QRC has the right to require all or certain of Franchisee's "Owners," as hereinafter defined, sign and deliver to QRC concurrently with this Agreement a guaranty of Franchisee's obligations under this Agreement. In extraordinary circumstances, as reasonably determined by QRC, spouses (collectively, "Spouses") of Owners may also be required to sign a guaranty. The guaranty must be in the form of Guaranty and Assumption of Franchise Owner's Obligations ("Guaranty") attached hereto as Exhibit B.

19.2. The term "Owner" means each person or entity that has any indirect or direct equity interest in Franchisee.

19.3. All Transfers between Owners and to new Owners are subject to the "Transfer of Interest" provisions set forth in Section 25.2.

20. SECURITY INTEREST

20.1. To secure prompt and complete payment of the "Obligations," as hereinafter defined, Franchisee hereby grants to QRC a security interest in and to all Franchisee's assets of any kind or nature used or useful in connection with the ownership and operation of the Franchised Business, including without limitation, the following ("the Collateral"):

20.1.1. all equipment, furnishings, fixtures, merchandise, inventory, goods and other tangible personal property;

20.1.2. all accounts, accounts receivable, other receivables, contract rights, leases, software, chattel paper, and general intangibles;

20.1.3. all instruments, documents of title, policies and certificates of insurance, securities, bank deposits, bank accounts, and cash;

20.1.4. all books, records, and documents relating to any Collateral;

20.1.5. all permits, licenses, and franchises for the operation and ownership of the Franchised Business, and all rights incident or appurtenant to such licenses, authorizations and permits; and

20.1.6. all accession, additions, and improvements to, and all replacements, substitutions, and parts for, and all proceeds and products of the Collateral, including proceeds of insurance.

20.2. The Obligations include: all amounts owed by Franchisee to QRC from time to time under this Agreement or any other agreement between QRC and Franchisee; all interest payable under this Agreement; all costs and expenses incurred by QRC to enforce this Agreement and/or the security interest granted herein; and to collect the amount due hereunder; and any advances made by QRC to Franchisee.

20.3. Franchisee must, at its sole expense, sign and deliver to QRC such additional documents, instruments and agreements as reasonably required by QRC to create, maintain, perfect, or assure the priority of the security interest granted by this Agreement. QRC is hereby appointed as Franchisee's agent and attorney-in-fact, which appointment is coupled with an interest and will be irrevocable so long as any of the Obligations remain outstanding, to sign and deliver such documents, endorsements and instruments, and to take all such other action (to the maximum extent permitted by law) in the name of and on behalf of Franchisee as QRC may deem necessary or advisable to create, maintain, perfect, assure the priority of, or foreclose, its security interest in and lien of the Collateral.

20.4. Upon request, QRC will sign and deliver to Franchisee its standard Consent and Subordination Agreement, to subordinate its security interest in the Collateral (other than the Franchise) to an institutional lender that is lending funds to Franchisee or its Affiliate for purposes relating to the acquisition or improvement of the Franchised Business.

21. OWNERSHIP AND USE OF MARKS

21.1. Franchisee understands and acknowledges that QRC owns the Proprietary Marks, including any variations and modification of them, that Franchisee has no interest whatsoever in or to the Proprietary Marks, and that Franchisee’s right to

use the Proprietary Marks is derived solely from this Agreement, and is limited by the terms of this Agreement and all applicable specifications, standards and operating procedures prescribed by QRC from time to time. Any unauthorized use of the Proprietary Marks by Franchisee will constitute an infringement of the rights of QRC in and to the Proprietary Marks.

21.2. Franchisee may not use any Proprietary Mark as part of any corporate or trade name or with any prefix, suffix or other modifying words, terms, designs or symbols, or in any modified form. Franchisee may not use any Proprietary Marks in connection with any business or activity other than the Franchised Business or in any manner not explicitly authorized in writing by QRC. Franchisee may not establish a website or domain name that in any way uses or incorporates a Proprietary Mark, or links to QRC's website, without the prior written consent of QRC.

21.3. Franchisee agrees that any goodwill established by Franchisee's use of the Proprietary Marks or System will inure to the exclusive benefit of QRC, and Franchisee acknowledges that this Agreement does not confer upon Franchisee any goodwill or interests in the Proprietary Marks or System.

21.4. Franchisee must not, during the term of this Agreement or after its termination or expiration, contest the validity or ownership of any of the Proprietary Marks or assist any other person in contesting the validity or ownership of any of the Proprietary Marks.

21.5. All provisions of this Agreement applicable to the Proprietary Marks will apply to any additional trademarks, service marks, logo forms and commercial symbols that QRC hereafter authorizes Franchisee to use in connection with the Franchised Business.

21.6. Franchisee agrees to use the Proprietary Marks as the sole identification of the Restaurant; however, Franchisee must identify himself as the independent owner at the Restaurant in the manner prescribed by QRC. Franchisee agrees to display the Proprietary Marks prominently and in the manner prescribed by QRC on signs, menus and forms. Franchisee shall maintain and display such signs (including menu panels, posters or similar items) as required by QRC from time to time. Franchisee shall only display or use such signs at the Restaurant premises or as permitted by QRC for directional or similar signage for the Restaurant or to identify Franchisee's corporate offices. Franchisee shall not place additional signs, menu panels, posters or similar items on the Restaurant premises. Franchisee shall promptly discontinue the use of and destroy such items as are declared non-conforming or obsolete by QRC, or, in the case of termination, as required according to the post-termination obligations set forth herein. Further, Franchisee agrees to give such notices of trademark and service mark registrations and copyrights as QRC specifies, and to obtain such fictitious or assumed name registrations as may be required under applicable law.

21.7. Failure to comply strictly with any and all provisions regarding use of the Marks in this Section 21 will be grounds for termination of this Agreement without the opportunity to cure, as more fully set forth in Section 28. Additionally, Franchisee understands and acknowledges that any failure to comply with the requirements of Section 21 will result in substantial injury and damage to QRC for which there is no adequate remedy at law. For these reasons, if Franchisee violates or threatens to violate any term of this provision, the QRC will be entitled to, in addition to any other remedies and damages available, injunctive or other equitable relief, to restrain the violation of this provision by Franchisee and its agents or employees. Franchisee agrees to pay all court costs and reasonable legal fees incurred by QRC in obtaining specific performance of, or an injunction against violation of, the requirements of Section 21, in addition to any other claims to which QRC may be entitled.

21.8. If QRC determines, in its sole discretion, that it is advisable for QRC and/or Franchisee to modify or discontinue use of any Proprietary Mark, or use one or more additional or substitute trademarks or service marks, Franchisee agrees to comply with QRC directives regarding the use of such Marks within a reasonable time as established by QRC. The sole liability and obligation of QRC in any such event will be to reimburse Franchisee for the out-of-pocket costs of complying with this obligation.

21.9. Franchisee must immediately notify QRC in writing if Franchisee becomes aware of any apparent infringement or imitation of any Mark, any challenge to Franchisee's use of any Mark, any claim by any person of any rights in any Mark, or existence of any similar trade name, trademark or service mark. Franchisee may not communicate with any person, other than QRC and its counsel, in connection with any infringement, challenge or claim, except as otherwise required by law. QRC has the exclusive right to control any litigation, trademark proceeding or other legal or administrative proceeding relating to any Proprietary Mark, and sole discretion to take such action as it deems appropriate. Franchisee agrees to sign any and all instruments and documents, render such assistance and do such acts and things as QRC deems necessary or advisable to protect and maintain the interests of QRC in any such litigation or proceeding, or to otherwise protect and maintain the interests of QRC in the Marks.

21.10. QRC agrees to indemnify Franchisee against, and to reimburse Franchisee for, all damages for which Franchisee is held liable in any proceeding in which Franchisee's use of any Proprietary Mark pursuant to and in compliance with this Agreement is held to constitute trademark infringement, unfair competition or dilution, and for all costs reasonably incurred by Franchisee in the defense of any such claim brought against it or in any such proceeding in which it is named as a party, provided that Franchisee has timely notified QRC of such claim or proceeding, has otherwise complied with this Agreement, and has tendered complete control of the defense of such to QRC. If QRC defends such claim, QRC will have no obligation to indemnify or reimburse Franchisee with respect to any fees or disbursements of any attorney retained by Franchisee.

21.11. All promotional materials, advertising materials, discoveries, inventions, ideas, business methods or improvements (whether or not patentable or capable of being copyrighted) relating to or arising from the operation of a *Qdoba* restaurant, whether created by Franchisee, Franchisee's Owners or their agents and independent contractors, must be promptly disclosed by Franchisee to QRC, and will be QRC's sole and exclusive property. If applicable, those items will be deemed to be works made-for-hire for QRC. To the extent the works may not be deemed "works made for hire" under applicable law, Franchisee hereby irrevocably assigns to QRC, for no additional consideration, all right, title and interest in and to any patents, trademarks, copyrights, trade secrets and any other proprietary rights.

21.12. Franchisee and its Owners will sign, and cause their agents and independent contractors to sign, whatever assignment or other documents QRC requests to evidence QRC's ownership and to assist QRC in obtaining copyright registrations or patent rights. Franchisee and its Owners (if applicable) will use such items solely in connection with activities permitted under this Agreement, and will not use any substantially similar material for any purpose during or after the term of this Agreement.

22. CASUALTY LOSSES

22.1. If the Restaurant premises are damaged or destroyed by fire or other casualty, or if Franchisee is required by any governmental authority to repair or reconstruct the premises, Franchisee must repair or reconstruct the premises in accordance with QRC's then-current design standards. Such repair or reconstruction must be completed within a reasonable time in light of the circumstances. If the repairs or reconstruction cannot be completed within ninety days after the casualty loss, then Franchisee will have thirty days after such event in which to apply for QRC's approval to relocate the Restaurant or for additional time to reconstruct the premises. Such approval will not be unreasonably withheld, but may be conditioned upon the payment of an agreed-upon minimum royalty while the restaurant is not in operation.

23. INSURANCE

23.1. During the term of this Agreement, Franchisee must obtain and maintain in full force and effect, at his own expense, such insurance coverages as may be required of Franchisees by QRC. The current requirements are set forth in Exhibit D. Before the opening of the Restaurant and thereafter, throughout the term of this Agreement, Franchisee must furnish to QRC evidence satisfactory to QRC that such insurance coverages are in effect in the form of Certificates of Insurance, any insurance policy endorsements and a copy of the Franchisee's insurance policy(ies). Renewal Certificates of Insurance must be delivered to QRC thirty days before the expiration date of all policies. All deductible amounts on all insurance policies required under this Agreement must be disclosed in writing to, and approved by, QRC and noted on the applicable Certificate of Insurance. The insurance requirements, including but not limited to coverages and policy limits, may be increased or modified from time to time by

QRC at its sole discretion, as may be more particularly set out in (or modified by) the Manual.

24. CONFIDENTIAL INFORMATION

24.1. Franchisee understands and acknowledges that QRC has invested, and continues to invest, considerable sums of money in developing the System. Because of the competitive nature of the restaurant business, and to protect the legitimate interest of QRC and other franchisees, it is necessary to protect certain information about the System as confidential.

24.2. For purposes of this provision, "Confidential Information" includes product recipes and tests, ingredients used in QRC's products, product preparation procedures, customer service measures and techniques, franchise support procedures, supplier relationship and distribution system information, new product development information, the Manual, financial data, growth plans or strategies, real estate development plans or strategies, restaurant design plans, proposed restaurant sites, equipment, computer systems, business and development plans and strategies, training programs, consumer research results, marketing and advertising strategies and materials, customer data, customer contact lists, sales, transaction and restaurant operating data, and all other information designated by QRC as confidential.

24.3. Confidential Information does not include: (a) information, concepts, methods, procedures or techniques that are, or become, generally known in the quick-service and quick-casual restaurant industries in the United States, other than through disclosure by Franchisee whether deliberate or inadvertent; (b) the disclosure of Confidential Information in judicial or administrative proceedings to the extent that Franchisee is legally compelled to disclose such information, provided that Franchisee has afforded QRC the opportunity to obtain an appropriate protective order or other assurance that the information will be treated as confidential; or (c) information that Franchisee can demonstrate came to its attention prior to disclosure thereof by QRC other than in connection with a violation of a confidentiality or non-disclosure agreement.

24.4. Franchisee will be provided with Confidential Information in connection with its development and/or operation of the Franchised Business. Franchisee agrees that both during the term of this Agreement and thereafter, Franchisee: (a) will use the Confidential Information only in the operation of the Franchised Business, and not in connection with any other business; (b) will not make copies of, duplicate, record, or otherwise reproduce any Confidential Information without the express written consent of QRC; (c) will not communicate, divulge or disclose the Confidential Information to any person or entity who does not need access to it to operate the Franchised Business; and (d) will not use the Confidential Information, or allow it to be used, for the benefit of any third party.

24.5. Franchisee acknowledges and agrees that all Confidential Information is, and will remain, the sole and exclusive proprietary property of QRC.

24.6. QRC requires that all Owners in Franchisee or the Franchised Business sign the Confidentiality and Non-Competition Agreement attached as Exhibit C.

24.7. QRC requires Franchisee to obtain from all management personnel and all independent contractors who may have access to Confidential Information, as a condition of their employment, covenants that they will maintain the confidentiality of all Confidential Information that they receive in connection with their employment by Franchisee. Such covenants will be in a form satisfactory to QRC, including, without limitation, listing QRC as a party for the purposes of enforcing such covenants or specific identification of QRC as a third-party beneficiary of such covenants with the independent right to enforce them. Franchisee may be required to provide QRC with copies of all such covenants.

24.8. Franchisee understands and acknowledges that any failure to comply with the requirements of this Section 24 will result in substantial injury and damage to QRC for which there is no adequate remedy at law. For these reasons, if Franchisee violates or threatens to violate any term of this provision, the QRC will be entitled to, in addition to any other remedies and damages available, injunctive or other equitable relief, to restrain the violation of this provision by Franchisee and its agents or employees. Franchisee agrees to pay all court costs and reasonable legal fees incurred by QRC in obtaining specific performance of, or an injunction against violation of, the requirements of this Section 24, in addition to any other claims to which QRC may be entitled.

25. TRANSFER OF INTEREST

25.1. TRANSFER BY QRC

QRC may transfer or assign this Agreement, any ownership interest in QRC, and all or any part of QRC's rights or obligations herein to any person or legally formed entity. Any such assignment will inure to the benefit of any assignee or other legal successor to the interest of QRC. QRC may, in its sole discretion, elect to have designees perform the obligations of QRC under this Agreement.

25.2. TRANSFER BY FRANCHISEE

25.2.1. Franchisee understands and acknowledges that the rights and duties set forth in this Agreement are personal to Franchisee (or if Franchisee is a legally formed entity, Franchisee's Owners, as defined in Section 19.2), and that QRC has granted this franchise in reliance upon Franchisee's business skill, financial capacity and personal character. Accordingly, neither Franchisee nor any Owner may sell, assign, transfer, convey, give away, pledge, mortgage or otherwise encumber ("Transfer") any direct or indirect interest in Franchisee, this Agreement or the Franchised Business, or permit such a Transfer, without the prior written consent of

QRC. Any purported Transfer, by operation of law or otherwise, not having the written consent of QRC required by this Section 25, will be null and void, and will constitute a material breach of this Agreement.

25.2.2. QRC may not unreasonably withhold its consent to a Transfer of any interest in Franchisee, this Agreement or in the Franchised Business; however, QRC may require any or all of the following as conditions of its approval:

25.2.2.1. All of the accrued monetary obligations and all other outstanding obligations of Franchisee, its Owners and Affiliates to QRC and its Affiliates must have been satisfied.

25.2.2.2. Franchisee, its Owners and Affiliates must not be in default of any provision of this Agreement, or any other agreement with QRC or its Affiliates.

25.2.2.3. Franchisee must remain liable for all of the obligations to QRC in connection with the Franchised Business prior to the effective date of the transfer, and must sign any and all instruments reasonably requested by QRC to evidence such liability.

25.2.2.4. At the time of Transfer, Franchisee and each Owner must sign a general release, in a form satisfactory to QRC, releasing any and all claims against QRC and its Affiliates, including their officers, directors, shareholders and employees, in their corporate and individual capacities, including, without limitation, claims arising under federal, state and local laws, rules and ordinances, and unknown claims.

25.2.2.5. The transferee or Franchisee, at its expense, must comply with all maintenance and repair requirements, as well as all Refresh and Reimage requirements, described in this Agreement, including, without limitation, the requirements of Sections 11.2 and 11.3 above. To the extent any Refresh or Reimage is required, or if the Accepted Location is not in first-class condition and repair, or is not otherwise in compliance with the standards and requirements of the System at the time of transfer, then the transferee or Franchisee, at its expense, must promptly and diligently perform all necessary maintenance, repairs and replacements to the Restaurant as QRC may prescribe, in accordance with any timeline required under this Agreement or otherwise established by QRC.

25.2.2.6. At the time of Transfer, transferee must complete a Certificate of Ownership form.

25.2.2.7. The transferee must enter into a written assumption agreement in a form satisfactory to QRC, assuming and agreeing to discharge all of Franchisee's obligations under this Agreement and such ancillary agreements as QRC may require. Alternately, and at QRC's option, the transferee must

sign (and upon QRC's request, must cause all interested parties to sign) the standard form franchise agreement then in use for a term ending on the expiration date of this Agreement, and with such renewal term as may be provided by this Agreement, and such ancillary agreements as QRC may require, including a Confidentiality and Non-Competition Agreement. The terms of such agreements may differ from the terms of this Agreement, and will supersede this Agreement in all respects. The differences may include, without limitation, a higher percentage royalty fee, marketing fee, local advertising obligation, and/or a smaller Protected Territory, Delivery Boundaries and/or Catering Solicitation Boundaries.

25.2.2.8. The transferee must complete all necessary applications and must demonstrate to QRC's satisfaction that it meets QRC's then-existing financial, educational, managerial and business standards. This includes possessing a good moral character, business reputation and credit rating, having the aptitude and ability to conduct the Franchised Business (as may be evidenced by prior related business experience or otherwise), and having adequate financial resources and capital to operate the business.

25.2.2.9. The transferee and the proposed Owners and their Spouses, as applicable, must guarantee the performance of all obligations under this Agreement by signing the form of Guaranty attached hereto as Exhibit B.

25.2.2.10. As part of a Transfer of the more than 50% of the ownership interest in the Franchised Business or substantially all of its assets, Franchisee must also transfer all customer data, customer contact lists, and transaction data relating to the Restaurant, and relinquish all rights thereto.

25.2.2.11. At the transferee's expense, the transferee and (at QRC's request) transferee's personnel, must satisfactorily complete the training requirements set forth in Section 8, and must complete any training programs then in effect for franchisees upon such terms and conditions as QRC may reasonably require.

25.2.2.12. Except in the case of a Transfer to a corporation, limited liability company or partnership formed for the convenience of ownership, and having the same Owners and ownership structure as Franchisee's, or Transfers among existing Owners, Franchisee must pay a transfer fee of up to five thousand dollars ($5,000) per franchised restaurant.

25.2.2.13. Franchisee and transferee must agree that any note issued by the transferee to Franchisee in connection with the purchase of the Restaurant will be subordinate to transferee's obligations to pay royalties or any other amounts due QRC or its Affiliates;

25.2.2.14. Franchisee and transferee must acknowledge in writing that QRC's approval of the proposed Transfer does not constitute a representation, guaranty or warranty, express or implied, of the suitability of the terms of

the proposed Transfer, of the capabilities of the Transferee, or of the successful operation of any Restaurant; however, QRC may withhold consent to a transfer if it believes the terms and conditions of the proposed transfer would adversely affect the possibility of success of the business in light of the conditions under which it is to be purchased.

25.2.3. Franchisee must not grant a security interest in the Franchised Business or in any of its assets unless the secured party agrees that if Franchisee defaults under any documents related to the security interest, QRC will have the right to prior notice and the option to be substituted as obligor to the secured party and to cure any default of transferee.

25.2.4. QRC agrees not to limit the number of non-guarantor Owners ("Passive Investors"), subject to execution of confidentiality agreements by all such Passive Investors, and further subject to Franchisee and any guarantors remaining responsible for compliance with all applicable laws, including, without limitation, securities, Patriot Act, and OFAC regulations. Franchisee may be required to provide written certification to QRC of Franchisee's and all Passive Investors' compliance with all applicable laws, and Franchisee acknowledges that claims arising from any violation are covered by the indemnity provisions set forth in this Agreement. QRC will also require that Franchisee represent, warrant and certify that they will not share confidential information with any Passive Investors. QRC will have the right to audit all Passive Investors, and any failure to comply with all applicable laws and regulations by Franchisee or any Passive Investor, or any breach by Franchisee of any representations, warranties or certifications required hereunder, may result in termination in accordance with Section 28 below.

25.2.5. Franchisee acknowledges and agrees that each of the foregoing conditions is necessary to assure transferee's full performance of the obligations under this Agreement.

25.2.6. QRC's consent to a transfer of any interest in Franchisee, this Agreement or the Franchised Business will not constitute a waiver of any claims QRC may have against the Franchisee or the transferring party, nor will it be deemed a waiver of QRC's right to demand exact compliance with any of the terms of this Agreement by the transferee.

26. QRC'S RIGHT OF FIRST REFUSAL

26.1. Franchisee and/or any Owner who desires to accept any bona fide offer from a third party to purchase all or part of an interest in the Franchised Business (hereinafter referred to as "Seller"), must notify QRC in writing of each such offer forty-five days before the proposed sale. Seller must provide such information and documentation relating to the proposed purchaser and the offer as QRC may require. QRC will have the right and option to purchase the Seller's interest at QRC's sole discretion, at the price offered by the third party. QRC will inform Seller of its intent to

exercise the option within thirty days after receipt of all pertinent sales information from Seller. If the proposed transaction includes assets of Franchisee not related to the operation of the Franchised Business, QRC may at its discretion exercise its option only with respect to the interest of the Franchised Business. In such event, an equitable purchase price will be allocated to each asset included in the proposed transaction. If QRC elects to purchase the Seller's interest, QRC may require the purchase to close within thirty days from the date of notice to the Seller of QRC's election to purchase.

26.2. Any material change in the terms of any offer prior to closing will constitute a new offer, and will be subject to QRC's right of first refusal as though it were an initial offer.

26.3. Failure of QRC to exercise the option afforded by this Section 26 will not constitute a waiver of any other provision of this Agreement relating to proposed transfers, including any of the requirements of this Section 26.

26.4. If QRC exercises its right of first refusal, the sale agreement must contain customary representations and warranties given by the Seller including, without limitation, representations and warranties as to ownership, condition of and title to stock and assets, liens and encumbrances relating to the stock and assets, validity of contracts and verification of financial statements.

27. DEATH OR DISABILITY OF FRANCHISEE

27.1. Upon the death or permanent disability of a Designated Operator, the executor, administrator, conservator or other personal representative of such person, or the remaining members, shareholders or partners, must select a new Designated Operator within a reasonable time, not to exceed 30 days from the date of death or permanent disability. The new Designated Operator is subject to the QRC's approval, and must attend and satisfactorily complete QRC's initial training program. If the Restaurant is not being overseen by an approved Designated Operator within 30 days after death or permanent disability, QRC is authorized, but is not required, to immediately appoint a manager to maintain the operations of the Restaurant for and on behalf of Franchisee until an approved Designated Operator is able to assume the management and operation of the Restaurant, but not to exceed nine months. QRC's appointment of a manager of the Restaurant will not relieve Franchisee of its obligations under this Agreement, and QRC will not be liable for any debts, losses, costs or expenses incurred in the operations of the Restaurant or to any creditor of Franchisee for any products, materials, supplies or services purchased by the Restaurant during any period in which it is managed by QRC-appointed manager. QRC will provide Franchisee with monthly updates regarding the operation of the Restaurant. If, after nine months, a new certified manager is not operating the Restaurant, the QRC may terminate this Agreement. QRC may charge, and Franchisee must pay, a reasonable fee for such management services, and QRC may cease to provide such management services at any time.

27.2. Upon the death or permanent disability of any Owner, the executor, administrator, conservator or other personal representative of such person must transfer that individual's interest in Franchised Business within a reasonable time, not to exceed 12 months from the date of death or permanent disability, to a person approved by QRC. Such transfers, including, without limitation, transfers by devise or will, are subject to all the terms and conditions for assignments and transfers contained in Section 25 of this Agreement. Failure to transfer such interest within the required period of time will constitute grounds for termination of this Agreement.

28. DEFAULT AND TERMINATION

28.1. Immediate Termination. Franchisee will be deemed to be in default under this Agreement, and all rights granted herein will immediately terminate automatically and without notice to Franchisee if any of the following events occur:

28.1.1. Franchisee makes a general assignment for the benefit of creditors.

28.1.2. Franchisee commences a voluntary petition under bankruptcy, insolvency or any similar law; or an involuntary case under bankruptcy or insolvency or similar law is filed against Franchisee and is either unopposed by Franchisee or is not dismissed within thirty days of filing; or an order or decree for relief under bankruptcy, insolvency or similar laws is entered regarding Franchisee. Franchisee expressly waives all rights under the provisions of the bankruptcy or other applicable laws and rules, and consents to the immediate termination of this Agreement as provided herein. Franchisee agrees not to seek an order from any court, tribunal or agency in any jurisdiction relating to bankruptcy, insolvency, reorganization or any similar proceedings that would have the effect of staying or enjoining this provision.

28.1.3. A bill in equity or other proceeding for the appointment of a receiver of Franchisee or other custodian for Franchisee's business or assets or real or personal property is filed by, consented to, or not opposed by Franchisee.

28.1.4. Franchisee becomes insolvent in that: (a) Franchisee generally fails, or is generally unable, to pay its obligations as they become due in the regular course of business; or (b) the value of Franchisee's assets are less than the value of its liabilities.

28.1.5. If Franchisee is a corporation, limited liability company, partnership or other legal entity and Franchisee is dissolved or its existence otherwise terminated.

28.1.6. Execution is levied against the franchise, the Franchised Business or property or the Restaurant premises, and not discharged with five days.

28.1.7. A suit to foreclose any lien or mortgage against the Restaurant premises or equipment is instituted and not dismissed or bonded around within thirty days.

28.1.8. Franchisee at any time ceases to operate the Franchised Business for a period of five consecutive days, or otherwise abandons the Franchised Business.

28.2. Termination Upon Notice. Franchisee will be deemed to be in default, and QRC may, at its option, terminate this Agreement and all rights granted under this Agreement upon any of the following grounds. Termination will become effective immediately upon notice to Franchisee.

28.2.1. QRC reasonably determines that a threat or danger to public health or safety is likely to result from the construction, maintenance or operation of the Restaurant.

28.2.2. Franchisee, Operator, Designated Operator, or any shareholder, member, partner, owner, director or officer of Franchisee, is charged with, convicted of, or pleads no contest to, any crime or offense that QRC reasonably believes, in its sole discretion, is likely to have an adverse effect on the System, the franchisees operating under the System, the Proprietary Marks, the goodwill associated therewith, or QRC's interest therein.

28.2.3. Franchisee discloses, makes any unauthorized duplicates of, or otherwise improperly divulges or uses the contents of the Manual or other confidential information provided to Franchisee by QRC contrary to the terms of Sections 10 or 24 of this Agreement.

28.2.4. A final judgment remains unsatisfied or of record for thirty days or longer (unless appeal bond has been filed).

28.2.5. Franchisee maintains false books or records, or submits any reports or information to QRC or any governmental agency or lender that contains any materially inaccurate, incomplete or misleading statements, or omits any fact necessary in order to make the statements made not misleading.

28.2.6. Franchisee fails on three (3) or more separate occasions within any trailing twenty-four (24) month period to comply with this Agreement, or to execute QRC's standards as outlined in the Manual as measured by QRC's restaurant inspections, whether or not such failures are corrected after notice of default is given. For clarity, QRC may terminate this Agreement upon the occurrence of the third default in any twenty-four (24) month period under this Section.

28.2.7. For a default not covered by Section 28.2.8, Franchisee fails on three (3) or more separate occasions within any trailing twenty-four (24) month period to

comply with the same requirement under this Agreement, whether or not such failure to comply is corrected after notice of default is given. For clarity, QRC may terminate this Agreement upon the occurrence of the third default in any twenty-four (24) month period under this Section.

28.2.8. Franchisee fails on three (3) or more separate occasions within any trailing twelve (12) month period to any food safety or health inspection as measured by QRC's restaurant inspections, whether or not such failures are corrected after notice of default is given. For clarity, QRC may terminate this Agreement upon the occurrence of the third default in any twelve-month (12) period under this Section.

28.2.9. Franchisee has made material misrepresentations or omissions in Franchisee's franchise application or this Agreement.

28.2.10. Franchisee makes any unauthorized use of the Marks or fails to strictly comply with the terms set forth in Sections 1 or 21 of this Agreement.

28.2.11. Franchisee purports to terminate this Agreement without cause.

28.2.12. Franchisee loses the right to possess the premises or the Accepted Location.

28.3. Termination After Opportunity to Cure. Franchisee will be deemed to be in default, and QRC may, at its option, terminate this Agreement and all rights granted under this Agreement upon any of the following grounds. If the condition is susceptible of being cured, Franchisee must correct the condition within the period specified below, or termination will be effective at the conclusion of the cure period.

28.3.1. Franchisee fails to make any payment required under this Agreement. Franchisee will have 10 days after receiving written notice to correct such condition.

28.3.2. Franchisee fails to maintain and/or operate the Franchised Business in accordance with the standards and specifications, including, but not limited to, selling any product that Franchisee knows or should know does not conform to QRC's specifications, failing to sell any product required by QRC, or selling any product that is not approved by QRC. Franchisee will have 5 days after receiving written notice to correct such condition.

28.3.3. Franchisee fails to construct and open the Franchised Business within the time limits as provided in Sections 6 and 7 of the Agreement. Franchisee will have thirty days after receiving written notice to correct such condition.

28.3.4. Franchisee loses the right to do or transact business in the jurisdiction where the Restaurant is located. Franchisee will have five days after receiving written notice to correct such condition.

28.3.5. Franchisee or any Owner purports to transfer any rights or obligations under this Agreement or any interest in Franchisee to any third party in violation of the terms of Section 25 of this Agreement. Franchisee will have five days after receiving written notice to correct such condition.

28.3.6. Franchisee fails to comply with the in-term restrictions in Section 30 of this Agreement or fails to obtain execution of the covenants required under that Section. Franchisee will have five days after receiving written notice to correct such condition.

28.3.7. Franchisee denies QRC's right to inspect, examine or audit the Franchised Business or the Franchisee's books. Franchisee will have five days after receiving written notice to cure such condition.

28.3.8. Franchisee fails to submit any financial statement or report when required, or his submission is incorrect or incomplete. Franchisee will have thirty days after receiving written notice to correct such condition.

28.3.9. Franchisee fails to pay any federal or state income, sales or other taxes due on the Restaurant's operations, unless Franchisee is in good faith contesting liability for such taxes. Franchisee will have five days after receiving written notice to correct such condition.

28.3.10. Franchisee violates any federal labor laws. Franchisee shall have five days after receiving written notice to correct such condition.

28.3.11. Franchisee fails to keep the business open and in normal operation for such hours and days as QRC may from time to time specify in the Manual or as QRC may otherwise specify or approve in writing. Franchisee will have five days after receiving written notice to correct such condition.

28.3.12. Franchisee fails to make regular payments to QRC or any vendor for any monies due and owing. Franchisee will have thirty (30) days to correct such condition.

28.3.13. Franchisee fails to commence repair or restoration of the Restaurant after damage or destruction as provided in Section 22, or fails to insure the Restaurant as provided in Section 23. Franchisee will have thirty days after receiving written notice to correct such condition.

28.3.14. Franchisee fails to comply with any provision of this Agreement not specified in this Section 28. Franchisee will have thirty days after receiving written notice to correct such condition.

28.3.15. Franchisee or any Affiliate of Franchisee commits a default under any agreement with QRC or its Affiliates (other than this Agreement or a *Qdoba*

development agreement) and the default is not cured within the cure period specified in that agreement, if any.

28.4. If any applicable law or rule requires greater prior notice of termination, the prior notice required by such law or rule will be substituted for the notice requirements specified above.

28.5. If Franchisee and its owners are in compliance with this Agreement and QRC fails to comply with this Agreement, Franchisee must provide QRC with written notice thereof. If QRC fails to comply with a material term of this agreement and either (a) fails to cure such default within 30 days after written notice thereof is delivered to QRC or, (b) if the failure cannot be corrected within 30 days, and QRC fails to provide proof acceptable to Franchisee of efforts that are reasonably calculated to correct such failure within a reasonable time, which will in no event be more than 120 days after such notice, Franchisee may terminate this Agreement. Such termination will become effective 10 days after delivery to QRC of notice of termination. A termination of this Agreement by Franchisee for any other reason or without such notice will be deemed a termination by Franchisee without cause.

29. OBLIGATIONS UPON TERMINATION OR EXPIRATION

Upon termination or expiration of this Agreement, all rights granted under this Agreement to Franchisee will immediately terminate, and Franchisee has the following obligations:

29.1. Franchisee must immediately cease to operate the Franchised Business and must not thereafter, directly or indirectly, represent itself to the public as a present or former franchisee of QRC.

29.2. Franchisee must immediately and permanently cease to use, in any manner whatsoever, any confidential methods, procedures and techniques associated with the System, the Proprietary Marks and distinctive forms, slogans, signs, symbols and devices associated with the System, including but not limited to signage, menu boards, art as specified in the Manual, trade dress, interior image, and packaging, advertising materials, displays, stationery, forms and any other articles which display the Proprietary Marks.

29.3. Franchisee must immediately make all changes to the Restaurant premises as QRC specifies.

29.4. Franchisee must immediately deliver to QRC all operations-related documents, including the Manual, all customer data and customer contact lists, and all other records and documents containing confidential information.

29.5. Franchisee must take all necessary action to cancel any assumed name or equivalent registration that contains any service mark or trademark of QRC, and

Franchisee must furnish QRC with evidence satisfactory to QRC of compliance with this obligation within five days after termination or expiration of this Agreement.

29.6. Franchisee must discharge any and all indebtedness to the Suppliers and other vendors of products or services.

29.7. Franchisee must, at QRC's option, assign to QRC Franchisee's interest in any lease or sublease for the premises of the Franchised Business in accordance with the terms of the Lease. If QRC elects to exercise its option to acquire the lease or sublease for the premises of the Franchised Business, Franchisee must take all necessary action to transfer the business telephone numbers and listings to QRC or to cancel the telephone numbers, at QRC's option.

29.8. If QRC does not exercise its option to acquire the lease or sublease for the premises of the Franchised Business, Franchisee must immediately upon termination or expiration of this Agreement, make such modifications or alterations to the premises (including, without limitation, the changing of the telephone number) as may be necessary to distinguish the appearance of said premises from that of other restaurants under the System, and Franchisee must make such specific changes to the premises as QRC may reasonably request for that purpose. If Franchisee fails or refuses to comply with the requirements of this Section 29, QRC and its agents may enter upon the premises without being guilty of trespass or any other tort, to make such changes as may be required, at the expense of Franchisee, which expense Franchisee agrees to pay upon demand.

29.9. Franchisee must not sell, transfer, assign or sublease the premises to any Competitive Business, as defined in Section 5.2.11 of this Agreement.

29.10. If Franchisee continues to operate, or subsequently begins to operate, any other business, it must not use any reproduction, counterfeit, copy or colorable imitation of the Proprietary Marks, either in connection with such other business or the promotion thereof, that is likely to cause confusion, mistake or deception, or that is likely to dilute QRC's rights in and to the Proprietary Marks. Franchisee further agrees not to use any designation of origin or description or representation that falsely suggests or represents an association or connection with QRC. Franchisee understands and acknowledges that any failure to comply with the requirements of this Section 29 will result in substantial injury and damage to QRC for which there is no adequate remedy at law. For these reasons, if Franchisee violates or threatens to violate any term of this provision, the QRC will be entitled to, in addition to any other remedies and damages available, injunctive or other equitable relief, to restrain the violation of this provision by Franchisee and its agents or employees. Franchisee agrees to pay all court costs and reasonable legal fees incurred by QRC in obtaining specific performance of, or an injunction against violation of, the requirements of this Section 29, in addition to any other claims to which QRC may be entitled.

29.11. Franchisee must promptly pay all sums owing to QRC and its Affiliates. In the event of termination for any default of Franchisee, such sums will include all damages, costs and expenses, including reasonable legal fees, incurred by QRC as a result of the default. That obligation will give rise to a lien in favor of QRC against any and all of the personal property, furnishings, equipment, signs, fixtures and inventory owned by Franchisee and on the Restaurant premises at the time of default, and will remain a lien until the obligation is paid in full.

29.12. Franchisee must pay to QRC all damages, costs and expenses, including reasonable legal fees, incurred by QRC after the termination or expiration of this Agreement in obtaining injunctive or other relief for the enforcement of any provisions of this Agreement.

29.13. QRC has the option, to be exercised within thirty days after termination, to purchase from Franchisee any or all of the furnishings, equipment, signs, fixtures, supplies or inventory relating to the operation of the Franchised Business, at their fair market value. "Fair market value" will be determined by taking into account the termination or expiration of the franchise granted under this Agreement and will not include any factor or increment for any trademarks, service marks or other commercial symbols used in connection with the operation of the Restaurant or any goodwill or "going concern" value for the Restaurant. If the parties cannot agree on a fair market value within a reasonable time, the parties will designate an independent appraiser whose determination will be binding. If QRC elects to exercise the option provided in this Section 29, it may set off all amounts due from Franchisee, and the cost of the appraisal, if any, against any payment to be made by QRC.

29.14. All obligations of QRC, Franchisee and Owners that expressly or by their nature survive or are intended to survive the expiration, termination or assignment of this Agreement, including but not limited to provisions in Sections 19, 24 and 30, will continue in full force and effect after and notwithstanding its expiration or termination or assignment, until those obligations are satisfied in full or by their nature expire.

29.15. Franchisee shall also provide to QRC, upon request, evidence satisfactory to QRC that Franchisee has complied with the obligations in this Section 29.

29.16. Franchisee must comply with the restrictions contained in Section 30 of this Agreement.

30. RESTRICTIONS ON OTHER BUSINESS INTERESTS

30.1. During the term of this Agreement, except as otherwise approved in writing by QRC, Franchisee must devote best efforts to the management and operation of the Franchised Business.

30.2. Franchisee acknowledges that, pursuant to this Agreement, Franchisee will receive valuable specialized training and confidential information, including without

limitation, information regarding the development, operational, sales, promotional and marketing methods and techniques of QRC and the System. During the term of this Agreement, except as otherwise approved in writing by QRC, Franchisee may not, either directly or indirectly, for itself, or through, on behalf of, or in conjunction with any person, persons, partnership or corporation:

30.2.1. Divert or attempt to divert any business or customer of the business franchised under this Agreement 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.

30.3. During the term of this Agreement, Franchisee, any shareholder of Franchisee if Franchisee is a corporation, any member of Franchisee if Franchisee is a limited liability company, and any partner of Franchisee if Franchisee is a partnership, may not either directly or indirectly, for itself, or through, on behalf of, or in conjunction with any person, persons, partnership or corporation, own, maintain, operate, engage in, or have any interest in any Competitive Business, as defined in Section 5.2.11. Notwithstanding the foregoing, passive partners, as defined by QRC from time to time in its sole discretion, shall be exempt from such restrictions.

30.4. For a continuous period of two years after the expiration or termination of this Agreement, regardless of the cause for the termination, Franchisee, any shareholder of Franchisee if Franchisee is a corporation, any member of Franchisee if Franchisee is a limited liability company, and any partner of Franchisee if Franchisee is a partnership, may not either directly or indirectly, for itself, or through, on behalf of, or in conjunction with any person, persons, partnership or corporation, own, maintain, operate, engage in, or have any interest in any Competitive Business, which business is, or is intended to be, located: i) at the Accepted Location, ii) within five (5) miles of the Accepted Location; or iii) within five (5) miles of any *Qdoba* restaurant existing at the time of the termination or expiration. Notwithstanding the foregoing, passive partners, as defined by QRC from time to time in its sole discretion, shall be exempt from such restrictions.

30.5. Sections 30.3 and 30.4 above do not apply to ownership by Franchisee of less than one percent beneficial interest in the outstanding equity securities of any publicly held corporation.

30.6. The parties agree that each of the foregoing covenants is independent of any other covenant or provision of this Agreement. If all or any portion of a covenant in this Section 30 is found unreasonable or unenforceable by a court or agency having valid jurisdiction, 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 30.

30.7. QRC has the right, in its sole discretion, to reduce the scope of any covenant set forth in this Agreement, or any portion thereof, without Franchisee's consent, effective immediately upon receipt by Franchisee of written notice thereof. Franchisee agrees that it will comply forthwith with any covenant as so modified, and that the covenant will be fully enforceable, notwithstanding the provisions of Section 32.6 of this Agreement.

30.8. Franchisee expressly agrees that the existence of any claims it may have against QRC, whether or not arising from this Agreement, will not constitute a defense to QRC's enforcement of the covenants in this Section 30.

30.9. Franchisee acknowledges and agrees that Franchisee's violation of the terms of this Section 30 would result in irreparable injury to QRC for which no adequate remedy at law may be available. Franchisee acknowledges and agrees that QRC may obtain an injunction prohibiting any conduct by Franchisee in violation of the terms of this Section 30.

30.10. At QRC's request, and to the extent permitted by applicable law, Franchisee must require and obtain covenants similar to those set forth in this Section 30 (including covenants applicable upon the termination of a person's relationship with Franchisee) from any or all of the following persons: (1) all managers of Franchisee and any other personnel employed by Franchisee who have received or will receive training from QRC; and (2) all Owners.

31. INDEPENDENT CONTRACTOR AND INDEMNIFICATION

31.1. It is understood and agreed by the parties that this Agreement does not create a fiduciary relationship between them, and that QRC and Franchisee are independent contractors. Other than as set forth in Section 19, nothing in this Agreement is intended to make either party an agent, legal representative, subsidiary, joint venturer, partner, employee or servant of the other for any purpose whatsoever.

31.2. During the term of this Agreement, Franchisee must hold itself out to the public as an independent contractor operating the business pursuant to a franchise from QRC. Franchisee agrees to take such actions as may be necessary to do so, including, but not limited to, exhibiting a notice of that fact in a conspicuous place in the franchised premises, the content of which QRC reserves the right to specify.

31.3. Nothing in this Agreement authorizes Franchisee to make any contract, agreement, warranty or representation on QRC's behalf, or to incur any debt or other obligation in QRC's name. QRC will not assume liability for, or be deemed liable as a result of, any such action; nor will QRC be liable by reason of any act or omission of Franchisee in its conduct of the Franchised Business or for any claim or judgment arising therefrom.

31.4. Franchisee is responsible for all losses, damages, and liabilities, whether contractual, statutory or otherwise, to third persons arising out of or in connection with the development, construction, possession, ownership or operation of the Franchised Business, including employment-related claims, and for all claims or demands for damages to property, or for injury, illness or death of persons directly or indirectly resulting therefrom. Franchisee must defend, indemnify and hold harmless QRC and its Affiliates and their agents from all such claims, demands, losses, obligations, costs, legal fees, expenses, liabilities, debts or damages directly or indirectly resulting therefrom, unless resulting from the gross negligence or willful misconduct of QRC. If such claims are asserted against QRC or its Affiliates or their agents, QRC will notify Franchisee, and Franchisee will assume the defense of such claims. If Franchisee fails to assume the defense, then QRC may defend in such manner as it deems appropriate. Franchisee must reimburse QRC for all costs, including legal fees, and the reasonable value of time spent by corporate counsel, incurred by QRC or its Affiliates in effecting such defense, in addition to any sum that QRC or its Affiliates may incur by reason of any settlement or judgment. QRC's right to defense and indemnification hereunder will exist, notwithstanding that its joint or concurrent liability may be imposed on QRC by law.

32. MISCELLANEOUS PROVISIONS

32.1. APPROVALS AND WAIVERS

32.1.1. Whenever this Agreement requires the prior approval or consent of QRC, Franchisee must make a timely written request to QRC for such approval or consent. All such approvals or consents must be obtained in writing.

32.1.2. No delay, omission or forbearance on the part of QRC to exercise any right, option, duty or power constitutes a waiver by QRC to enforce any such right, option, duty or power as against Franchisee; nor does any such delay, omission, or forbearance constitute a waiver of any breach or default by Franchisee. QRC’s acceptance of any payments due to it under this Agreement will not be deemed to be a waiver by QRC of any preceding breach by Franchisee of any terms, provisions, covenants or conditions of this Agreement.

32.2. FORCE MAJEURE

Neither QRC nor Franchisee will be deemed to be in breach of this Agreement, or be liable for loss or damage if it fails to perform its obligations due to: (1) compliance with any law, ruling, order, regulation, requirement, or instruction of any federal, state, or municipal government or any department or agency thereof; (2) acts of God; (3) acts or omissions of the other party; (4) fires, strikes, embargoes, war, terrorism or riot; or (5) any other similar event or cause which are force majeure in nature. Any delay resulting from any of said causes will extend performance accordingly or excuse performance, in whole or in part, as may be reasonable. The provisions of this section shall not,

however, operate to excuse Franchisee from the prompt payment of any fee or other payment due QRC pursuant to the provisions of this Agreement.

32.3. APPLICATION OF PAYMENTS

Notwithstanding any designation by the Franchisee, QRC may in its discretion apply any payments made by Franchisee to any of Franchisee's indebtedness relating to royalties, the advertising fund, purchases, loans, interest or any other indebtedness to QRC, whether such indebtedness arises from the operation of the Restaurant or from other *Qdoba* restaurants owned by Franchisees.

32.4. CONSENT, DISCRETION

Whenever QRC under this Agreement is deemed to have or has expressly reserved a right and/or discretion to take or withhold an action, or to grant or decline to grant Franchisee a right to take or withhold an action, except as otherwise expressly and specifically provided in this Agreement, QRC may make such decision or exercise its right and/or discretion in its sole discretion. QRC will have no liability to Franchisee for any such decision or action and the exercise of QRC's right or discretion will not be subject to limitation or review. If applicable law implies a covenant of good faith and fair dealing in this Agreement, QRC and Franchisee agree that such covenant will not imply any rights or obligations that are inconsistent with a fair construction of the terms of this Agreement and that this Agreement grants QRC the right to make decisions, take actions and/or refrain from taking actions not inconsistent with Franchisee's rights and obligations under this Agreement.

32.5. NOTICES

Any and all notices required or permitted under this Agreement must be made in writing, and must be personally delivered or mailed by certified or registered mail, return receipt requested, or delivered by national overnight carrier, 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 QRC: Qdoba Restaurant Corporation
350 Camino De La Reina, Suite 400
San Diego, California 92108
Attention: Legal Department – Franchise
Re: QRC #____

Notices to Owner: EntityName
c/o Owner
Entity Address
Entity City

Any notice by certified or registered mail will be deemed to have been given at the earlier of the (i) date and time of receipt, or (ii) the third business day after being deposited in the U.S. Mail. Any notice, if delivered personally, shall be deemed to have been given on the day of delivery, if a business day, or if not a business day, on the business day next following the day of delivery. Any notice delivered by overnight carrier will be deemed to have been delivered on the first business day after being deposited with the carrier.

32.6. ENTIRE AGREEMENT

The Recitals and Exhibits referenced in this Agreement are hereby incorporated into and made part of this Agreement. This Agreement constitutes the entire, full and complete agreement between QRC and Franchisee concerning the franchise identified on Exhibit A, and supersedes any prior negotiations, understandings, representations or agreements relating to that Franchise; however, nothing in this Agreement is intended to disclaim the representations QRC made in the franchise disclosure document it furnished to Franchisee. Additionally, if this Agreement is entered into pursuant to a Development Agreement, and if the terms of this Agreement conflict with the terms of that Development Agreement, such Development Agreement will be controlling.

32.7. MODIFICATION

No amendment, change or variance from this Agreement will be binding on either party unless mutually agreed to by the parties, and signed by their authorized officers or agents in writing.

32.8. SEVERABILITY AND CONSTRUCTION

32.8.1. Except as expressly provided to the contrary in this Agreement, each portion, section, part, term and/or provision of this Agreement is severable. If, for any reason a court or agency having valid jurisdiction, determines any section, part, term or provision of this Agreement is invalid and contrary to, or in conflict with, any existing or future law or regulation, that decision will not impair the operation of, or have any other effect upon, such other portions, sections, parts, terms or provisions of this Agreement that remain intelligible. The latter will continue to be given full force and effect and bind the parties, and the invalid portions, sections, parts, terms or provisions will be deemed not to be a part of this Agreement.

32.8.2. Except as expressly provided to the contrary in this Agreement, nothing in this Agreement is intended, nor will be deemed, to confer upon any person or legal entity other than Franchisee, QRC and its affiliates and their respective officers, directors and employees, and such successors and assigns as may be contemplated by this Agreement any rights or remedies under or by reason of this Agreement.

32.8.3. All captions in this Agreement are intended solely for the convenience of the parties, and none will be deemed to affect the meaning or construction of any provision hereof.

32.8.4. All references herein to the masculine, neuter or singular will be construed to include the masculine, feminine, neuter or plural, where applicable; and all acknowledgments, promises, covenants, agreements and obligations herein made or undertaken by Franchisee will be deemed jointly and severally undertaken by all those executing this Agreement on behalf of Franchisee.

32.9. NON-BINDING MEDIATION

32.9.1. Except as provided in Section 32.9.5 below, controversies, disputes and claims between QRC, its Affiliates, and their shareholders, officers, directors, employees and agents, or any of them, on the one hand, and Franchisee, its Affiliates, partners, trustees, shareholders, officers, directors and agents, or any of them, on the other hand, arising out of or related to this Agreement, the Restaurant or the Franchised Business, are subject to non-binding mediation pursuant to the terms of this Section 32.9. Except as specified in Section 32.9.5, no litigation may be commenced between such parties prior to the mediation termination date, as defined in Section 32.9.4 below, on any claim which is subject to non-binding mediation under this Agreement, whether or not the mediation has been commenced. The commencement or pendency of litigation will not stay non-binding mediation required under this Agreement, and non-binding mediation required under this Agreement will not stay any litigation commenced in conformity with Section 32.9.5. Mediation under this Section 32 is not intended to alter or suspend the rights or obligations of the parties under this Agreement or to determine the validity or effect of any provision of this Agreement, but is intended to provide the parties with an opportunity to amicably and expeditiously resolve disputes in a cost-effective manner on mutually acceptable terms and conditions.

32.9.2. The non-binding mediation provided for in this Agreement must be commenced by the party demanding mediation (the “complainant”) by giving written notice of the demand for mediation (the “demand”) to the party with whom mediation is sought (the “respondent”). The demand must specify with reasonable particularity the matter or matters on which non-binding mediation is being sought. A copy of the demand must be given by the complainant simultaneously to QRC, if QRC is not a complainant or a respondent.

32.9.3. Non-binding mediation under this Agreement will be conducted in San Diego, California, by a mediator or mediation program designated by QRC in writing (the “designation”), or by such mediator as Franchisee and QRC may otherwise agree to. QRC will send the designation to Franchisee within a reasonable time after its receipt of the demand.

32.9.4. Non-binding mediation under this Agreement must be concluded within sixty days of the giving of the demand or such longer period as may be mutually agreed to in writing by the parties to the mediation (the "mediation termination date"). All aspects of the mediation process will be treated as confidential, must not be disclosed to others, and will not be offered or admissible in any other proceeding or legal action whatsoever. Complainant and respondent will each bear its own costs of mediation, and each will bear one-half the cost of the mediator and mediation service.

32.9.5. If Franchisee is more than 45 days past due in any of its payments to QRC, whether under this Agreement or any other Agreement or account with QRC, then QRC will not be required to seek or to participate in mediation of any matter or dispute under this Section 32 (although QRC reserves the right to require mediation), and QRC will be free to commence or to pursue litigation at any time. QRC will not be required to seek or to participate in mediation of any matter or dispute relating to the indemnification or insurance provisions of this Agreement (although QRC reserves the right to require mediation). Nothing in this Section 32 will prevent any party from instituting or pursuing litigation at any time to preserve the status quo, protect the Proprietary Marks, protect the health or safety of the public, or avoid irreparable harm.

32.10. LIMITATIONS ON ACTIONS

32.10.1. This Agreement takes effect upon its acceptance and execution by QRC, and will be interpreted and construed under the laws of the State of California, which laws will prevail in the event of any conflict of law. If, however, any provision of this Agreement would not be enforceable under the laws of California, Franchisee is located outside of California, and such provision would be enforceable under the laws of the state in which Franchisee is located, then such provision shall be interpreted and construed under the laws of that state.

32.10.2. Any action brought by either party against the other in any court, whether federal or state, must be brought in San Diego, California. For the purpose of carrying out this provision, the parties hereby waive all questions of personal jurisdiction or venue.

32.10.3. No right or remedy conferred upon or reserved to QRC or Franchisee by this Agreement is intended to be, nor will be deemed, exclusive of any other right or remedy provided or permitted herein or by law or equity, but each is cumulative of every other right or remedy.

32.10.4. Nothing contained in this Agreement restricts QRC's right to obtain injunctive relief under the usual equity rules, including the applicable rules for obtaining restraining orders and preliminary injunctions.

32.10.5. QRC and Franchisee irrevocably waive trial by jury in any action, proceeding, or counterclaim, whether at law or in equity, brought by QRC

against Franchisee, or by Franchisee against QRC and/or its Affiliates, or their shareholders, officers, directors, employees or agents, whether or not there are other parties in such action.

32.10.6. Any and all claims and actions arising out of, or relating to, this Agreement, the relationship of QRC and Franchisee, or Franchisee's operation of the Restaurant, must be commenced within two years from the date the aggrieved party knew or should have known of the facts giving rise to such claim or action, or such shorter terms as is established by law, or such claim or action will be barred.

32.10.7. QRC 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, and agree that in the event of a dispute between them, recoverable damages will be limited to the actual damages sustained by it.

32.11. LEGAL FEES

In any litigation arising out of or relating to this Agreement, the prevailing party will be entitled to receive from other party all costs, including reasonable accounting and legal fees incurred as a result of the legal action.

32.12. ELECTRONIC SIGNATURES

This Agreement may be signed using electronic signatures, and such signatures will have full legal force and effect.

33. REPRESENTATIONS AND ACKNOWLEDGMENTS

33.1. Franchisee understands and accepts the terms, conditions and covenants contained in this Agreement as being reasonably necessary to maintain QRC's high standards of quality and service, and the uniformity of those standards, at all *Qdoba* restaurants and thereby to protect and preserve the goodwill of the Proprietary Marks and System.

33.2. Franchisee acknowledges that QRC's officers, directors, employees and agents act only in a representative, and not in a personal, capacity in connection with any of their dealings with Franchisee.

34. RELEASE.

34.1. For good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged, Franchisee (on behalf of itself and its parent, subsidiaries and affiliates and their respective past and present officers, directors, managers, shareholders, members, owners, guarantors, agents and employees, in their corporate and individual capacities) (collectively "Releasors"), freely and without any influence, forever releases and covenants not to sue QRC, and its parents, subsidiaries and affiliates and their respective past and present officers, directors, managers,

shareholders, members, owners, agents and employees, in their corporate and individual capacities (collectively “Releasees”), with respect to any and all claims, demands, liabilities and causes of action of whatever kind or natures, known or unknown, vested or contingent, suspect or unsuspected (collectively "Claims") which any Releasor now owns or holds or may at any time have owned or held, including, without limitation, claims arising under federal, state and local laws, rules and ordinances, claims for contribution, indemnity and/or subrogation and claims arising out of, or related to this Agreement and all other agreements between any Releasor and any Releasee, the sale of franchises to any Releasor by any Releasee, the operation of the Franchised Business, any other franchised Qdoba restaurants and any other restaurant franchised by any Releasee, and each Releasee’s performance of its obligations under this Agreement or any other agreement.

Franchisee (on behalf of itself and the Releasors) agrees that fair consideration has been given by QRC for this release and fully understands that this is a negotiated, complete and final release of all of Releasors’ claims. Franchisee (on behalf of itself and the Releasors) expressly agrees that, with respect to this release, any and all rights granted under Section 1542 of the California Civil Code are expressly waived to the extent applicable. That Section reads as follows:

> A GENERAL RELEASE DOES NOT EXTEND TO CLAIMS THAT THE CREDITOR OR RELEASING PARTY DOES NOT KNOW OR SUSPECT TO EXIST IN HIS OR HER FAVOR AT THE TIME OF EXECUTING THE RELEASE AND THAT, IF KNOWN BY HIM OR HER, WOULD HAVE MATERIALLY AFFECTED HIS OR HER SETTLEMENT WITH THE DEBTOR OR RELEASED PARTY.

35. COUNTERPARTS

This Agreement may be signed in one or more counterparts, all of which when taken together constitute one original document.

IN WITNESS WHEREOF, the parties hereto have duly signed, sealed and delivered this Agreement on the day and year first above written.

QRC:	**FRANCHISEE:**
QDOBA RESTAURANT CORPORATION a Colorado corporation	COMPANY NAME a state corporation/limited liability company
By: _____	By: _____
Name: _____	Name: _____
Title: _____	Title: _____
Date: _____	Date: _____

Exhibit A

ACCEPTED LOCATION, TERRITORY, TERM AND FRANCHISE FEE

Accepted Location for Site #: 00SiteNo SiteAddress
SiteCity

Protected Territory: the area within a -mile radius of the Accepted Location.

Commencement Date:

Expiration Date:

Initial Franchise Fee: The current initial franchise fee is $30,000. Franchisee has a credit of _____ (ie, for development fees paid). Accordingly, the remainder of the intiail franchise fee in the amount of $_____ is due.

Current Delivery Boundaries:

Current Catering Solicitation Boundaries:

QRC:	**FRANCHISEE:**
QDOBA RESTAURANT CORPORATION	COMPANY NAME
a Colorado corporation	a state corporation/limited liability company
By: _____	By: _____
Name: _____	Name: _____
Title: _____	Title: _____
Date: _____	Date: _____

Exhibit B

GUARANTY AND ASSUMPTION OF FRANCHISE OWNER'S OBLIGATIONS

THIS GUARANTY AND ASSUMPTION OF FRANCHISE OWNER'S OBLIGATIONS ("Guaranty") is given this _____ day of _____, 20__, by the undersigned.

FRANCHISEE: EntityName, a State limited liability company/corporation

Date of Franchise Agreement: _____, 20__

In consideration of, and as an inducement to, the execution of the above-mentioned *Qdoba* Franchise Agreement (the "Agreement") by *Qdoba* Restaurant Corporation ("QRC"), each of the undersigned and any other parties who sign counterparts of this guaranty (referred to herein individually as a "Guarantor" and collectively as "Guarantors") hereby personally and unconditionally: (a) guarantees to QRC, and its successors and assigns, for the term of the Agreement and thereafter as provided in the Agreement, that Franchisee shall punctually pay and perform each and every undertaking, agreement and covenant set forth in the Agreement; and (b) agrees to be personally bound by, and personally liable for the breach of, each and every provision in the Agreement, both monetary obligations and other obligations, including without limitation, the obligation to pay costs and legal fees as provided in the Agreement and the obligation to take or refrain from taking specific actions or to engage or refrain from engaging in specific activities, including without limitation the provisions of the Agreement relating to competitive activities.

Each Guarantor waives:

1. acceptance and notice of acceptance by QRC of the foregoing undertakings; and

2. notice of demand for payment of any indebtedness or nonperformance of any obligations hereby guaranteed; and

3. protest and notice of default to any party with respect to the indebtedness or nonperformance of any obligations hereby guaranteed; and

4. any right he may have to require that an action be brought against Franchisee or any other person as a condition of liability; and

5. all rights to payments and claims for reimbursement or subrogation which he may have against Franchisee arising as a result of his execution of and performance under this guaranty by the undersigned (including by way of counterparts); and

6. any and all other notices and legal or equitable defenses to which he may be entitled.

Each Guarantor consents and agrees that:

1. his direct and immediate liability under this guaranty shall be joint and several not only with Franchisee, but also among the Guarantors; and

2. he shall render any payment or performance required under the Agreement upon demand if Franchisee fails or refuses punctually to do so; and

3. such liability shall not be contingent or conditioned upon pursuit by QRC of any remedies against Franchisee or any other person; and

4. such liability shall not be diminished, relieved or otherwise affected by any subsequent rider or amendment to the Agreement or by any extension of time, credit or other indulgence which QRC may from time to time grant to Franchisee or to any other person, including, without limitation, the acceptance of any partial payment or performance, or the compromise or release of any claims, none of which shall in any way modify or amend this guaranty, which shall be continuing and irrevocable throughout the term of the Agreement and for so long thereafter as there are any monies or obligations owing by Franchisee to QRC under the Agreement. Notwithstanding any assignment for the general benefit of creditors or any bankruptcy or any other act of insolvency by Franchisee and notwithstanding any rejection, disaffirmance or disclaimer of the Agreement, the Guarantors shall continue to be fully liable hereunder; and

5. the written acknowledgment of Franchisee, accepted in writing by QRC, or the judgment of any court or arbitration panel of competent jurisdiction establishing the amount due from Franchisee shall be conclusive and binding on the undersigned as guarantors.

If QRC is required to enforce this Guaranty in a judicial or arbitration proceeding, and prevails in such proceeding, it shall be entitled to reimbursement of its costs and expenses, including, but not limited to, reasonable accountants', legal, legal assistants', arbitrators' and expert witness fees, costs of investigation and proof of facts, court costs, other litigation expenses and travel and living expenses, whether incurred prior to, in preparation for or in contemplated of the filing of any such proceeding.

If QRC is required to engage legal counsel in connection with any failure by the undersigned to comply with this Guaranty, the Guarantors shall reimburse QRC for any of the above-listed costs and expenses incurred by it.

This Guaranty shall be governed by the same laws which govern the Agreement.

This Guaranty may be signed in one or more counterparts, all of which when taken together constitute one original document.

REMAINDER OF PAGE INTENTIONALLY LEFT BLANK

IN WITNESS WHEREOF, each Guarantor has hereunto affixed his signature on the same day and year as the Agreement was signed.

GUARANTOR(S)

_____ Date: _____
Guarantor: _____
Home Address:_____
_____

_____ Date: _____
Guarantor: _____
Home Address:_____
_____

_____ Date: _____
Guarantor: _____
Home Address:_____
_____

_____ Date: _____
Guarantor: _____
Home Address:_____
_____

Exhibit C

CONFIDENTIALITY AND NON-COMPETITION AGREEMENT
(For Shareholders, Partners, Members)

This Confidentiality and Non-Competition Agreement ("Agreement") is entered into this ____ day of _____, 20___, between Qdoba Restaurant Corporation ("QRC") and Owner, Guarantor2, and Guarantor3 ("Owner") (collectively, "Owner").

Recitals

QRC has entered into a Development Agreement and/or Franchise Agreement with EntityName ("Franchisee") relating to the development and operation of one or more Qdoba Mexican Eats™ restaurants under an operating system created and maintained by the QRC (the "System"). Owner is an officer, director, or holder of a beneficial interest of Franchisee, and/or of any corporation directly or indirectly controlling Franchisee. Due to his/her financial interest or other involvement in Franchisee, Owner may have access to information regarding the development and operation of the *Qdoba* business (including, but not limited to QRC's operating manual) that is considered by the Parties to be confidential and/or trade secret. QRC is willing to provide access to such information under the terms of this Agreement.

Accordingly, Owner agrees as follows:

1. CONFIDENTIAL INFORMATION

1.1. Owner understands and acknowledges that QRC has invested, and continues to invest, considerable sums of money in developing the System. Because of the competitive nature of the restaurant business, and to protect the legitimate interest of QRC and other franchisees, it is necessary to protect certain information about the System as confidential.

1.2. For purposes of this provision, "Confidential Information" includes product recipes and tests, ingredients used in QRC's products, product preparation procedures, customer service measures and techniques, franchise support procedures, supplier relationship and distribution system information, new product development information, the Manual (as defined in Section 2 below), growth plans or strategies, real estate development plans or strategies, restaurant design plans, proposed restaurant sites, equipment, computer systems, business and development plans and strategies, training programs, consumer research results, marketing and advertising strategies and materials, and all other information designated by QRC as confidential.

1.3. Confidential Information does not include: (a) information, concepts, methods, procedures or techniques that are, or become, generally known in the quick-service and quick-casual restaurant industries in the United States, other than through disclosure by Franchisee or Owner, whether deliberate or inadvertent; (b) the disclosure of Confidential Information in judicial or administrative proceedings to the extent that Franchisee or Owner is

legally compelled to disclose such information, provided that Franchisee and/or Owner has afforded QRC with the opportunity to obtain an appropriate protect order or other assurance that the information will be treated as confidential; or (c) information that Franchisee or Owner can demonstrate came to its attention prior to disclosure thereof by QRC.

1.4. Franchisee will be provided with Confidential Information in connection with its development and/or operation of the Franchised Business. Owner agrees that both during the term of this Agreement and thereafter, Franchisee and Owner: (a) will use the Confidential Information only in the operation of the Franchised Business, and not in connection with any other business; (b) will not make copies of, duplicate, record, or otherwise reproduce any Confidential Information without the express written consent of QRC; (c) will not communicate, divulge or disclose the Confidential Information to any person or entity who does not need access to it to operate the Franchised Business; (d) will not use or duplicate Confidential Information for any other restaurant business; or (e) will not use the Confidential Information, or allow it to be used, for the benefit of any third party.

1.5. Owner acknowledges and agrees that all Confidential Information is, and will remain, the sole and exclusive proprietary property of QRC.

1.6. Owner understands and acknowledges that any failure to comply with the requirements of this section will result in substantial injury and damage to QRC for which there is no adequate remedy at law. For these reasons, if Owner violates or threatens to violate any term of this provision, the QRC will be entitled to, in addition to any other remedies and damages available, injunctive or other equitable relief, to restrain the violation of this provision by Owner. Owner agrees to pay all court costs and reasonable legal fees incurred by QRC in obtaining specific performance of, or an injunction against violation of, the requirements of this section, in addition to any other claims to which QRC may be entitled.

2. CONFIDENTIAL OPERATING MANUAL

2.1. In order to protect the reputation and goodwill of QRC and to maintain high standards of operation under QRC's proprietary marks, Franchisee must conduct its business in accordance with the confidential manual, which may consist of more than one volume ("Manual"). Franchisee will receive access to the Manual from QRC for the term of any Franchise Agreement or Development Agreement between QRC and Franchisee.

2.2. Owner must at all times treat the Manual, any other manuals created for, or approved for use in, the development or operation of the franchised business, and the information contained therein, as secret and confidential, and must use all reasonable efforts to maintain such information as secret and confidential, as specified in Section 1 above, including but not limited to keeping access to the Manual secure at all times.

2.3. The Manual will at all times remain the sole property of QRC.

2.4. Owner understands and acknowledges that QRC may, in its sole discretion, modify or replace the Manual or its contents. If there is any dispute as to the contents of the Manual,

the terms of the master copy of the Manual maintained by QRC at QRC's home office will be controlling.

3. COVENANTS AND RESTRICTIONS ON OTHER BUSINESS INTERESTS

3.1. Franchisee must devote best efforts to the development, management and operation of the Franchised Business.

3.2. Owner acknowledges that Franchisee and Owner will receive valuable specialized training and/or confidential information, including without limitation, information regarding the development, operational, sales, promotional and marketing methods and techniques of QRC and the System. During the term of any Development Agreement or any Franchise Agreement between QRC and Franchisee, except as otherwise approved in writing by QRC, Owner may not, either directly or indirectly, for him/herself, or through, on behalf of, or in conjunction with any person, persons, partnership or corporation:

3.2.1. Divert or attempt to divert any business or customer 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 QRC's proprietary marks and the System.

3.2.2. Own, maintain, operate, engage in, or have any interest in any food service business that serves primarily Mexican food or for which burritos, tacos and/or bowls comprise more than twenty percent (20%) of the menu, and/or represent more than twenty percent (20%) of the sales ("Competitive Business").

3.3. For a continuous period of two years after the expiration or termination of all Development Agreements and Franchise Agreements between QRC and Franchisee, regardless of the cause for the termination, Owner may not either directly or indirectly, for itself, or through, on behalf of, or in conjunction with any person, persons, partnership or corporation, own, maintain, operate, engage in, or have any interest in any Competitive Business that is, or is intended to be, located i) at the Accepted Location as described in Exhibit A to the Franchise Agreement ("Accepted Location"), ii) within five (5) miles of the Accepted Location; or iii) within five (5) miles of any *Qdoba* restaurant existing at the time of the termination or expiration.

3.4. Sections 3.2 and 3.3 above do not apply to ownership by Owner of less than one percent (1%) beneficial interest in the outstanding equity securities of any publicly held corporation.

3.5. The parties agree that each of the foregoing non-competition covenants are independent of any other covenant or provision of this Agreement. If all or any portion of a covenant in this Section 3 is found unreasonable or unenforceable by a court or agency having valid jurisdiction, Owner 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 3.

3.6. QRC has the right, in its sole discretion, to reduce the scope of any covenant set forth in this Agreement, or any portion thereof, without Owner's consent, effective immediately upon receipt by Owner of written notice thereof. Owner agrees that it will comply forthwith with any covenant as so modified, and that the covenant will be fully enforceable, notwithstanding the provisions of Section 3.4 of this Agreement.

3.7. Owner expressly agrees that the existence of any claims he/she may have against QRC, whether or not arising from this Agreement, will not constitute a defense to QRC's enforcement of the covenants in this Section 3. Owner agrees to pay all costs and expenses (including reasonable legal fees) incurred by QRC in connection with the enforcement of this Section 3.

3.8. Owner acknowledges and agrees that his/her violation of the terms of this Section 3 would result in irreparable injury to QRC for which no adequate remedy at law may be available. Owner acknowledges and agrees that QRC may obtain an injunction prohibiting any conduct by Owner in violation of the terms of this Section 3.

4. MISCELLANEOUS PROVISIONS

4.1. No Waivers. No delay, omission or forbearance on the part of QRC to exercise any right, option, duty or power constitutes a waiver by QRC to enforce any such right, option, duty or power against Owner; nor does any such delay, omission, or forbearance constitute a waiver of any subsequent breach or default by Owner.

4.2. Notices. Any and all notices required or permitted under this Agreement must be made in writing, and must be personally delivered or mailed by certified or registered mail, return receipt requested, or delivered by national overnight carrier, 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 QRC: Qdoba Restaurant Corporation
350 Camino De La Reina, Suite 400
San Diego, California 92108
Attention: Legal Department – Franchise
Re: QRC #____

Notices to Owner: Entity Name
c/o Owner
Entity Address
Entity City

Any notice by certified or registered mail will be deemed to have been given at the earlier of the (i) date and time of receipt, or (ii) the third business day after being deposited in the U.S. Mail. Any notice, if delivered personally, shall be deemed to have been given on the day of delivery, if a business day, or if not a business day, on the business day next following the day of delivery. Any notice delivered by overnight carrier will be deemed to have been delivered on the first business day after being deposited with the carrier.

4.3. Modification. No amendment, change or variance from this Agreement will be binding on either party unless mutually agreed to by the parties and signed by their authorized officers or agents in writing.

4.4. Severability and Construction. Except as expressly provided to the contrary in this Agreement, each portion, section, part, term and/or provision of this Agreement is severable. If for any reason a court or agency having valid jurisdiction, determines any section, part, term and/or provision of this Agreement is invalid and contrary to, or in conflict with, any existing or future law or regulation, that decision will not impair the operation of, or have any other effect upon, such other portions, sections, parts, terms and/or provisions of this Agreement that remain intelligible. The latter will continue to be given full force and effect and bind the parties, and the invalid portions, sections, parts, terms and/or provisions will be deemed not to be a part of this Agreement.

This Agreement shall be governed by the same laws which govern the Franchise Agreement signed between QRC and Franchisee.

This Agreement may be signed in one or more counterparts, all of which when taken together constitute one original document.

IN WITNESS WHEREOF, the parties hereto have duly signed, sealed and delivered this Agreement on the day and year first above written.

By: _____ Date: _____
Shareholder/Partner/Member

By: _____ Date: _____
Shareholder/Partner/Member

By: _____ Date: _____
Guarantor3

QDOBA RESTAURANT CORPORATION

By: _____
Name: _____
Title: _____
Date: _____

Exhibit D

FRANCHISE INSURANCE REQUIREMENTS

Before the opening of the Restaurant and thereafter, throughout the term of the Franchise Agreement, Franchisee must obtain the required insurance. The insurance requirements, including but not limited to coverages and policy limits, may be increased or modified from time to time by Company at its sole discretion. Requirements as of the date hereof are:

1. Commercial General Liability insurance, including Products Liability coverage, and Broad Form Contractual Liability coverage, including liquor liability coverage (if applicable), written on a "per occurrence" policy form in an amount of not less than $2,000,000 combined single limit per occurrence and aggregate. Such insurance must not contain an exclusion for occurrences arising from food-borne illness. Such insurance must insure the contractual liability of Franchisee under the indemnification provisions of the Franchise Agreement.

2. Business Automobile Liability insurance, including owned, leased, non-owned and hired automobile coverage, with a limit of not less than $1,000,000 per accident.

3. Workers' Compensation insurance as required by law and Employer's Liability insurance with a limit of not less than $1,000,000 per occurrence, and such other insurance as may be required by the state or locality in which the Restaurant is operated.

4. "All Risk" property insurance covering: (a) the building, furniture, fixtures, equipment, inventory and other tangible property of the Restaurant, including plate glass coverage, on a full one hundred percent (100%) repair or replacement value basis; (b) Business Interruption/ Business Income insurance (at least one (1) year of actual loss sustained), including Extra Expense insurance, so as to re-establish normal business operations; and (c) loss of rents insurance covering a minimum of twelve (12) months' fixed minimum rent.

5. Builders' All Risk insurance for the full replacement cost of all real and personal property involved in the construction, when Franchisee is building, renovating, refurbishing or remodeling the Franchised Business.

6. All insurance policies required of the Franchisee: (a) must be primary and non-contributory; (b) must be issued by an insurance company(ies) with a rating of not less than "A-VIII" in the current Best Insurance Rating Guide or approved by Company; (c) must name Company and its Affiliates as "additional insureds," and must contain an "Additional Insured-Designated Person or Organization" endorsement (or its equivalent), except workers' compensation insurance only, without any qualifying language; (d) must provide that the insurance cannot be canceled, materially changed, or non-renewed, except upon thirty (30) days' advance written notice to Company; and (e) must contain a waiver of subrogation rights of the insurer(s) against Company, which waiver will be

effective regardless of whether any loss is caused by the act, omission or negligence of Company, and must contain a "waiver of transfer rights of recovery against others" endorsement (or its equivalent). All deductible amounts on all insurance policies required must be disclosed in writing to, and approved by, Company and noted on the applicable Certificate of Insurance.

7. Before the opening of the Restaurant and thereafter, throughout the term of the Franchise Agreement, Franchisee must furnish to Company evidence satisfactory to Company that such insurance coverages are in effect in the form of Certificates of Insurance, any insurance policy endorsements and a copy of the Franchisee's insurance policy(ies). Renewal Certificates of Insurance must be delivered to Company thirty (30) days before the expiration date of all policies. If Franchisee changes insurance carriers for any of the required coverages, it must submit new certificates of insurance for such coverages.

Certificate Holder and Additional Insured:
Qdoba Restaurant Corporation
350 Camino De La Reina, Ste. 400
San Diego, CA 92108

EXHIBIT E-2

LICENSE AGREEMENT

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Site No. __

QDOBA MEXICAN EATS®
LICENSE AGREEMENT

This Qdoba Mexican Eats® License Agreement ("Agreement") is made between Qdoba Restaurant Corporation, a Colorado corporation, having its principal place of business at 350 Camino De La Reina, Suite 400, San Diego, California 92108 ("QRC"); and [_____], a [_____] [type of entity], having its principal place of business at [**Error! Reference source not found.**], [_____] ("Licensee"). The Agreement is dated _____, 20____.

RECITALS

WHEREAS, QRC has expended significant time, effort, and money to develop a distinctive system relating to the establishment and operation of Mexican-themed, fast-casual restaurants featuring a specialized menu of wrapped burritos, tacos, bowls, quesadillas, salads, soups, and salsas, as well as other food and beverage items, some of which are prepared on site ("System"); and

WHEREAS, the distinguishing characteristics of the System include, without limitation, the use of distinctive exterior and interior design, decor, color scheme and furnishings; special recipes and menu items; uniform standards, specifications and procedures for operations; a catering program; high quality and uniform products and services; standardized and/or tiered pricing structures; 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 QRC from time to time; and

WHEREAS, QRC identifies the System by means of certain trade names, service marks, trademarks, logos, emblems, and indicia of origin, including but not limited to, the marks "Qdoba Mexican Eats®" and variations thereon, and such other trade names, service marks, trademarks, logos and indicia of origin that may be designated by QRC in the future for use in connection with the System (collectively, the "Proprietary Marks" or "Marks"); and

WHEREAS, QRC continues to develop, use, and control the use of such Proprietary Marks in order to identify for the public the source of services and products marketed under the Marks and System, and to represent the System's high standards of quality, appearance and service; and

WHEREAS, Licensee desires to enter into the business of operating a *Qdoba* Mexican Eats® ("*Qdoba*") restaurant under QRC's System, to obtain a license from QRC for that purpose, and to receive the training and other assistance provided by QRC in connection with the license; and

WHEREAS, Licensee recognizes the value of the System and Marks, and the importance of maintaining QRC's high standards of quality, cleanliness, appearance and service in the operation of *Qdoba* restaurants.

In consideration of the foregoing, the fees and other sums payable by Licensee and of the mutual covenants contained in this Agreement, the parties agree as follows:

1. LICENSE: SCOPE AND TERM

QRC grants to Licensee a limited, nonexclusive license, subject to the terms and conditions of this Agreement, for the term of this Agreement, to use the System and the Marks, and such other Marks as QRC may authorize from time to time, in the operation of a *Qdoba* restaurant (the "Licensed Restaurant") at the location described in Exhibit A to this Agreement ("the Restaurant Premises") in the facility described in Exhibit A ("the Facility"), and at that location only. Licensee may not relocate the Licensed Restaurant without the consent of QRC.

The term of this Agreement begins and expires on the dates listed in Exhibit A, unless sooner terminated in accordance with the provisions of this Agreement. If Licensee fails for any reason to begin operating the Licensed Restaurant within six (6) months of the date of this Agreement, or if Licensee ceases to have the right to operate the Licensed Restaurant at the Restaurant for any reason (including, without limitation, the expiration or termination of a lease for the Restaurant Premises), the license will immediately cease.

Assuming the agreement between Licensee and Facility to operate the Licensed Restaurant (the "Concession Agreement") has been renewed or extended, upon expiration of this Agreement, QRC grants to Licensee an option to renew this Agreement for the Licensed Restaurant for the lesser of ten years or the term of any renewed Concession Agreement, whichever is shorter, subject to the following conditions:

A. Not less than twelve months or more than eighteen months before the expiration of this Agreement, Licensee must have given QRC written notice of Licensee's election to exercise the option.

B. Licensee must sign QRC's then-current license agreement. The provisions of that license agreement may differ from the provisions of this Agreement; however, QRC and Licensee will agree to terms similar to those set forth in the Addendum to this Agreement.

C. Licensee must pay a renewal fee equal to the greater of five thousand dollars ($5,000) or fifteen percent (15%) of QRC's then-current licensing fee.

D. Licensee must present evidence satisfactory to QRC that the Concession Agreement has been renewed or extended.

E. Licensee must complete such renovation, modernization and improvement of the Licensed Restaurant, and the furniture, fixtures, equipment located thereon, as QRC may reasonably require.

F. Licensee must not be in default under any provision of this Agreement, any amendment or successor to this Agreement, or any other agreement between Licensee and QRC.

G. Licensee, the Owners of Licensee, and Affiliates of Licensee must have timely met all monetary obligations to QRC and its Affiliates throughout the term of this Agreement. The term "Affiliate" means any entity that owns, is owned by, or is under common ownership with, the entity being referenced.

H. Licensee must not have received a notice of default more than two times during the term of this Agreement; however, regardless of the number of prior notices of default, QRC will not be obligated to grant a new license if, in its opinion, Licensee has not substantially complied with all of the terms and conditions of this Agreement or any other agreement between Licensee and QRC.

I. Licensee must have complied with QRC's then-current qualification and training requirements for new applicants.

At the time of renewal, Licensee must sign a general release, in a form prescribed by QRC, releasing any and all claims, including known and unknown claims, against QRC and its Affiliates, and their respective officers, directors, agents and employees.

This license is non-exclusive and does not in any way grant to or confer upon Licensee any proprietary rights or goodwill rights to the Marks or to any country, province, state, area, market or territory. QRC retains the right and is expressly permitted to engage in the wholesale and retail production, distribution and sale of products, including food products of any kind (i) under the QDOBA MEXICAN EATS® trademark or other trademarks, (ii) through QRC-operated restaurants, licensed and franchised restaurants, or any alternative marketing channels or methods of distribution, (iii) both outside and within the area surrounding Licensee's restaurant. QRC may develop, establish or acquire other franchise systems for the same, similar or different products, and may grant licenses thereto, without providing Licensee any rights therein.

2. FEES

A. Initial Fee

In consideration of the granting of this license, Licensee must pay to QRC, on or before the execution of this Agreement, the sum listed in Exhibit A. This entire sum is fully earned by QRC when this Agreement is signed and delivered. The fee described above ("License Fee") is net of any tax, excluding income tax but including excise tax or other fee imposed upon QRC due to the collection of the License Fee.

B. Royalty

For the right to use the Marks and the System in accordance with this Agreement, Licensee agrees to pay to QRC during the term of this Agreement, a royalty of six percent (6%) of Licensee's Gross Sales. The royalty described above ("Royalty") is net of any tax, excluding income tax but including excise tax, or other fee imposed upon QRC due to the collection of the Royalty, and must be paid weekly on each Friday for the preceding week (weekly period to be Monday through the following Sunday, subject to change at QRC's sole discretion). If alcohol is served at the Licensed Restaurant, and applicable law prohibits payment of royalties on alcohol sales, then the gross amount of the Royalty shall be increased proportionally to account for the royalty percentage on alcohol sales that otherwise would have been owed.

C. Marketing Fee

Licensee is not required to make a contribution to the Qdoba Marketing Fund, but Licensee may purchase marketing materials and services from QRC.

D. Gross Sales Defined

The term "Gross Sales" means all revenue from the sale of all products and services (including delivery and catering services), and all income of every kind and nature, derived, directly or indirectly, from all business conducted upon, from or in connection with the Licensed Restaurant, whether such Gross Sales be evidenced by check, cash, cash equivalent, credit, charge account, exchange or otherwise. Gross Sales does not include the amount of any sales tax imposed by any federal, state or other governmental authority directly on sales and collected from customers, provided that the amount thereof is added to the selling price or specifically absorbed therein, and actually paid by Licensee to such governmental authority. To the extent applicable and contrary to statements in this Agreement, any gift cards/stored value cards shall be included in gross sales when redeemed, not when sold.

3. REPRESENTATIONS, WARRANTIES AND COVENANTS OF LICENSEE

Licensee represents, warrants and covenants as follows:

- Licensee has submitted written information to QRC in connection with the grant of this license, including, but not limited to, a License Application Package, together with any material changes therein, and it is understood that QRC is relying on all such information in granting this license.

- Licensee has delivered to QRC a Certification of Entity Structure and Operation, which constitutes a true, complete and accurate description of all of the individuals who have an ownership interest in the Licensee. The ownership structure described in the certification must remain unchanged during the term of this Agreement,

unless modified in accordance with the provisions of this Agreement. The provisions of this Agreement relating to changes in ownership or ownership structure apply to all such changes, including changes in relative shares of ownership of a Licensee.

4. APPROVAL OF LEASES

If Licensee leases the Restaurant Premises from a third party, Licensee must use its best efforts to use QRC's standard form lease or lease addendum. Licensee will not be permitted to open the Licensed Restaurant for business unless QRC approves the lease in writing. QRC's approval of a lease does not constitute a representation, guaranty or warranty, express or implied, of the successful operation or profitability of any restaurant operated at that location; nor does such approval constitute a legal review of the terms and conditions of the lease.

5. STANDARDS OF OPERATION

Licensee must adhere to the System, as it may be modified by QRC from time to time, including ensuring that Licensee meets all standards and specifications, and follows the procedures communicated in writing by QRC to Licensee.

A. The Manuals

The Qdoba Manuals, as they may be renamed, amended, expanded and consolidated by QRC from time to time (collectively, "Manuals"), will contain mandatory restaurant operating standards, specifications and procedures as prescribed from time to time by QRC for the operation of a *Qdoba* restaurant by Licensee. Licensee will receive access to the Manuals from QRC for the term of this Agreement in any manner QRC chooses, including electronically through the QRC intranet. The Manuals may consist of more than one volume, including, without limitation, an Operations Manual, Trainers Guide, and Store Opening Manual. Licensee agrees to accept and comply with any changes, modifications, revisions and additions made by QRC to the menu and other elements of the System standards and the Manuals that QRC believes to be necessary or desirable for the brand.

The material contained in the Manuals consists of confidential trade secrets of QRC, and QRC is the owner of the Manuals and of all proprietary rights in and to the material and information contained therein. Such material may be used by Licensee only in connection with the operation of the Licensed Restaurant and other licensed *Qdoba* restaurants.

B. Construction and Maintenance of the Restaurant Premises and Lease Notices

During the term of this Agreement, the Restaurant Premises must be used exclusively for the operation and promotion of the Licensed Restaurant. The Restaurant Premises must be constructed and improved only as authorized and approved in writing by QRC, and in conformity with all applicable laws and ordinances. The appearance and

the condition of the Restaurant Premises must not be altered thereafter, except as approved in writing by QRC. The Restaurant Premises must be decorated, furnished and equipped with furnishings and restaurant equipment that meet QRC's specifications. Licensee must maintain the Restaurant Premises in good condition and in conformity with the System, and must make any improvements and alterations to the Restaurant Premises as determined by QRC to be necessary to meet QRC's standards. Licensee must undertake and complete the repairs, improvements and alterations that QRC requires, within a reasonable time as specified by QRC. Licensee must maintain the Restaurant Premises in conformity with all applicable laws and ordinances, including, without limitation, the federal Americans with Disabilities Act and any similar state law. Any modification to the Restaurant Premises required by such laws, is subject to approved in advance by QRC and must be made at Licensee's expense.

If Licensee leases the Restaurant Premises, Licensee agrees that whenever it sends its landlord any notice or other material document relating to Licensee's lease for the Restaurant Premises, or receives such a document from the landlord, Licensee will promptly forward a copy of that document to QRC in accordance with the notice provisions of this Agreement.

C. Signs

Licensee must display the Marks only in the manner authorized by QRC. Licensee must maintain and display such signs (including menu panels, posters or similar items) as required by QRC from time to time. Licensee must not place additional signs, menu panels, posters or similar items on the Restaurant Premises without QRC's prior written consent. Licensee must promptly discontinue the use of and destroy such items as are declared non-conforming or obsolete by QRC.

D. Equipment

Licensee must use in the Licensed Restaurant only equipment approved by QRC. Licensee must maintain such equipment in a condition that meets the standards set forth in the Manuals or otherwise prescribed by QRC, and must replace equipment as necessary. Replacement equipment must conform to the standards for equipment that is being installed in new *Qdoba* restaurants at the time of replacement, except as may be approved in writing in advance by QRC. If QRC determines that additional or replacement equipment is needed in order to test new menu items or due to a change in approved menu items or in approved methods of preparation and service, Licensee must promptly obtain and install that new equipment within a reasonable time, as specified by QRC. Upon notification that any equipment, furnishings or supplies do not meet QRC specifications or standards, Licensee must immediately stop using that equipment, furnishing or supplies.

E. Computer System

Licensee agrees to purchase or lease, install and maintain, at Licensee's sole expense, the data processing equipment, computer hardware and software, dedicated

telephone and power lines, high speed and wireless Internet connections (when and where available), modems, printers and other computer-related accessory or peripheral equipment as required by QRC and as necessary to permit QRC to receive from Licensee, within the time periods required by this Agreement or as otherwise required by QRC, that information, in that format/media, as reasonably specified by QRC.

F. Ingredients, Materials and Supplies

Licensee must purchase all food, ingredients, equipment, materials, and supplies necessary for the operation of the Licensed Restaurant, whether such items are used, offered, or sold at the Licensed Restaurant, only from sources that have been approved by QRC and not thereafter disapproved (of which QRC or a subsidiary, parent, or other related entity ("Affiliate") may be one such source). Such items include, but are not limited to, all food, supplies, beverage ingredients, paper goods, utensils, packaging, cleaning supplies and uniforms. If Licensee purchases such items under contract terms negotiated by QRC, Licensee may use those items only at the Licensed Restaurant.

If Licensee wants QRC to consider any alternative or additional sources of such ingredients, materials or supplies, Licensee must submit to QRC the information and samples as QRC requests. At Licensee's expense, QRC will evaluate the alternative or additional source in accordance with its standards. QRC must notify Licensee within a reasonable time after receiving the information and samples requested, of its approval or disapproval of such source, and if QRC does not approve, of the reasons therefor. All costs and expenses associated with QRC approving, reevaluating and working with such additional suppliers will be charged to the supplier or to Licensee.

G. Menu, Service, Health and Cleanliness

Licensee must offer for sale all of the food and beverage products identified in Exhibit A, which QRC may modify from time to time by providing written notice to Licensee. Licensee may not offer for sale any items other than those food and beverage products listed on Exhibit A. Licensee must adhere to all specifications relating to the ingredients, method of preparation and service, weight, dimensions and other characteristics for the menu items served, and standards of health, cleanliness and sanitation that are contained in the Manuals, or are otherwise prescribed by QRC. All food, drink and other menu items must be sold in packaging approved by QRC. Upon notification that any food, beverages, supplies or packaging does not meet QRC specifications or standards, Licensee must immediately stop using same.

Licensee may determine what prices to charge customers for products and services sold at the Licensed Restaurant, except that QRC may require that Licensee use an "all inclusive" pricing structure or tiered pricing structure, and/or other pricing system, and QRC may set maximum prices on products and services to the extent permitted by law. If QRC imposes a maximum price on a particular item, Licensee may charge any price on the item, consistent with the QRC pricing structure, up to and including the maximum price. Licensee acknowledges and agrees that the specified retail price and maximum prices for products and services Licensee and other licensees sell may vary

from region to region to the extent necessary in order to reflect differences in costs and other factors applicable to such regions. QRC may also require that certain products or services that are supplementary to the main products and services provided at Licensed Restaurants (such as condiments) be provided to customers free of charge.

If an inspection or audit conducted by QRC or its authorized representative shows that the Licensed Restaurant is not in substantial compliance with any System standard relating to food safety, Licensee must reimburse QRC for the reasonable cost of a re-audit. Additionally, if QRC reasonably determines that a threat or danger to public health or safety is likely to result from the construction, maintenance or operation of the Licensed Restaurant, QRC may, in its sole discretion, exercise its rights under Section 16 ("Termination") or any lesser right, such as directing a temporary closure of the Licensed Restaurant until the situation can be corrected.

H. Hours of Operation

QRC and Licensee agree to the hours of operation for the Licensed Restaurant shown in Exhibit A ("Opening Policy"). Notwithstanding the foregoing, Licensee will not be required to operate the Licensed Restaurant when the adjacent businesses at the Facility are not operating or if the owner or operator of the Facility imposes a restriction on the hours of operation, provided that Licensee has given QRC advance written notice of the modified hours of operation.

I. Catering

Licensee may offer catering and delivery service from the Licensed Restaurant only with QRC's written authorization, and only under the terms and conditions specified by QRC.

J. Personnel of the Licensed Restaurant

Licensee must designate one individual as the operator of the Licensed Restaurant ("Operator") to oversee the operation of the Licensed Restaurant. The Operator is subject to QRC's prior written approval. Licensee understands and agrees that the Operator is the authorized agent of Licensee and QRC may communicate with and give notice to Licensee through the Operator. Operator must utilize best and continuing efforts to promote and develop the business at the Licensed Restaurant.

Licensee must hire all employees of the Licensed Restaurant, and is fully responsible for the terms of their employment. QRC has neither direct nor indirect control over decisions relating to the employment of Licensee's employees, and is neither an employer nor joint employer of those employees. Licensee must employ only suitable persons of good character and reputation who will at all times conduct themselves in a competent and courteous manner in accordance with the image and reputation of QRC and the System and, while on duty, comply with the uniform standards set forth in the Manuals.

K. Compliance with Laws/Taxes

Licensee agrees to conform to and comply with all federal, state and local laws, ordinances, regulations, and applicable industry standards at all times and at its sole expense.

Licensee must file all tax returns in a timely manner, and must pay when due all taxes levied or assessed in connection with the possession, ownership or operation of the Licensed Restaurant and the Restaurant Premises. Licensee may contest the validity or the amount of the tax in accordance with applicable procedures of the jurisdiction, but Licensee may not permit a tax sale or seizure of the Licensed Restaurant, the Restaurant Premises, or any equipment used in connection with the operation of the Licensed Restaurant.

L. Advertising and Promotion

Licensee must use reasonable efforts to advance the reputation of *Qdoba* restaurants and the products sold under the Marks and to develop awareness of *Qdoba* brand among consumers in order to increase the goodwill of the Marks and the System. Prior to use, Licensee must submit all advertising materials or any other materials that use or display the Marks to QRC for approval, which approval may not be unreasonably withheld.

M. Access to Restaurant Premises

QRC or its authorized representative has the right at any reasonable time, without prior notification to Licensee, to enter the Licensed Restaurant and Restaurant Premises to (a) observe, inspect, photograph, and videotape the Licensed Restaurant and its operation and the Restaurant Premises during such periods as QRC may deem necessary, (b) test any and all food products, food ingredients, equipment, beverages and supplies, (c) interview personnel at the Licensed Restaurant, (d) interview customers and prospective customers of the Licensed Restaurant, (e) conduct evaluations of the products sold and services rendered at the Licensed Restaurant, and (f) conduct various surveys. Licensee agrees to cooperate fully with QRC in connection with any such entries and activities. If Licensee's contract with the Facility restricts QRC's access to the Facility, any inspection by QRC will be in accordance with the Facility's policies and Licensee must undertake all reasonable efforts to facilitate QRC's ability to conduct inspections at the Licensed Restaurant.

N. Participation in Tests

From time to time, QRC may require Licensee to participate in tests of new products, equipment, services and procedures at the Licensed Restaurant. QRC may require Licensee to use specific product pricing during the test period. QRC will reimburse Licensee for certain documented out-of-pocket costs necessarily incurred by Licensee as part of the test; however, if the new product, equipment, service or promotions becomes a required component of the System, the Licensee will be

responsible for paying a reasonable cost for the required component. Licensee is responsible for any soft costs associated with the testing, such as wages payable during training.

O. Proposed System Modification

Licensee may submit proposals for new or improved products, equipment, uniforms, the design of buildings and other restaurant facilities, service format and advertising. Such proposals must be considered by QRC when adopting, modifying or allowing deviations from standards, specifications and procedures for the System; provided however, that QRC retains the sole and absolute discretion to accept or reject any such proposals. If any proposal by Licensee is adopted by QRC and becomes part of the System, Licensee acknowledges that QRC is the sole owner of such proposed new product or modification to the System, that any such product or System modification are deemed a work made for hire, (or to the extent the work may not be deemed a "word make for hire" under applicable law, Licensee hereby irrevocably assigns to QRC, for no additional consideration, all right, title and interest in and to any patents, trademarks, copyrights, trade secrets and any other proprietary rights), and there are no restrictions on use, and no compensation will be due Licensee. Licensee agrees to cooperate fully in obtaining any patents, trademarks or copyrights relating to the System.

P. Web-Based Applications and Social Media

Licensee shall comply with QRC's web-based applications, social media, and other technology-related standards and procedures, as they are established and modified by QRC in its sole discretion from time to time.

Q. Discounts

In the event that any cash rebates, volume discounts, concessions, advertising allowances, discount bonuses or other benefits (collectively, "Discounts"), whether by way of cash kind or credit, are received by QRC from any Supplier, whether or not on account of purchases made (i) by QRC for its own account or for the account of Licensee, licensees generally, or (ii) by Licensee directly for its own account, QRC shall be entitled to retain the whole of the amount or any part of such Discounts. QRC and its Affiliates are entitled to mark up and profit on the sale of goods and services to Licensee.

R. Non-Cash Payment Systems

Licensee must use such credit card, debit card, gift card/loyalty card, check verification, direct debit, electronic fund transfer systems, and similar systems as QRC may from time to time require. Use of the specified payment methods may require Licensee to pay a program fee to QRC and/or third parties. Licensee may accept only such methods of payment that QRC authorizes or approves. Gift/loyalty card programs may require Licensee to provide certain products to guests free of charge.

6. TRAINING

QRC must provide a certified training program for up to three individuals, one of which must be the intended general manager (or equivalent) of the Restaurant. Prior to the opening of the Licensed Restaurant, Licensee must ensure that the restaurant manager and at least one other individual have completed the certified training program. The training will take place at a company-operated restaurant location or such other location as may be designated by QRC.

During the term of the license, the Operator and the General Manager must undertake and complete such further training programs from time to time as may be directed by QRC.

There is no charge for the training, but Licensee is responsible for all travel, living, compensation and other expenses that may be incurred in connection with the training.

Licensee must conduct training for Licensee's employees as necessary to ensure that all Standards are consistently satisfied.

QRC will provide Licensee such on-site pre-opening and opening assistance and such continuing operational advice as QRC deems advisable, subject to the availability of personnel.

QRC will provide to Licensee, at Licensee's sole cost and expense, from time to time as QRC deems advisable, advice and written materials concerning techniques of operating the Licensed Restaurant, including new developments and improvements in restaurant equipment, food products, packaging and preparation.

QRC will provide Licensee with a template of the standardized chart of accounts, statement of earnings, and balance sheet, all of which Licensee must use in the operation of the Licensed Restaurant.

7. METHOD AND APPLICATION OF PAYMENTS

A. Interest

Any payment due from Licensee to QRC that is not paid when due will accrue interest from the date such amount was due, until paid, at the then-current rate established by QRC for Licensees, or the maximum rate permitted by law, whichever is less.

B. Method of Payment and Sales Reporting

All payments must be made to QRC or QRC's designee through a pre-authorized payment system (which authorizes QRC or its designee to debit and credit Licensee's bank accounts in accordance with the terms of this Agreement and other agreements between the parties) or other payment method specified in writing by QRC. Upon request,

Licensee must provide such authorizations and information necessary to institute the pre-authorized payment system or other payment system. Licensee must ensure that funds are available in Licensee's bank accounts to cover the debits.

By no later than 10:00 a.m. Pacific Time each Monday, Licensee must submit, by electronic data transfer, computerized polling, or such other method as Licensor specifies, a report of the Gross Sales of the preceding week, and any other information Licensor may require. Licensee must allow Licensor to remotely access Licensee's computerized accounting systems, in Licensor's reasonable discretion, for such reporting purposes.

By no later than 10 a.m. Central Time on each Sunday, QRC will debit from the Licensed Restaurant's commercial bank operating account ("Account") the Royalty Fee and Marketing Fee for the week ending twelve (12) days earlier, in an amount determined based upon the Gross Sales report or determined by QRC based on the records contained in the cash registers/computer terminals of the Licensed Restaurant.

C. Application of Payments

Notwithstanding any designation by Licensee, QRC has sole discretion to apply any payments by Licensee to any past due indebtedness of Licensee due QRC or its Affiliates.

D. No Offset

Licensee is not entitled to set off, deduct or otherwise withhold any royalty fees, interest charges or any other monies payable by Licensee under this Agreement on grounds of any alleged non-performance by QRC of any of its obligations or for any other reason. Licensee must pay to QRC on demand any and all costs and expenses incurred by QRC in collecting any monies owed to Licensee to QRC.

8. ACCOUNTING, RECORDKEEPING, TAXES AND RIGHT OF AUDIT

A. Recordkeeping

Licensee must keep and maintain complete and accurate books and records, using generally accepted in use in the United States accounting principles and in accordance with any procedures specified by QRC in writing. Licensee must keep complete records of the licensed business for so long as required by state or federal law, but in no event less than three years.

B. Financial Reports

At QRC's request, Licensee must, at its expense, provide to QRC a profit and loss statement and balance sheet for the Licensed Restaurant within 90 days after the end of each of Licensee's fiscal year to be signed by Licensee or by Licensee's treasurer or chief financial officer attesting that the financial statements present fairly the results of operations of the Licensed Restaurant during the period covered. Licensee must submit

to QRC, for review or auditing, such other forms, reports, records, information and data regarding the Licensed Restaurant as QRC may reasonably designate, in the form and at the times and places reasonably required by QRC and as specified from time to time in the Manuals or otherwise in writing.

C. Taxes

Licensee must reimburse QRC for all sales, use, goods and services, personal property, gross receipt, excise, value added, and similar taxes in force now or in the future that are imposed upon or required to be collected by QRC, in connection with the sale or lease of goods or services to Licensee. Licensee will pay such taxes upon demand and in the manner designated by QRC.

D. Audits

QRC has the right at any time during business hours without prior notification to Licensee, to inspect and audit, or cause to be inspected and audited, at QRC's expense, Licensee's business records, including but not limited to the records listed in Subsections 8.A and 8.B above. The inspections or audits will be conducted at the location where the business records are customarily maintained. If an inspection or audit discloses an understatement of Gross Sales or Gross Sales from games and devices located in or on the premises of the Licensed Restaurant, Licensee must pay to QRC within fifteen (15) days after receipt of the inspection or audit report, the Royalties, Marketing Fees and any other amounts due on such understatement plus interest. If any inspection or audit discloses an understatement of Gross Sales for the period of the audit greater than 1%, Licensee also must promptly reimburse QRC for the reasonable cost of the audit or inspection.

E. Restaurant Data

All customer data, sales, transaction and operating data arising from operation of the Restaurant is and will be owned exclusively by QRC. QRC may use that data in any manner that it deems appropriate, including, without limitation, providing general or consolidated financial or operating reports to existing and prospective franchisees or licensees and other third parties. QRC hereby licenses use of such data back to Licensee for the term of this Agreement and only for use in connection with the operation of the Restaurant. Licensee may not use the data for any purpose other than operating the Restaurant, or sell or transfer any of the above data except to a buyer as part of an approved Transfer (as defined in Section 15). Licensee shall comply with any standards and policies that QRC may issue relating to data used in the operation of the Restaurant. Licensee shall immediately notify QRC of any possible or actual data breach.

9. RELATIONSHIP OF THE PARTIES

Licensee is an independent contractor, and is not an agent, partner, joint venturer or employee of QRC. No fiduciary relationship between the parties exists. Licensee has no right to bind or obligate QRC in any way, and will in no way represent it has the right

to do so. QRC will have no control over the terms and conditions of employment of Licensee's employees. Licensee must identify itself as the independent owner of the Licensed Restaurant on a visible plaque at the Licensed Restaurant as well as in any other manner QRC requires.

10. CONFIDENTIAL INFORMATION

Licensee understands and acknowledges that QRC has invested, and continues to invest, considerable sums of money in developing the System, and that to protect the legitimate interest of QRC and other *Qdoba* Licensees, it is necessary to protect certain information about the System as confidential. "Confidential Information" includes any and all information, knowledge, know-how and techniques, including all product recipes, preparation methods and tests, customer services techniques, franchise or license support procedures, supplier relationship and distribution system information, new product development information, the Manuals, financial data, growth plans or strategies, real estate development plans or strategies, restaurant design plans, proposed restaurant sites, equipment computer systems, business and development plans and strategies, training materials, customer data, customer contact lists, sales, transaction and restaurant operating data, and other data that QRC or its affiliates designate as confidential. Licensee will be provided with Confidential Information in connection with its operation of the Licensed Restaurant. All Confidential Information is and will remain the sole and exclusive proprietary property of QRC.

Licensee agrees that both during the term of this Agreement and thereafter, Licensee (a) will use the confidential Information only in the operation of the Licensed Restaurant, and not in any connection with any other business; (b) will not make copies of any confidential Information without the express written consent of QRC; (c) will not communicate, divulge or disclose the confidential Information to any person or entity who does not need access to it to operate the Licensed Restaurant; and (e) will not use the confidential Information, or allow it to be used, for the benefit of any third party.

11. OWNERSHIP OF INTELLECTUAL PROPERTY

Licensee hereby agrees that all right, title and interest to the System and the Marks are vested solely in QRC, and that any use thereof by Licensee inures to the benefit of QRC. Licensee hereby disclaims any right or interest in the System, the Marks or in the goodwill derived therefrom, and Licensee agrees not to contest, directly or indirectly, the validity of QRC's Marks or QRC's ownership, title, right or interest in the Marks and/or the System and/or QRC's sole right to register, use or license others to use the same. Licensee agrees that all information loaned, or otherwise made available to Licensee, and all disclosures made to Licensee and not to the general public, by or at the direction of QRC at any time before or during the term of this Agreement, including, but not limited to, the Manuals, specifications, and any modifications or amendments thereto, in their entirety are trade secrets of QRC for purposes of this Agreement, and must be kept confidential and used by Licensee only in the operation of the Licensed Restaurant.

If it becomes advisable at any time in QRC's sole discretion to modify or discontinue use of any Marks or part of the System and/or to use one or more additional or substitute Marks or aspects of the System, Licensee must immediately modify or discontinue the use of such Mark or aspect of the System, or use the additional or substitute Mark or aspect of the System.

Licensee may not directly or indirectly at any time during the term of this Agreement or thereafter, do, or cause or permit to be done, any act in any way impairing or tending to impair QRC's right, title or interest in the Marks or System. Except as provided herein, QRC is not required to participate in the defense of or to indemnify Licensee for damages or expenses incurred by Licensee if it becomes a party to any administrative or judicial proceeding involving the Marks or the System. Licensee must not institute any legal action or any other kind of proceeding based upon the Marks without QRC's prior written approval.

Licensee must immediately notify QRC if Licensee becomes aware of any infringements or imitations of the Marks or the System, or of any challenges to Licensee's use of any of the Marks or the System, and QRC must have the sole discretion to take such action, if any, it deems appropriate. QRC may control any administrative proceedings or litigation affecting the Marks or the System. Licensee must cooperate in the prosecution or defense of any such action, and will be named as a party in any such action, if so desired by QRC. QRC will bear the legal expenses incident to Licensee's participation in such action, except for the cost of Licensee's personal legal counsel if Licensee elects to be represented by counsel of his own choosing.

In the adoption of a corporate or partnership name, Licensee must not use any of the Marks, any variations or abbreviations thereof, or any words deemed by QRC to be confusingly similar to the Marks.

Licensee is not permitted to establish websites, social media venues, or domain names which in any way shape or form incorporate any of the *Qdoba* Marks, name, initials or indicia into its web address. Licensee is not permitted to establish websites or domain names linking to the *Qdoba* site without the prior written permission of QRC.

12. INSURANCE

During the term of this Agreement, Licensee must obtain and maintain in full force and effect, at his own expense, such insurance coverages as may be required of Licensees by QRC. The current insurance requirements are set forth in Exhibit C. The insurance requirements including but not limited to coverages and policy limits, may be increased or modified from time to time by QRC at its sole discretion.

13. INDEMNIFICATION

Licensee is responsible for all losses, damages, and liabilities (whether contractual, statutory or otherwise) to third persons arising out of or in connection with the

possession, ownership or operation of the Licensed Restaurant, and for all claims or demands for damages to property, or for injury, illness or death of persons directly or indirectly resulting therefrom; and Licensee must defend, indemnify and hold harmless QRC, its Affiliates, employees, officers, directors and agents from all such claims, demands, losses, obligations, costs, legal fees, expenses, liabilities, debts or damages directly or indirectly resulting therefrom, unless resulting from the gross negligence or willful misconduct of the indemnified parties.

If such claims are asserted against an indemnified party, QRC must notify Licensee and, at QRC's election, Licensee must assume the defense of such claims or QRC will defend such claims in the manner QRC deems appropriate. If QRC requires Licensee to defend such claims and Licensee fails to assume the defense as required by QRC, then QRC may defend in such manner as it deems appropriate. Licensee must reimburse the indemnified party (or QRC if QRC steps in to defend the matter) for all costs, including legal fees, and the reasonable value of time spent by corporate counsel, incurred by the indemnified party in effecting such defense, in addition to any sum that the indemnified party may incur by reason of any settlement or judgment. The indemnified party's right to defense and indemnification hereunder exist, notwithstanding that its joint or concurrent liability may be imposed on it by law.

14. ASSIGNMENT BY QRC

There are no restrictions on QRC's ability to assign this Agreement or transfer ownership interest in QRC, and any such transfer or assignment will inure to benefit any transferee or assignee or other legal successor to the interest of QRC. QRC may, in its sole discretion, elect to have designees perform the obligations of QRC under this Agreement.

15. ASSIGNMENT BY LICENSEE

This Agreement is personal to Licensee (or if Licensee is a legally formed entity, the Owners of Licensee). Neither Licensee nor any Owner must sell, assign, pledge, mortgage, hypothecate, give as security or in any manner encumber or otherwise transfer (hereinafter, "Transfer") this Agreement or any direct or indirect right or interest in the license granted, or any direct or indirect interest in Licensee, the Licensed Restaurant, or the Licensed Location nor permit any such Transfer to occur directly or indirectly, whether by agreement or operation of law, without the prior written consent of QRC. Without limiting the generality of the foregoing, this provision applies to any Transfer between Owners.

All Transfers require, among other items: (i) delivery of an updated Ownership Information Form; (ii) delivery of complete financial statements of the proposed transferee and other information satisfactory to QRC; (iii) the payment to QRC of up to, but not exceeding, two thousand five hundred dollars ($2,500) per Licensed Restaurant to QRC; (iv) the execution by Licensee and each Owner of a general release (in form satisfactory to QRC) in favor of QRC, covering (without limitation) all transactions or occurrences of

any kind prior to the proposed assignment, whether arising out of the license relationship or otherwise, between Licensee and QRC; (v) the payment of all amounts owed to QRC by Licensee; (vi) the correction of any material defaults; (vii) the execution of a personal guarantee by each transferee, if the transferring Owner had executed the same; (viii) the transferee and its employees completing all training required by QRC; (ix) at QRC's election, execution of an assignment agreement or the then-current standard license agreement for the remainder of the term of this Agreement; and (x) such other conditions as QRC may require.

16. TERMINATION

A. Licensee has provided QRC a copy of the provision(s) of its contract with the Facility describing the term of the contract and the Facility's right to terminate that contract without cause. Licensee may terminate this Agreement if Licensee loses the right to operate a *Qdoba* restaurant at the Facility (other than for cause) and if (1) Licensee has notified QRC within 14 days after receiving notice of the impending loss of such a right and (2) Licensee has exercised reasonable efforts to arrange a meeting between Licensee's client and QRC to discuss the continued operation of the Licensed Restaurant.

B. Licensee will be in default under this Agreement for any failure to comply with any of the material requirements imposed by this Agreement, the Manuals or otherwise in writing, or to carry out the terms of this Agreement in good faith. Except as otherwise provided in this Agreement, Licensee will have thirty (30) days after written notice of default from QRC within which to cure any default under this Agreement and provide evidence of that remedy to QRC. If the default is not cured within that time, this Agreement will terminate upon notice to Licensee. Notwithstanding the foregoing, if the default is susceptible of being cured, but cannot be cured within thirty (30) days, Licensee will be provided the additional time to correct the default as reasonably required (not to exceed 90 days) provided that Licensee begins taking the actions necessary to correct the default during the thirty- (30) day cure period and diligently and in good faith pursues those actions to completion.

C. Notwithstanding the provisions of preceding Subsection 16.B.:

1. If Licensee defaults in the payment of any monies owed to QRC when such monies become due and payable and Licensee fails to pay such monies within 10 days after receiving written notice of default, then this Agreement will terminate effective upon delivery of notice of termination.

2. If QRC reasonably determines that a threat or danger to public health or safety is likely to result from the construction, maintenance or operation of the Licensed Restaurant, QRC may immediately terminate this Agreement by providing written notice to Licensee without opportunity to cure. In the alternative, QRC may, in its sole discretion, direct a

temporary closure of the Licensed Restaurant until the situation can be corrected.

3. If Licensee has received three or more notices of default within the previous 24 months, QRC may immediately terminate this Agreement upon Licensee's next default within that 24-month period, without providing Licensee an opportunity to remedy the default.

4. If any valid, applicable law or regulation of a competent governmental authority with jurisdiction over this Agreement requires a notice or cure period prior to termination longer than set forth in this Section, this Agreement will be deemed amended to conform to the minimum notice or cure period required by the applicable law or regulation.

D. QRC's failure to terminate this Agreement upon the occurrence of one or more of the above events does not constitute a waiver, or otherwise affect the right of QRC to terminate this license because of any other occurrence of one or more of the aforesaid events.

17. OBLIGATIONS UPON TERMINATION

Upon termination or expiration of this Agreement, the following obligations apply:

A. Licensee must immediately cease to operate the Licensed Restaurant and must not thereafter, directly or indirectly, represent itself to the public as a present or former licensee of QRC at the Facility.

B. Licensee's right to use the Marks and the System at the Facility will terminate. Licensee must not thereafter identify itself as a *Qdoba* Licensee at the Facility, nor use any of the Marks or any mark confusingly similar thereto at the Facility, nor use or disclose to others any of QRC's Confidential Information or trade secrets. Upon termination or expiration of this Agreement, and provided that Licensee is not a Qdoba Licensee at other locations, Licensee must immediately return to QRC all Manuals, together with all other material containing trade secrets or Confidential Information.

C. Licensee grants to QRC, upon termination or expiration of this Agreement, the option to purchase all usable inventory of food supplies, paper goods, containers, printed menus and other materials bearing QRC's trade names or Marks at Licensee's cost; and to purchase the restaurant equipment, furniture, fixtures and signs at fair market value.

D. Licensee must, immediately upon termination or expiration of this Agreement, make such removals or changes in signs and the Restaurant Premises as QRC must request, to distinguish the Restaurant Premises from its former appearance and from any other *Qdoba* restaurant. In the event Licensee fails to make such changes,

Licensee hereby consents to QRC entering the Restaurant Premises to make non-structural changes at Licensee's expense.

E. Licensee shall also provide to QRC, upon request, evidence satisfactory to QRC that Licensee has complied with the obligations in this Section 17.

F. All obligations of QRC and Licensee that expressly or by their nature survive the expiration or termination of this Agreement will continue in full force and effect subsequent to and notwithstanding its expiration or termination and until they are satisfied or by their nature expire.

18. RESTRICTIONS ON OTHER BUSINESS INTERESTS

Licensee covenants and agrees that, during the term of this Agreement and, if this Agreement is terminated prior to the end of the Initial Term, for a period of 1 year following such termination, Licensee and Operator must not, either directly or indirectly, for themselves, or through, on behalf of, or in conjunction with, any person, firm, partnership, corporation or other entity, own, maintain, operate, be employed by, be a director or landlord of, engage in, advise, help, make loans to, or have any direct or indirect interest in, any foodservice operation at the Facility that serves primarily Mexican food or for which burritos, tacos, and/or bowls comprise more than ten 10%) of the menu or represent more than ten percent (10%) of the sales, such sales to be measured over a trailing twelve month period. This restriction does not apply to Licensee's existing restaurant or foodservice operations, if any, that are identified in Exhibit A.

QRC has the right, in its sole discretion and without Licensee's consent, to reduce the scope of any covenant in this Section. Any covenant as so reduced is fully enforceable. The reduction will be effective immediately upon receipt by Licensee of written notice thereof, and Licensee must comply immediately with the covenant as so reduced.

Licensee must obtain and furnish to QRC an undertaking, to the same effect as the undertaking in this Section, from Licensee's Operator (if Licensee is not the Operator) and from such of the Owners.

19. MISCELLANEOUS: GENERAL CONDITIONS

A. Interpretation/Entire Agreement

This Agreement and all exhibits to this Agreement constitute the entire agreement between the parties relating to the subject matter hereof, and supersede any and all prior negotiations, understandings, representations, and agreements regarding that subject matter. Nothing in this or in any related agreement, however, is intended to disclaim the representations QRC made in the Franchise Disclosure Document if furnished to Licensee. This Agreement may be modified or amended only in writing, signed by both parties.

B. Governing Law, Jurisdiction and Venue

1. This Agreement becomes valid when executed and accepted by QRC at San Diego, California. The laws of California apply to any claim or controversy regarding the making, entering into, performance, or interpretation of this Agreement, without giving effect to any conflict-of-law rules of such jurisdiction. If, however, any provision of this Agreement would not be enforceable under the laws of California, Licensee is located outside of California, and such provision would be enforceable under the laws of the state in which Licensee is located, then such provision must be interpreted and construed under the laws of that state.

2. Licensee must file any suit against QRC or its officers, directors, agents, employees or shareholders, arising out of this Agreement or otherwise, only in the federal or state court in the judicial district where QRC's principal offices are located at the time suit is filed. QRC may file any suit against Licensee, arising out of this Agreement or otherwise, in any federal or state court in the judicial district where QRC's principal offices are located at the time suit is filed, or where Licensee resides, or where the Licensed Restaurant is or was located, or where the claim arose; and Licensee hereby consents to and waives all questions of personal jurisdiction and venue for the purpose of carrying out this provision.

3. **QRC and Licensee irrevocably waive trial by jury in any action, proceeding, or counterclaim, whether at law or in equity, brought by QRC against Licensee, or by Licensee against QRC and/or its Affiliates or subsidiaries, and their shareholders, officers, directors, employees and agents, whether or not there are other parties in such action, to the extent permitted by law. Licensee and QRC waive, to the fullest extent permitted by law, the right to bring, or be a class member in, any class action suits.**

4. Except for payment owed by one party to the other party, and unless prohibited by applicable law, any and all claims and actions arising out of, or relating to, this Agreement, the relationship of QRC and Licensee, or Licensee's operation of the Licensed Restaurant, must be commenced within two (2) years from the occurrence of the facts giving rise to such claim or action, or such shorter term as is established by law, or such claim or action will be barred.

5. QRC and Licensee hereby waive to the fullest extent permitted by law any right to, or claim of, any punitive or exemplary damages against the other, and agree that in the event of a dispute between them, each must be limited to the recovery of actual damages sustained by it.

C. Notices

All notices to QRC must be in writing, and are effective if hand delivered or sent by certified mail, postage fully prepaid, by overnight mail, or by facsimile addressed to Qdoba Restaurant Corporation at its offices at 350 Camino De La Reina, Suite 400, San Diego, California 92108, Attention: Legal Department; or at such other address as QRC must

from time to time designate in writing. All notices to Licensee, including a Notice of Termination, must be in writing, and will be effective if hand delivered or sent by certified mail, return receipt requested, postage fully prepaid, by overnight mail, or by facsimile or comparable electronic system, addressed to Licensee or Operator at the Licensed Restaurant, the Restaurant Premises or Licensee's or Operator's last designated-in-writing mailing address. Notices will be deemed delivered and received on the earlier of (i) actual receipt; (ii) the fifth (5th) business day after being deposited in the U.S. Mail; (iii) the second (2nd) business day after being deposited with an overnight mail service; or (iv) the first (1st) business day after being sent by facsimile or comparable electronic system. Any notice, if delivered personally, shall be deemed to have been given on the day of delivery, if a business day, or if not a business day, on the business day next following the day of delivery.

D. Legal Fees and Costs

In any litigation arising out of or relating to this Agreement, the prevailing party must be paid by the other party all costs, including reasonable accounting and legal fees, incurred as a result of the legal action.

E. Release

For good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged, Licensee (on behalf of itself and its parent, subsidiaries and affiliates and their respective past and present officers, directors, managers, shareholders, members, owners, agents and employees, in their corporate and individual capacities) (collectively "Releasors"), freely and without any influence, forever releases and covenants not to sue QRC, and its parents, subsidiaries and affiliates and their respective past and present officers, directors, managers, shareholders, members, owners, agents and employees, in their corporate and individual capacities (collectively "Releasees"), with respect to any and all claims, demands, liabilities and causes of action of whatever kind or natures, known or unknown, vested or contingent, suspect or unsuspected (collectively "Claims") which any Releasor now owns or holds or may at any time have owned or held, including, without limitation, claims arising under federal, state and local laws, rules and ordinances, claims for contribution, indemnity and/or subrogation and claims arising out of, or related to the Agreement and all other agreements between any Releasor and any Releasee, the sale of franchises or licenses to any Releasor by any Releasee, the operation of the Licensed Business, any other franchised or licensed Qdoba restaurants and any other restaurant licensed or franchised by any Releasee, and each Releasee's performance of its obligations under the Agreement or any other agreement.

Licensee (on behalf of itself / themselves and the Releasors) agrees that fair consideration has been given by QRC for this release and fully understand that this is a negotiated, complete and final release of all of Releasors' claims. Licensee (on behalf of itself and the Releasors) expressly agrees that, with respect to this release, any and all rights granted under Section 1542 of the California Civil Code are expressly waived to the extent applicable. That Section reads as follows:

A GENERAL RELEASE DOES NOT EXTEND TO CLAIMS THAT THE CREDITOR OR RELEASING PARTY DOES NOT KNOW OR SUSPECT TO EXIST IN HIS OR HER FAVOR AT THE TIME OF EXECUTING THE RELEASE AND THAT, IF KNOWN BY HIM OR HER, WOULD HAVE MATERIALLY AFFECTED HIS OR HER SETTLEMENT WITH THE DEBTOR OR RELEASED PARTY.

F. Opportunity to Review

The undersigned hereby certify that they have read all provisions of the foregoing release and the quoted California Civil Code Section, that they are represented by Counsel and have been advised or been afforded the opportunity to be advised of the effect of the provisions of such release and their waiver of all rights under the quoted California Civil Code Section, that they have made such investigation and inquiry as they and Counsel have deemed appropriate, and that they understand said provisions and effect, and have executed this Agreement freely and without duress.

G. Modification

Except as expressly modified or amended pursuant to the provisions of this Agreement, the Agreement shall remain unmodified and in full force and effect.

H. Counterparts, Electronic Signatures

This Agreement may be signed in one or more counterparts, all of which when taken together constitute one original document. This Agreement may be signed using electronic signatures, and such signatures will have full legal force and effect.

IN WITNESS WHEREOF, the parties hereto have caused this instrument to be signed as of the day and year shown opposite their signatures below.

QRC:
QDOBA RESTAURANT CORPORATION
a Colorado corporation

By: _____

Name: _____

Title: _____

Date: _____

LICENSEE:

By: _____

Name: _____

Title: _____

Date: _____

EXHIBIT A

LICENSE RESTAURANT INFORMATION

1. Restaurant Premises (attach floor plan of Facility where Restaurant Premises are located, if appropriate):

2. The term of this Agreement begins on _____, and expires on _____.

3. License Fee:

4. Limited Menu (attach menu, if applicable):

5. Opening Policy/Operating Hours:

6. Existing Foodservice Operations (if applicable):

7. Owner of Licensee:

EXHIBIT B

CONFIDENTIALITY AND NON-COMPETITION AGREEMENT
(For Shareholders, Partners, Members)

This Confidentiality and Non-Competition Agreement ("Agreement") is entered into this ____ day of _____, 20___, between Qdoba Restaurant Corporation ("QRC") and **Error! Reference source not found.**, **Error! Reference source not found.**, and _____ ("Owner") (collectively, "Owner").

Recitals

QRC has entered into a License Agreement with _____ ("Licensee") relating to the development and operation of one or more Qdoba Mexican Eats™ restaurants under an operating system created and maintained by the QRC (the "System"). Owner is an officer, director, or holder of a beneficial interest of Licensee, and/or of any corporation directly or indirectly controlling Licensee. Due to his/her financial interest or other involvement in Licensee, Owner may have access to information regarding the development and operation of the *Qdoba* business (including, but not limited to QRC's operating manual) that is considered by the Parties to be confidential and/or trade secret. QRC is willing to provide access to such information under the terms of this Agreement.

Accordingly, Owner agrees as follows:

1. CONFIDENTIAL INFORMATION

1.1. Owner understands and acknowledges that QRC has invested, and continues to invest, considerable sums of money in developing the System. Because of the competitive nature of the restaurant business, and to protect the legitimate interest of QRC and other licensees, it is necessary to protect certain information about the System as confidential.

1.2. For purposes of this provision, "Confidential Information" includes product recipes and tests, ingredients used in QRC's products, product preparation procedures, customer service measures and techniques, franchise support procedures, supplier relationship and distribution system information, new product development information, the Manual (as defined in Section 2 below), growth plans or strategies, real estate development plans or strategies, restaurant design plans, proposed restaurant sites, equipment, computer systems, business and development plans and strategies, training programs, consumer research results, marketing and advertising strategies and materials, and all other information designated by QRC as confidential.

1.3. Confidential Information does not include: (a) information, concepts, methods, procedures or techniques that are, or become, generally known in the quick-service and quick-casual restaurant industries in the United States, other than through disclosure by Licensee or Owner, whether deliberate or inadvertent; (b) the disclosure of Confidential Information in judicial or administrative proceedings to the extent that Licensee or Owner is legally compelled to disclose such information, provided that Licensee and/or Owner has

afforded QRC with the opportunity to obtain an appropriate protect order or other assurance that the information will be treated as confidential; or (c) information that Licensee or Owner can demonstrate came to its attention prior to disclosure thereof by QRC.

1.4. Licensee will be provided with Confidential Information in connection with its development and/or operation of the licensed restaurant. Owner agrees that both during the term of this Agreement and thereafter, Licensee and Owner: (a) will use the Confidential Information only in the operation of the licensed restaurant, and not in connection with any other business; (b) will not make copies of, duplicate, record, or otherwise reproduce any Confidential Information without the express written consent of QRC; (c) will not communicate, divulge or disclose the Confidential Information to any person or entity who does not need access to it to operate the licensed restaurant; (d) will not use or duplicate Confidential Information for any other restaurant business; or (e) will not use the Confidential Information, or allow it to be used, for the benefit of any third party.

1.5. Owner acknowledges and agrees that all Confidential Information is, and will remain, the sole and exclusive proprietary property of QRC.

1.6. Owner understands and acknowledges that any failure to comply with the requirements of this section will result in substantial injury and damage to QRC for which there is no adequate remedy at law. For these reasons, if Owner violates or threatens to violate any term of this provision, the QRC will be entitled to, in addition to any other remedies and damages available, injunctive or other equitable relief, to restrain the violation of this provision by Owner. Owner agrees to pay all court costs and reasonable legal fees incurred by QRC in obtaining specific performance of, or an injunction against violation of, the requirements of this section, in addition to any other claims to which QRC may be entitled.

2. CONFIDENTIAL OPERATING MANUAL

2.1. In order to protect the reputation and goodwill of QRC and to maintain high standards of operation under QRC's proprietary marks, Licensee must conduct its business in accordance with the confidential manual, which may consist of more than one volume ("Manual"). Licensee will receive access to the Manual from QRC for the term of any License Agreement between QRC and Licensee.

2.2. Owner must at all times treat the Manual, any other manuals created for, or approved for use in, the development or operation of the licensed restaurant, and the information contained therein, as secret and confidential, and must use all reasonable efforts to maintain such information as secret and confidential, as specified in Section 1 above, including but not limited to keeping access to the Manual secure at all times.

2.3. The Manual will at all times remain the sole property of QRC.

2.4. Owner understands and acknowledges that QRC may, in its sole discretion, modify or replace the Manual or its contents. If there is any dispute as to the contents of the Manual, the terms of the master copy of the Manual maintained by QRC at QRC's home office will be controlling.

3. COVENANTS AND RESTRICTIONS ON OTHER BUSINESS INTERESTS

3.1. Licensee must devote best efforts to the development, management and operation of the licensed restaurant.

3.2. Owner acknowledges that Licensee and Owner will receive valuable specialized training and/or confidential information, including without limitation, information regarding the development, operational, sales, promotional and marketing methods and techniques of QRC and the System. During the term of any License Agreement between QRC and Licensee, except as otherwise approved in writing by QRC, Owner may not, either directly or indirectly, for him/herself, or through, on behalf of, or in conjunction with any person, persons, partnership or corporation:

3.2.1. Divert or attempt to divert any business or customer of the licensed 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 QRC's proprietary marks and the System.

3.2.2. Own, maintain, operate, engage in, or have any interest in any food service business at the Facility described in Exhibit A to the License Agreement that serves primarily Mexican food or for which burritos, tacos, and/or bowls comprise more than ten percent (10%) of the menu, and/or represent more than ten percent (10%) of the sales ("Competitive Business").

3.2.3. For a continuous period of two years after the expiration or termination of all License Agreements between QRC and Licensee, regardless of the cause for the termination, Owner may not either directly or indirectly, for itself, or through, on behalf of, or in conjunction with any person, persons, partnership or corporation, own, maintain, operate, engage in, or have any interest in any Competitive Business that is, or is intended to be, located i) at the Accepted Location as described in Exhibit A to the License Agreement ("Accepted Location"), ii) within five (5) miles of the Accepted Location; or iii) within give (5) miles of any *Qdoba* restaurant existing at the time of the termination or expiration.

3.3. Subsections 3.2.2 and 3.2.3 above do not apply to ownership by Owner of less than one percent (1%) beneficial interest in the outstanding equity securities of any publicly held corporation.

3.4. The parties agree that each of the foregoing non-competition covenants are independent of any other covenant or provision of this Agreement. If all or any portion of a covenant in this Section 3 is found unreasonable or unenforceable by a court or agency having valid jurisdiction, Owner 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 3.

3.5. QRC has the right, in its sole discretion, to reduce the scope of any covenant set forth in this Agreement, or any portion thereof, without Owner's consent, effective immediately upon receipt by Owner of written notice thereof. Owner agrees that it will comply forthwith with any covenant as so modified, and that the covenant will be fully enforceable, notwithstanding the provisions of Subection 3.4 of this Agreement.

3.6. Owner expressly agrees that the existence of any claims he/she may have against QRC, whether or not arising from this Agreement, will not constitute a defense to QRC's enforcement of the covenants in this Section 3. Owner agrees to pay all costs and expenses (including reasonable legal fees) incurred by QRC in connection with the enforcement of this Section 3.

3.7. Owner acknowledges and agrees that his/her violation of the terms of this Section 3 would result in irreparable injury to QRC for which no adequate remedy at law may be available. Owner acknowledges and agrees that QRC may obtain an injunction prohibiting any conduct by Owner in violation of the terms of this Section 3.

4. MISCELLANEOUS PROVISIONS

4.1. No Waivers. No delay, omission or forbearance on the part of QRC to exercise any right, option, duty or power constitutes a waiver by QRC to enforce any such right, option, duty or power against Owner; nor does any such delay, omission, or forbearance constitute a waiver of any subsequent breach or default by Owner.

4.2. Notices. Any and all notices required or permitted under this Agreement must be made in writing, and must be personally delivered or mailed by certified or registered mail, return receipt requested, or delivered by national overnight carrier, 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 QRC:
Qdoba Restaurant Corporation
350 Camino De La Reina, Suite 400
San Diego, California 92108
Attention: Legal Department – Franchise
Re: QRC #____

Notices to Owner:
_____
c/o _____
_____
_____

Any notice by certified or registered mail will be deemed to have been given at the earlier of the (i) date and time of receipt, or (ii) the third business day after being deposited in the U.S. Mail. Any notice, if delivered personally, shall be deemed to have been given on the day of delivery, if a business day, or if not a business day, on the business day next following the day of delivery. Any notice delivered by overnight carrier will be deemed to have been delivered on the first business day after being deposited with the carrier.

4.3. Modification. No amendment, change or variance from this Agreement will be binding on either party unless mutually agreed to by the parties and signed by their authorized officers or agents in writing.

4.4. Severability and Construction. Except as expressly provided to the contrary in this Agreement, each portion, section, part, term and/or provision of this Agreement is severable. If for any reason a court or agency having valid jurisdiction, determines any

section, part, term and/or provision of this Agreement is invalid and contrary to, or in conflict with, any existing or future law or regulation, that decision will not impair the operation of, or have any other effect upon, such other portions, sections, parts, terms and/or provisions of this Agreement that remain intelligible. The latter will continue to be given full force and effect and bind the parties, and the invalid portions, sections, parts, terms and/or provisions will be deemed not to be a part of this Agreement.

This Agreement shall be governed by the same laws which govern the License Agreement signed between QRC and Licensee.

This Agreement may be signed in one or more counterparts, all of which when taken together constitute one original document.

IN WITNESS WHEREOF, the parties hereto have duly signed, sealed and delivered this Agreement on the day and year first above written.

By: _____ Date: _____
Shareholder/Partner/Member

By: _____ Date: _____
Shareholder/Partner/Member

By: _____ Date: _____
Shareholder/Partner/Member

QDOBA RESTAURANT CORPORATION

By: _____
Name: _____
Title: _____
Date: _____

EXHIBIT C

LICENSE INSURANCE REQUIREMENTS

Before the opening of the Restaurant and thereafter, throughout the term of the License Agreement, Licensee must obtain the required insurance. The insurance requirements, including but not limited to coverages and policy limits, may be increased or modified from time to time by Company at its sole discretion. Requirements as of the date hereof are:

1. Commercial General Liability insurance, including Products Liability coverage, and Broad Form Contractual Liability coverage, written on a "per occurrence" policy form in an amount of not less than $5,000,000 combined single limit per occurrence and aggregate. Such insurance must not contain an exclusion for occurrences arising from food-borne illness. Such insurance must insure the contractual liability of Licensee under the indemnification provisions of the License Agreement.

2. Business Automobile Liability insurance including owned, leased, non-owned and hired automobile coverage, with a limit of not less than $1,000,000 per accident.

3. Workers' Compensation insurance as required by law, and Employer's Liability insurance with a limit not less than $1,000,000 per occurrence, and such other insurance as may be required by the state or locality in which the Licensed Restaurant is operated.

4. "All Risk" property insurance covering: (a) the Restaurant Premises (including tenant improvements, furniture, fixtures, equipment, inventory and other tangible property of the Restaurant), including plate glass coverage, on a full one hundred percent (100%) repair or replacement value basis; (b) Business Interruption/ Business Income insurance (at least one (1) year of actual loss sustained), including Extra Expense insurance, so as to re-establish normal business operations; and (c) loss of rents insurance covering a minimum of twelve (12) months' fixed minimum rent.

5. Builders' All Risk insurance for the full replacement cost of all real and personal property involved in the construction, when Licensee is building, renovating, refurbishing or remodeling the Licensed Restaurant.

6. All insurance policies required of Licensee: (a) must be primary and non-contributory; (b) must be issued by an insurance company(ies) with a rating of not less than "A-VIII" in the current Best Insurance Rating Guide or approved by Company; (c) must name Company and its Affiliates as "additional insureds," and must contain an "Additional Insured-Designated Person or Organization" endorsement (or its equivalent), except workers' compensation insurance only, without any qualifying language; (d) must provide that the insurance cannot be canceled, materially changed, or non-renewed, except upon thirty (30) days' advance written notice to Company; and (e) must contain a waiver of subrogation rights of the insurer(s) against Company, which waiver will be effective regardless of whether any loss is caused by the act, omission or negligence of Company, and must contain a "waiver of transfer rights of recovery against others" endorsement (or its equivalent). All deductible

amounts on all insurance policies required must be disclosed in writing to, and approved by, Company and noted on the applicable Certificate of Insurance.

7. Before the opening of the Restaurant and thereafter, throughout the term of the License Agreement, Licensee must furnish to Company evidence satisfactory to Company that such insurance coverages are in effect in the form of Certificates of Insurance, any insurance policy endorsements and a copy of the Licensee's insurance policy(ies). Renewal Certificates of Insurance must be delivered to Company thirty (30) days before the expiration date of all policies. If Licensee changes insurance carriers for any of the required coverages, it must submit new certificates of insurance for such coverages

Certificate Holder and Additional Insured:

Qdoba Restaurant Corporation
350 Camino De La Reina, Ste. 400
San Diego, CA 92108

EXHIBIT F

DEVELOPMENT AGREEMENT

REQUEST FOR QDOBA DEVELOPMENT AGREEMENT

Page/ Section	Information Needed	Insert The Following
cover page	EntityName	EntityName
	State	State
	Owner / Managing Member	Owner
	SiteAddress	SiteAddress
	SiteCity	SiteCity
	Unit(s)	Unit
Pg 1	EntityName	Auto fill-in info
	State	Auto fill-in info
	EntityAddress	EntityAddress
	EntityCity	EntityCity
§19.3 / pg 24	Notice to EntityName	Auto fill-in info
	Notice to Owner	Auto fill-in info
	Notice to EntityAddress	Auto fill-in info
	Notice to EntityCity	Auto fill-in info
§20.9 / pg 28	EntityName	Auto fill-in info
	State	Auto fill-in info
	Owner / Managing Member	Auto fill-in info
Ex. A / pg 29	EntityName	Auto fill-in info
	Unit(s)	Auto fill-in info
	SiteAddress	Auto fill-in info
	SiteCity	Auto fill-in info
	Expiration Date -- the earlier of:	Key this in manually
	StoreNo	Key this in manually
	Open & Op. On or Before	Key this in manually
Ex. B / pg 30	EntityName	Auto fill-in info
Ex. B / pg 32	Owner	Auto fill-in info
	Guarantor(s)	Key this in manually
Ex. C / pg 33	Owner	Auto fill-in info
	EntityName	Auto fill-in info
Ex. C / pg 36	Notice to EntityName	Auto fill-in info
	Notice to Owner	Auto fill-in info
	Notice to EntityAddress	Auto fill-in info
	Notice to EntityCity	Auto fill-in info
Ex. C / pg 37	Owner	Auto fill-in info
	Additional signature	Key this in manually
	Additional signature	Key this in manually

QDOBA DEVELOPMENT AGREEMENT

Developer:	EntityNameEntityName a State limited liability company / corporation
Owner:	Owner
Address:	SiteAddress SiteCity
Unit(s):	UnitUnit

QDOBA DEVELOPMENT AGREEMENT

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QDOBA DEVELOPMENT AGREEMENT

THIS QDOBA DEVELOPMENT AGREEMENT ("Agreement"), is made between QDOBA RESTAURANT CORPORATION, a Colorado corporation with its principal place of business at 350 Camino De La Reina, Suite 400, San Diego, California 92108 ("Company"), and EntityName, a State limited liability company, with its principal place of business at EntityAddress, EntityCity ("Developer"). This Agreement is dated _____, 20___, and becomes effective when it is signed by both Company and Developer.

RECITALS:

WHEREAS, Company has expended significant time, effort and money to develop a distinctive system relating to the establishment and operation of Mexican-themed fast-casual restaurants featuring a specialized menu of wrapped burritos, burrito bowls, tacos, quesadillas, taco salads, soups, and other entrees (the "System"); and

WHEREAS, the distinguishing characteristics of the System include, without limitation, the use of distinctive exterior and interior design, decor, color scheme and furnishings; special recipes and menu items; uniform standards, specifications and procedures for operations; a catering program; high quality and uniform products and services; standardized and/or tiered pricing structures; 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 Company from time to time; and

WHEREAS, Company identifies the System by means of certain trade names, service marks, trademarks, logos, emblems, and indicia of origin, including but not limited to, the marks "Qdoba®" and variations thereon ("*Qdoba*"), and such other trade names, service marks, trademarks, logos and indicia of origin that may be designated by Company in the future for use in connection with the System (collectively, the "Proprietary Marks" or "Marks"); and

WHEREAS, Company continues to develop, use, and control the use of such Proprietary Marks in order to identify for the public the source of services and products marketed under the Marks and System, and to represent the System's high standards of quality, appearance and service; and

WHEREAS, Developer desires to enter into the business of operating a Qdoba restaurant under Company's System, to obtain a franchise from Company for that purpose, and to receive the training and other assistance provided by Company in connection with the franchise; and

WHEREAS, Developer recognizes the value of the System and Marks, and the importance of maintaining Company's high standards of quality, cleanliness, appearance and service in the operation of Qdoba restaurants.

NOW, THEREFORE, in consideration of the undertakings and commitments set forth in this Agreement, the parties agree as follows:

1. DEVELOPMENT RIGHTS

1.1. Rights During Term

1.1.1. During the term of this Agreement, and in accordance with the provisions of this Agreement, Company will grant to Developer franchises for the construction, ownership, and operation of *Qdoba* restaurants within the development area described in Exhibit A ("Development Area"). The number of franchises to be granted, and the time periods during which the franchises will be granted, are specified in Exhibit B. The terms of the franchises will be set forth in Franchise Agreement in use by Company at the time each franchise is granted, including all associated agreements used in connection with the Franchise Agreement.

1.1.2. During the term of this Agreement, and except as provided in Section 4 below, Company will not:

1.1.1.1. operate any *Qdoba* restaurants located within the Development Area;

1.1.1.2. allow any person or entity that owns, is owned by, or is under common ownership ("Affiliate") with Company, to operate any Qdoba restaurant located within the Development Area; nor

1.1.1.3. grant a franchise for the operation of any *Qdoba* restaurants located within the Development Area, except the franchises that are granted to Developer in accordance with the terms of this Agreement.

1.2. Rights Upon Expiration of Term

After the term of this Agreement expires (unless it is earlier terminated in accordance with Section 14 of this Agreement), Company may operate and grant franchises for the operation of *Qdoba* restaurants located within the Development Area, and Developer will have no remaining development rights in the Development Area.

1.3. Nothing in this Section 1 affects the territorial rights established in Developer's Franchise Agreement(s), if any**.**

1.4. The Developer's rights set forth in this Section 1 are contingent upon Developer:

1.4.1. being in full compliance with the terms and conditions contained in this Agreement, including but not limited to, the development obligations contained in Section 2 below;

1.4.2. being in full compliance with all obligations under all agreements heretofore or hereafter entered into with the Company by Developer or any owner of a direct or indirect financial interest in Developer, including any Franchise Agreements; and

1.4.3. meeting the standard financial capability criteria as may be developed by Company and revised from time to time.

2. DEVELOPMENT OBLIGATIONS

2.1. Best Efforts

During the term of this Agreement, Developer must at all times faithfully, honestly, and diligently perform its obligations under this Agreement. Developer must continuously exert best efforts to promote and enhance the development of *Qdoba* restaurants within the Development Area. Developer (or a partner, member or shareholder approved by Company) must use full-time efforts to meet the obligations of this Agreement, and must not engage in any other business or other activity, directly or indirectly, that involves any significant management responsibility, time commitments, or otherwise may conflict with Developer's obligations under this Agreement. Developer (or the Company-approved managing partner, member or shareholder) must supervise the development of the *Qdoba* restaurants developed under this Agreement, but need not be engaged in the day-to-day operations of any such Restaurant.

2.2. Minimum Development Quota

2.2.1. Without limiting the obligations described in Section 6, Developer agrees to develop within the Development Area, the number of *Qdoba* restaurants set forth in Exhibit A ("Minimum Development Quota"). Each *Qdoba* restaurant must be opened and in continuous operation on or before the Development Deadline, which is set forth in, and is part of, the Minimum Development Quota. Time is of the essence. Failure to meet a Development Deadline will result in forfeiture. Company's right to terminate this Agreement and retain the Development Fee (as defined in Section 5) and any franchise fee paid pursuant to Section 5 of this Agreement are Company's sole and exclusive remedies for breach of the Developer's contractual duty to meet the Minimum Development Quota.

2.2.2. A restaurant that closes for more than 5 days (not counting Company-approved holidays), during any period of 12 months will not be counted as open and in operation for purposes of determining whether Developer has met the Minimum Development Quota.

3. TERM OF AGREEMENT

This Agreement expires on the date set forth in Exhibit A, unless earlier terminated in accordance with the terms of this Agreement.

4. RESERVATION OF RIGHTS

4.1. If any *Qdoba* restaurants were opened in the Development Area by Company or another franchisee on or before the date of this Agreement, Company may continue to allow the operation of such pre-existing restaurant(s). If such pre-existing restaurant is required to close due to loss of the right to occupy the property, a casualty loss or eminent domain proceeding, Company may allow that restaurant to reopen or relocate within the Development Area, and thereafter to continue operations. The continuing operation of pre-existing restaurants does not constitute a violation of this Agreement.

4.2. At any time, Company, or any Affiliate of Company, may purchase or be purchased by any third party that operates itself, or licenses or franchises others to operate, restaurants or similar businesses inside the Development Area, regardless of whether such restaurants or businesses offer different, the same or similar products as those offered by the Franchised Business.

4.3. At any time, Company may sell within the Development Area products and services that are authorized for sale at *Qdoba* restaurants, as well as other products and services, under the Marks or other trademarks, service marks and commercial symbols, provided that such sales are through channels of distribution dissimilar to those to be used in the business to be franchised. Dissimilar channels of distribution include, but are not limited to, grocery and other retail stores (including supermarkets), motor vehicles (such as food trucks), the internet, satellite locations, sales or mail order catalogs, temporary locations, carts or kiosks, or through any other electronic or print media. Such sales do not constitute a violation of this Agreement.

4.4. Developer understands and acknowledges that at any time company may develop or authorize someone other than Developer to develop and operate restaurants in non-traditional locations within the Development Area. These locations may include the campuses of universities or colleges, hospitals, public transportation facilities, amusement parks, government facilities, shopping malls, stadiums, arenas or other sports facilities, and similarly situated sites. If company permits Developer to develop such a site, that site will not count toward the Minimum Development Quota.

4.5. If Developer does not open a Qdoba restaurant at a site Company accepted by the one year anniversary of the date of the Company's Notice of Site Acceptance, Company may develop the restaurant at that site, as further described in Section 6.5.3.

4.6. After this Agreement expires or is terminated, Company may operate, or license others to operate, restaurants under the System and / or the Marks within what was formerly the Development Area.

4.7. Developer acknowledges and agrees that Company may modify, update and improve the System and the Marks, all in its sole discretion. Developer acknowledges and agrees that Company may enter into co-branding relationships, marketing agreements, and other strategic alliances with other companies or entities, all of which, in addition to other factors, may result in changes to the System and Marks. As the

System and Marks change, Developer may be required to purchase new fixtures, furniture, equipment, décor items and signage, and make other investments in the *Qdoba* Business. Developer understands and agrees that it must develop and operate all restaurants in accordance with the System and Marks, as they are modified, updated, improved and changed from time to time.

5. DEVELOPMENT FEE

5.1. At the time this Agreement is signed, Developer must pay to Company a Development Fee of ten thousand dollars ($10,000) for each of the restaurants to be developed by Developer under this Development Agreement. This fee is fully earned and is nonrefundable in consideration of administrative and other expenses incurred by Company, and Company's lost or deferred opportunity to franchise to others.

5.2. For each restaurant to be developed under this Agreement, Developer will sign the Franchise Agreement and pay the initial franchise fee for the restaurant (less a credit equal to the Development Fee attributed to that restaurant) at or around the time construction on the restaurant begins. The initial franchise fee is set forth in Exhibit A.

5.3. Developer must reimburse Company for all sales or use taxes, goods and services taxes, personal property taxes, gross receipt taxes, excise taxes, value added taxes and similar taxes imposed upon or required to be collected by Company, on account of goods or services furnished to Developer through sale, lease or otherwise. Developer will pay such taxes upon demand, and in the manner designated by the Company.

6. DEVELOPMENT CONDITIONS AND PROCEDURES

Developer must meet the following conditions and adhere to the following procedures before construction on any Qdoba restaurants may begin:

6.1. Market Plan

6.1.1. Before undertaking any development activities in the Development Area, Developer must submit to Company a market development plan ("Market Plan") for the Development Area. The Market Plan must include a trade area analysis for each area that Developer considers a separate trade area within the Development Area. The Market Plan must include all relevant information regarding each trade area, including but not limited to, residential population, daytime population, total businesses, median household incomes, income growth, per capital income and population growth, all according to the Company's then-existing requirements.

6.1.2. Developer must also submit a separate map showing the trade areas served, or to be served, by a restaurant owned by Developer, and plotting all malls, power centers, grocery stores and food service establishments that might directly or indirectly compete with the proposed *Qdoba* restaurant.

6.1.3. The separate trade areas identified by Developer do not constitute protected market areas or territories. Protected territories surrounding any *Qdoba* restaurant, if any, are set forth in individual Franchise Agreements.

6.1.4. Company will not approve a particular site for development as a *Qdoba* restaurant unless and until Developer's Market Plan is reviewed.

6.2. Site Selection

6.2.1. After a Developer's Market Plan is reviewed, Developer must obtain Company's acceptance of a potential site. The acceptance or disapproval of any site submitted by Developer will be at the sole discretion of Company. No site will be deemed accepted unless it has been expressly accepted in writing in a Notice of Site Acceptance. In determining whether to approve or disapprove a proposed site, Company may consider a variety of factors, including but not limited to, demographic characteristics, traffic patterns, parking, visibility, allowed signage, the predominant character of the neighborhood, competition for other food service businesses, the nature of other businesses in the areas, and other commercial factors such as the size of the proposed space, the lease terms for the proposed site, and the physical appearance of the site. Developer acknowledges that Company's site criteria may change over time.

6.2.2. To request acceptance of a site for a restaurant, Developer must submit to Company the then-current form of Site Package. The Site Package must include, but is not limited to, the following:

6.2.3. a site evaluation (which must include demographics showing daytime and residential population in one-, two- and three-mile radii (or other dimensions as required by Company) around the site, a floor plan, shopping center site plan (if applicable), elevation drawings showing signage, and photographs of the site);

6.2.3.1. a letter of intent or other evidence satisfactory to Company confirming the Developer's favorable prospects for obtaining the site from the landowner or landlord;

6.2.3.2. Developer's financial information, including but not limited to recent financial statements, financing information, and development cost estimates, in a form approved by Company; and

6.2.3.3. such other information or materials as Company may reasonably require.

6.2.4. If Company elects to visit the site before accepting or not accepting it, Developer must coordinate and arrange for the visit by Company's representative, and pay Company's related travel expenses.

6.2.5. Company will use its best efforts to send either a Notice of Site Acceptance or a letter indicating the site has not been accepted within the latter of 45 days after Company receives the complete Site Submittal Package, or within 45 days after receipt of any materials requested from Developer after the initial Site Submittal Package.

6.2.6. Neither Company's examination and acceptance of a site, nor any information communicated to Developer regarding the site, constitutes a representation, guaranty or warranty, express or implied, of the successful operation or profitability of any restaurant operated at such location. Such examination, acceptance and information indicate only that Company has reviewed the site characteristics. Developer and Company acknowledge that Company's criteria for accepting a site may change over time. Additionally, demographic and economic factors, including competition from other food service businesses, could change, thereby changing the potential of the site. Company is not responsible for the failure of an accepted site to meet Developer's expectations as to customer traffic, revenue, profits or any other matter.

6.3. Lease Acceptance

6.3.1. If Developer intends to occupy the Restaurant premises under a lease, Developer may be required to obtain Company's written acceptance of the lease before signing it and before construction of a *Qdoba* restaurant may begin.

6.3.2. Developer must use its best efforts to use Company's standard form lease addendum that is to be executed by Developer, and the landlord, and Company, along with its successors and assigns, shall be an intended third party beneficiary of the provisions of such addendum. Developer must present the Company's standard form lease addendum to the landlord before the initiation of negotiations for the lease. Regardless, all final leases or lease addendums for a Restaurant must include the following terms and conditions:

6.3.2.1. That the premises may be used only for the operation of the *Qdoba* Business;

6.3.2.2. That the landlord consents to Developer's use of such Proprietary Marks and signage as Company may require for the Franchised Business;

6.3.2.3. That the landlord and Developer each agree that whenever they send the other any letter, notice, amendment or other document pertaining to the lease or the premises, they will simultaneously send a copy to Company;

6.3.2.4. That Developer may not sublease or assign all or any part of its occupancy rights, or extend the term of, or renew, the lease without Company's prior written consent;

6.3.2.5. The landlord must copy Company on any notices to Developer that are related to Developer's performance under the lease, including, but not limited to, late rent notices, notices of default, and notices of termination; and Developer agrees to copy Company on Developer's responses to such notices;

6.3.2.6. That Company has the right to enter the premises to make any modification necessary to protect the Proprietary Marks or to cure any default under the lease or under this Agreement;

6.3.2.7. That if Developer is in default under the lease, the landlord agrees that Company will have the right to cure the default or assume the lease, and sublease the premises for all, or any part of, the term of the lease;

6.3.2.8. The lease must provide for Developer to freely assign the Lease, without Landlord's consent, to Company, or a subsidiary designee of Company.

6.3.2.9. That a memorandum or notice of the lease will be recorded in the appropriate recorder's office in the county in which the Restaurant is located, and that a copy of the recording certificate will be delivered to Company;

6.3.2.10. That the term of the lease, including options, will be at least ten (10) years; and

6.3.2.11. If the restaurant is to be located in a shopping center, mall or other multi-tenant facility, the lease must provide that the landlord agrees it will not lease other space within such facility to any food service entity that serves primarily Mexican food or for which burritos, tacos, and/or bowls comprise more than twenty percent (20%) of the menu or represent more than twenty percent (20%) of the sales ("Competitive Business"), such sales to be measured over a trailing twelve month period.

6.3.3. Company's examination and approval of a lease or any communication to Developer regarding the lease does not constitute a representation, guaranty or warranty, express or implied, of the successful operation or profitability of any restaurant operated at such location, nor does such examination and approval of a lease constitute a legal review of the terms and conditions of that lease. Such examination, approval and information only indicate that Company consents to Developer leasing the property for use as a *Qdoba* restaurant.

6.4. Franchise Agreement and Franchise Fee

6.4.1. As referenced in Section 5, the franchise fee must be paid at the time Developer signs each Franchise Agreement, as discussed in Section 6.4.2 below.

6.4.2. After Company approves the Market Plan for each subsequent site, and the lease agreement is fully signed by the parties to that lease, and a copy of that lease has been submitted to and approved by Company, then Company will deliver the then-current Franchise Agreement to Developer. Developer must sign the Franchise

Agreement, pay the applicable franchise fee, less a credit equal to the Development Fee paid for that site, and deliver the Franchise Agreement to the Company. After Developer submits the Franchise Agreement, pays the franchise fee, and submits to Company evidence of its required insurance coverages, Company will countersign the Franchise Agreement and provide a copy of the fully signed Franchise Agreement to Developer.

6.5. Timing of Construction

6.5.1. Developer may begin construction only upon the prior written approval of Company.

6.5.2. Developer must comply with Company's requirements regarding development and construction of the restaurant, as specified in the Franchise Agreement, the Manual, or elsewhere in writing.

6.5.3. Developer must track and report its development and construction costs, and provide to Company a copy of Developer's contract with its general contractor, as further specified in the Franchise Agreement, the Manual or elsewhere in writing. Time is of the essence. If Developer has not opened a unit at the end of that time period, Company may withdraw acceptance of the site and/or develop the site itself.

6.6. Designated Operator / Management of the Business

6.6.1. Developer must prepare and submit to Company a management plan (the "Management Plan"). The Management Plan must designate a Designated Operator ("DO") who is approved by Company and possesses at least three years of multi-unit experience in the operation of a casual-dining, fast-food, family-dining or cafeteria-style restaurant. The Management Plan must be based on Developer's previous restaurant experience (if any) and the qualifications of those individuals Developer would like to have involved in the day-to-day *Qdoba* business. The DO must also: (a) have the authorization to allow Company to communicate with and give notice to Developer through the DO; and (b) have completed Company's certified training program to its satisfaction. Furthermore, Developer or Developer's DO: (a) shall exert full-time best efforts to the development and operation of all *Qdoba* franchises Developer owns; and (b) may not engage in any other business or activity, directly or indirectly, that requires substantial management responsibilities or time commitments or otherwise may conflict with the development obligations hereunder, unless specifically permitted in writing by Company.

6.6.2. Each of Developer's *Qdoba* restaurants at all times must be managed by Developer (or Developer's DO) or by an on-site General Manager, assistant manager or shift supervisor who has completed Company's certified training program to its satisfaction.

6.6.3. Prior to opening the first restaurant under this Agreement, Developer (and/or Developer's DO) and any other personnel who are intended to have, or who actually have, responsibilities for more than one *Qdoba* restaurant must complete the

certified training program to its satisfaction. Thereafter, subsequently hired personnel must complete the certified training program to Company's satisfaction before assuming their position.

7. GUARANTEES

7.1. Developer must have each of its Owners, as hereinafter defined, sign and deliver to Company concurrently with this Agreement a guaranty of Developer's obligations under this Agreement. Spouses (collectively, "Spouses")of Owners may also be required to sign the Guaranty. The guaranty must be in the form of Guaranty and Assumption of Developer's Obligations ("Guaranty") attached hereto as Exhibit B.

7.2. The term "Owner" means each person or entity that: has an indirect or direct equity interest in Developer or the *Qdoba* business.

7.3. If any person or entity becomes an Owner after this Agreement is signed, as outlined in Section 11, the new Owner and his/her Spouse must sign the Guaranty and must deliver it to Company.

8. OWNERSHIP AND USE OF MARKS

8.1. Developer understands and acknowledges that Company owns the Proprietary Marks, that Developer has no interest whatsoever in or to the Proprietary Marks, and that Developer's right to use the Proprietary Marks is derived solely from this Agreement, and is limited by the terms of this Agreement and all applicable specifications, standards and operating procedures prescribed by Company from time to time. Any unauthorized use of the Proprietary Marks by Developer will constitute an infringement of the rights of Company in and to the Proprietary Marks.

8.2. Developer may not use any Proprietary Mark as part of any corporate or trade name or with any prefix, suffix or other modifying words, terms, designs or symbols, or in any modified form. Developer may not use any Proprietary Marks in connection with any business or activity other than the *Qdoba* Business or in any manner not explicitly authorized in writing by Company. Developer may not establish a web site or domain name that in any way uses or incorporates a Proprietary Mark, or links to Company's website, without the prior written consent of Company.

8.3. Developer agrees that any goodwill established by Developer's use of the Proprietary Marks or System will inure to the exclusive benefit of Company, and Developer acknowledges that this Agreement does not confer upon Developer any goodwill or interests in the Proprietary Marks or System.

8.4. Developer must not, during the term of this Agreement or after its termination or expiration, contest the validity or ownership of any of the Proprietary Marks or assist any other person in contesting the validity or ownership of any of the Proprietary Marks.

8.5. All provisions of this Agreement applicable to the Proprietary Marks will apply to any additional trademarks, service marks, logo forms and commercial symbols that Company hereafter authorizes Developer to use in connection with the *Qdoba* Business.

8.6. Developer agrees to use the Proprietary Marks as the sole identification of the Restaurant; however, Developer must identify himself as the independent owner at the Restaurant in the manner prescribed by Company. Developer agrees to display the Proprietary Marks prominently and in the manner prescribed by Company on signs, menus and forms. Further, Developer agrees to give such notices of trademark and service mark registrations and copyrights as Company specifies, and to obtain such fictitious or assumed name registrations as may be required under applicable law.

8.7. Failure to comply strictly with any and all provisions regarding use of the Marks in this Section 8 will be grounds for termination of this Agreement without the opportunity to cure, as more fully set forth in Section 14.

8.8. If Company determines, in its sole discretion, that it is advisable for Company and/or Developer to modify or discontinue use of any Proprietary Mark, or use one or more additional or substitute trademarks or service marks, Developer agrees to comply with Company directives regarding the use of such Marks within a reasonable time as established by Company. The sole liability and obligation of Company in any such event will be to reimburse Developer for the out-of-pocket costs of complying with this obligation.

8.9. Developer must immediately notify Company in writing if Developer becomes aware of any apparent infringement or imitation of any Mark, any challenge to Developer's use of any Mark, any claim by any person of any rights in any Mark, or existence of any similar trade name, trademark or service mark. Developer may not communicate with any person, other than Company and its counsel, in connection with any infringement, challenge or claim except as required by law. Company has the exclusive right to control any litigation, U.S. Patent and Trademark Office proceeding or other legal or administrative proceeding relating to any Proprietary Mark, and sole discretion to take such action as it deems appropriate. Developer agrees to sign any and all instruments and documents, render such assistance and do such acts and things as Company deems necessary or advisable to protect and maintain the interests of Company in any such litigation or proceeding, or to otherwise protect and maintain the interests of Company in the Marks.

8.10. Company agrees to indemnify Developer against, and to reimburse Developer for, all damages for which it is held liable in any proceeding in which: (a) Developer's use of any Proprietary Mark pursuant to and in compliance with this Agreement is held to constitute trademark infringement, unfair competition or dilution; and (b) for all costs reasonably incurred by Developer in the defense of any such claim brought against it or in any such proceeding in which it is named as a party, provided that Developer has timely notified Company of such claim or proceeding, has otherwise complied with this Agreement and has tendered complete control of the defense of such to Company. If Company defends such claim, Company will have no obligation to

indemnify or reimburse Developer with respect to any fees or disbursements of any attorney retained by Developer.

8.11. All promotional materials, advertising materials, discoveries, inventions, ideas, business methods or improvements (whether or not patentable or capable of being copyrighted) relating to or arising from the operation of a *Qdoba* restaurant, whether created by Developer, Developer's Owners or their agents and independent contractors, must be promptly disclosed by Developer to Company, and will be Company's sole and exclusive property. If applicable, those items will be deemed to be works made-for-hire for Company. To the extent the works may not be deemed "works made for hire" under applicable law, Developer hereby irrevocably assigns to Company, for no additional consideration, all right, title and interest in and to any patents, trademarks, copyrights, trade secrets and any other proprietary rights. .

9. CONFIDENTIAL OPERATING MANUAL

9.1. In order to protect the reputation and goodwill of Company and to maintain high standards of operation under the Proprietary Marks, Developer must develop *Qdoba* restaurants and conduct its business in accordance with the Company's operating manual, including but not limited to the Operations Manual, Manager-in-Training Manual, Franchise Real Estate Manual, and Store Opening Manual (collectively, the "Manual"). Developer will receive access to the Manual from Company for the term of this Agreement in any manner Company chooses, including electronically through the Company intranet.

9.2. Developer must at all times treat the Manual, any other manuals created for, or approved for use in, the development and operation of the *Qdoba* business, and the information contained therein, as secret and confidential, and must use all reasonable efforts to maintain such information as secret and confidential, as specified in Section 10, below, including but not limited to keeping the Manual secure at all times.

9.3. The Manual will at all times remain the sole property of Company.

9.4. Developer understands and acknowledges that Company may, in its sole discretion, modify or replace the Manual or its contents. Developer agrees to conduct its business in accordance with all terms of Company's then-current Manual. Developer must at all times ensure that the Manual is kept current and up to date. If there is any dispute as to the contents of the Manual, the terms of the master copy of the Manual maintained by Company will be controlling.

10. CONFIDENTIAL INFORMATION

10.1. Developer understands and acknowledges that Company has invested, and continues to invest, considerable sums of money in developing the System. Because of the competitive nature of the restaurant business, and to protect the legitimate interest of Company and other Developers, it is necessary to protect certain information about the System as confidential.

10.2. For purposes of this provision, "Confidential Information" includes product recipes and tests, ingredients used in Company's products, product preparation procedures, customer service measures and techniques, franchise support procedures, supplier relationship and distribution system information, new product development information, the Manual, financial data, growth plans or strategies, real estate development plans or strategies, restaurant design plans, proposed restaurant sites, equipment and computer systems, business and development plans and strategies, training programs, consumer research results, marketing and advertising strategies and materials, and all other information designated by Company as confidential.

10.3. Confidential Information does not include: (a) information, concepts, methods, procedures or techniques that are, or become, generally known in the quick-service and quick-casual restaurant industries in the United States, other than through disclosure by Developer, whether deliberate or inadvertent; (b) the disclosure of Confidential Information in judicial or administrative proceedings to the extent that Developer is legally compelled to disclose such information, provided that Developer has afforded Company with the opportunity to obtain an appropriate protect order or other assurance that the information will treated as confidential; or (c) information that Developer can demonstrate came to its attention prior to disclosure thereof by Company other than in connection with a violation of a confidentiality or non-disclosure agreement.

10.4. Developer will be provided with Confidential Information in connection with its development and operation of the *Qdoba* Businesses. Developer agrees that both during the term of this Agreement and thereafter, Developer: (a) will use the Confidential Information only in the development and operation of the *Qdoba* Businesses, and not in any connection with any other business; (b) will not make copies of, duplicate, record, or otherwise reproduce any Confidential Information without the express written consent of Company; (c) will not communicate, divulge or disclose the Confidential Information to any person or entity who does not need access to it to develop or operate the *Qdoba* Businesses; and (d) will not use the Confidential Information, or allow it to be used, for the benefit of any third party.

10.5. Developer acknowledges and agrees that all Confidential Information is, and will remain, the sole and exclusive proprietary property of Company.

10.6. Company may require Developer to obtain from all management personnel and independent contractors, as a condition of their employment, covenants that they will maintain the confidentiality of all Confidential Information that they receive in connection with their employment by Developer. Such covenants will be in a form satisfactory to Company, including, without limitation, specific identification of Company as a third-party beneficiary of such covenants with the independent right to enforce them. Developer may be required to provide Company with copies of all such covenants.

10.7. Company requires that all Owners of Developer or the Franchised Business sign the Confidentiality and Non-Competition Agreement, attached as Exhibit C.

10.8. Developer understands and acknowledges that any failure to comply with the requirements of this Section 10 will result in substantial injury and damage to Company for which there is no adequate remedy at law. For these reasons, if Developer violates or threatens to violate any term of this provision, the Company will be entitled, in addition to any other remedies and damages available, to injunctive or other equitable relief to restrain the violation of this provision by Developer and its agents or employees. Developer agrees to pay all court costs and reasonable legal fees incurred by Company in obtaining specific performance of, or an injunction against violation of, the requirements of this Section 10, in addition to any other claims to which Company may be entitled.

11. TRANSFER OF INTEREST

11.1. TRANSFER BY COMPANY

Company may transfer or assign this Agreement, any ownership interest in Company, and all or any part of Company's rights or obligations herein to any person or legal entity. Any such assignment will inure to the benefit of any assignee or other legal successor to the interest of Company. Company may, in its sole discretion, elect to have designees perform the obligations of Company under this Agreement.

11.2. TRANSFER BY DEVELOPER

11.2.1. Developer understands and acknowledges that the rights and duties set forth in this Agreement are personal to Developer (or if Developer is a legally formed entity, Developer's shareholders, partners and/or members), and that Company has granted development rights in reliance on Developer's business skill, financial capacity and personal character. Accordingly, neither Developer nor any individual or entity that directly or indirectly owns any interest in Developer, this Agreement, or in the *Qdoba* Business, may sell, assign, transfer, convey, give away, pledge, mortgage or otherwise encumber (hereinafter, "Transfer") any direct or indirect interest in Developer, this Agreement or the *Qdoba* Business without the prior written consent of Company. Company may withhold consent or any or no reason.

11.2.2. Any purported Transfer, by operation of law or otherwise, not having the written consent of Company required by this Section 11 will be null and void, and will constitute a material breach of this Agreement. Furthermore, Developer may not retain or otherwise contract with any entity that is not a party to this Agreement to provide management or administrative services for the development of a *Qdoba* restaurant unless such entity is either an employee of Developer or has been approved in writing by Company. Company may condition such approval on the receipt of a non-disclosure covenant from the third party.

12. COMPANY'S RIGHT OF FIRST REFUSAL

12.1. Any party holding any direct or indirect interest in Developer, this Agreement or *Qdoba* Business, and who desires to accept any bona fide offer from a third party to purchase all or any part of such interest (hereinafter referred to as "Seller") must notify Company in writing of each such offer forty-five (45) days before the proposed sale. Seller must provide such information and documentation relating to the proposed purchaser and the offer as Company may require. Company will have the right and option to purchase the Seller's interest at Company's sole discretion, at the price offered by the third party. Company will inform Seller of its intent to exercise the option within thirty (30) days after receipt of all of the information from Seller. If the proposed transaction includes assets of Developer not related to the development or operation of the *Qdoba* Business, Company may at its discretion exercise its option only with respect to such interest. In such event, an equitable purchase price will be allocated to each asset included in the proposed transaction. If Company elects to purchase the Seller's interest, Company may require the purchase to close within thirty (30) days from the date of notice to the Seller of Company's election to purchase.

12.2. Any material change in the terms of any offer prior to closing will constitute a new offer, and will be subject to Company's right of first refusal as though it were an initial offer.

12.3. Failure of Company to exercise the option afforded by this Section 12 will not constitute a waiver of any other provision of this Agreement relating to proposed transfers, including any of the requirements of this Section 12.

12.4. If Company exercises its right of first refusal, the agreement of sale will be deemed to include customary representations and warranties given by the Seller including, without limitation, representations and warranties as to ownership, condition of and title to stock and assets, liens and encumbrances relating to the stock and assets, validity of contracts and verification of financial statements.

13. DEATH OR DISABILITY

Upon the death or permanent disability of Developer (or any Owner), the executor, administrator, conservator or other personal representative of such person may transfer that individual's interest in this Agreement and the *Qdoba* Business within a reasonable time, not to exceed twelve (12) months from the date of death or permanent disability, to a person approved by Company. Company will not unreasonably withhold consent to such a transfer. Such transfers, including, without limitation, transfers by devise or will are subject to all other terms and conditions for assignments and transfers contained in Section 11 of this Agreement. Failure to transfer such interest within the required period of time will constitute grounds for termination of this Agreement.

14. DEFAULT AND TERMINATION

14.1. Immediate Termination. Developer will be deemed to be in default under this Agreement, and all rights granted herein will immediately terminate automatically and without notice to Developer if any of the following events occur;

14.1.1. Developer makes a general assignment for the benefit of creditors;

14.1.2. Developer commences a voluntary case, or otherwise seeks any type of relief under bankruptcy, insolvency or any similar law; or an involuntary case under bankruptcy or insolvency or similar law is filed against Developer and is not opposed by Developer within ninety days of filing; or an order or decree for relief under bankruptcy, insolvency or similar laws is entered regarding Developer. Developer expressly waives all rights under the provisions of the bankruptcy or other applicable laws and rules, and consents to the immediate termination of this Agreement as provided herein. Developer agrees not to seek an order from any court, tribunal or agency in any jurisdiction relating to bankruptcy, insolvency, reorganization or any similar proceedings that would have the effect of staying or enjoining this provision.

14.1.3. A bill in equity or other proceeding for the appointment of a receiver of Developer or other custodian for Developer's business or assets or real or personal property is filed by, and either consented to or not opposed by Developer;

14.1.4. Developer becomes insolvent in that (a) Developer generally fails, or is generally unable, to pay its obligations as they become due in the regular course of business, or (b) the value of Developer's assets are less than the value of its liabilities;

14.1.5. If Developer is a corporation or partnership, or other legal entity and Developer is dissolved or its existence otherwise terminated;

14.1.6. Execution is levied against Developer or and business franchised from Company;

14.1.7. A suit to foreclose any lien or mortgage against the Developer's business premises or equipment is instituted and not dismissed within thirty (30) days; or

14.1.8. Developer abandons efforts to develop *Qdoba* restaurants in accordance with the terms of this Agreement.

14.2. Termination Upon Notice. Developer will be deemed to be in default and Company may, at its option, terminate this Agreement and all rights granted under this Agreement upon any of the following grounds. Termination will become effective immediately upon notice to Developer.

14.2.1. Company reasonably determines that a threat or danger to public health or safety is likely to result from the construction, maintenance or operation of any Qdoba restaurant franchised by Developer.

14.2.2. A final judgment remains unsatisfied or of record of thirty (30) days or longer (unless appeal bond has been filed).

14.2.3. Developer is convicted of or pleads no contest to a felony, a crime involving moral turpitude, or any other crime or offense that Company reasonably believes likely to have an adverse effect on the System, the Proprietary Marks, the goodwill associated therewith, or Company's interest therein.

14.2.4. Developer discloses, makes any unauthorized duplicates of, or otherwise improperly divulges or uses the contents of the Manual or other confidential information provided to Developer by Company contrary to the terms of Sections 9 or 10 of this Agreement.

14.2.5. Developer maintains false books or records, or submits any reports or information to Company or any governmental agency or lender that contains any materially inaccurate, incomplete or misleading statements, or omits any facts necessary to make the statements made not misleading.

14.2.6. Developer fails on three (3) or more separate occasions within any trailing twelve (12) month period to comply with this Agreement, or to execute Company's standards as outlined in the Manual, whether or not such failures are corrected after notice of default is given to Developer.

14.2.7. Developer has made material misrepresentations or omissions in Developer's franchise application for the development rights conferred by this Agreement, or in this Agreement.

14.2.8. Developer fails to comply with the development obligations as set forth on Exhibit B, the Minimum Development Quota.

14.2.9. Developer makes any unauthorized use of the Marks or fails to strictly comply with the terms set forth in Sections 8, 9, or 10 of this Agreement.

14.3. Termination After Opportunity to Cure. Developer will be deemed to be in default and Company may, at its option, terminate this Agreement and all rights granted under this Agreement upon any of the following grounds. If the condition is susceptible of being cured, Developer must correct the condition within the period specified below, or termination will be effective at the conclusion of the cure period.

14.3.1. Developer fails to develop, maintain and operate the *Qdoba* Business in accordance with Company's standards and specifications, or fails to maintain the insurance required under this Agreement. Developer will have five (5) days after receiving written notice to correct such condition.

14.3.2. Developer loses the right to possession of the premises, or otherwise forfeits the right to do or transact business in the jurisdiction where the Development Area is located. Developer will have five (5) days after receiving written notice to correct such condition.

14.3.3. Developer or any partner or shareholder in Developer purports to transfer any rights or obligations under this Agreement or any interest in Developer or the *Qdoba* Business in violation of the terms of Section 11 of this Agreement. Developer will have five (5) days after receiving written notice to correct such condition.

14.3.4. Developer fails to comply with the in-term covenants in Section 16 of this Agreement or fails to obtain execution of the covenants required under that Section. Developer will have five (5) days after receiving written notice to correct such condition.

14.3.5. Developer fails to make any payments due under this Agreement. Developer will have ten (10) days after receiving written notice to correct this condition.

14.3.6. Developer violates any federal labor laws. Developer shall have 30 days to correct such condition after receiving notice from Company.

14.3.7. Developer or any Affiliate of Developer commits a default under any agreement with Company or its Affiliates (other than this Agreement), and the default is not cured within the cure period specified in that agreement, if any.

14.3.8. Developer fails to comply with any other provision of this Agreement or defaults under any other development agreement, lease agreement, confidentiality agreement, note, or any agreement or account for the purchase of product or services between Company and Developer entered into with Company by Developer or any owner of a direct or indirect interest in Developer (for clarity, if Developer or any owner of a direct or indirect interest in Developer is in default under any franchise agreement with Company, this Agreement may be terminated under this Section 14.3). Developer will have thirty (30) days after receiving written notice to correct such condition.

14.4. If any applicable law or rule requires greater prior notice of termination, the prior notice required by such law or rule will be substituted for the notice requirements specified above.

14.5. If Developer and its owners are in compliance with this Agreement, and Company fails to comply with this Agreement, Developer must provide Company with written notice thereof. If Company either (a) fails to cure such default within thirty (30) days after written notice thereof is delivered to Company or, (b) if the failure cannot be corrected within thirty (30) days and Company fails to provide proof acceptable to Developer of efforts that are reasonably calculated to correct such failure within a reasonable time, which will in no event be more than sixty (60) days after such notice, Developer may terminate this Agreement. Such termination will become effective ten (10) days after delivery to Company of notice of termination. A termination of this Agreement by Developer for any other reason or without such notice will be deemed a

termination by Developer without cause, and will result in forfeiture of all development fees paid by developer.

15. OBLIGATIONS UPON TERMINATION OR EXPIRATION

Except as provided in Section 1.2 of this Agreement, upon termination or expiration of this Agreement, all rights granted under this Agreement to Developer will immediately terminate, and Developer has the following obligations:

15.1. Developer must immediately cease to develop or construct any new *Qdoba* restaurants and must not thereafter, directly or indirectly, represent itself to the public as a present or former Developer of Company;

15.2. If Developer continues to operate, or subsequently begins to operate, any other business, it must not use any reproduction, counterfeit, copy or colorable imitation of the Proprietary Marks, including but not limited to trademarks, interior image and trade dress, menu boards and designs, and art as specified in the Manual, either in connection with such other business or the promotion thereof, that is likely to cause confusion, mistake or deception, or that is likely to dilute Company's rights in and to the Proprietary Marks. Developer further agrees not to use any designation of origin or description or representation that falsely suggests or represents an association or connection with Company.

15.3. Developer must pay to Company all damages, costs and expenses, including reasonable legal fees, incurred by Company after the termination or expiration of this Agreement in obtaining injunctive or other relief for the enforcement of any provisions of this Agreement;

15.4. Developer must immediately deliver to Company all manuals, including the Manual, and all other records and documents containing confidential information;

15.5. All obligations of Company, Developer and Owners that expressly or by their nature survive or are intended to survive the expiration or termination of this Agreement will continue in full force and effect after and notwithstanding its expiration or termination, until those obligations are satisfied in full or by their nature expire; and

15.6. Developer shall also provide to Company, upon request, evidence satisfactory to Company that Developer has complied with the obligations in this Section 15.

15.7. Developer must comply with the covenants contained in Section 16 of this Agreement.

16. COVENANTS AND RESTRICTIONS ON OTHER BUSINESS INTERESTS

16.1. During the term of this Agreement, except as otherwise approved in writing by Company, Developer must devote best efforts to the management and operation of the *Qdoba* Business.

16.2. Developer acknowledges that, pursuant to this Agreement, Developer will receive valuable specialized training and confidential information, including without limitation, information regarding the development, construction, operational, sales, promotional and marketing methods and techniques of Company and the System. During the term of this Agreement, except as otherwise approved in writing by Company, Developer, any shareholder of Developer if Developer is a corporation, any member of Developer if Developer is a limited liability company, and partner of Developer if Developer is a partnership, may not, either directly or indirectly, for itself, or through, on behalf of, or in conjunction with any person, persons, partnership or corporation do any of the following:

16.2.1. Divert or attempt to divert any business or customer of the Qdoba business or any Qdoba 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 Company's Proprietary Marks and the System; or

16.2.2. During the term of this Agreement, own, maintain, operate, engage in, or have any interest in any Competitive Business;

16.2.3. For a continuous period of two (2) years after the expiration or termination of this Agreement, regardless of the cause for the termination, own, maintain, operate, engage in, or have any interest in any Competitive Business, which business is, or is intended to be, located within five miles of any Qdoba restaurant then existing.

16.3. Notwithstanding the foregoing, passive partners, as defined by Company from time to time in its sole discretion, shall be exempt from such restrictions. Subsections 16.2.1, 16.2.2, and 16.2.3 above do not apply to ownership by Developer of less than one percent (1%) beneficial interest in the outstanding equity securities of any publicly held corporation.

16.4. The parties agree that each of the foregoing covenants is independent of any other covenant or provision of this Agreement. If all or any portion of a covenant in this Section 16 is found unreasonable or unenforceable by a court or agency having valid jurisdiction, 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 16.

16.5. Company has the right, in its sole discretion, to reduce the scope of any covenant set forth in this Agreement, or any portion thereof, without Developer's consent, effective immediately upon receipt by Developer of written notice thereof. Developer agrees that it will comply forthwith with any covenant as so modified, and that the

covenant will be fully enforceable, notwithstanding the provisions of Subsection 19.4 of this Agreement.

16.6. Developer expressly agrees that the existence of any claims it may have against Company, whether or not arising from this Agreement, will not constitute a defense to Company's enforcement of the covenants in this Section 16.

16.7. Developer acknowledges and agrees that Developer's violation of the terms of this Section 16 would result in irreparable injury to Company for which no adequate remedy at law may be available. Developer acknowledges and agrees that Company may obtain an injunction prohibiting any conduct by Developer in violation of the terms of this Section 16.

16.8. At Company's request, Developer must require and obtain covenants similar to those set forth in this Section 16 (including covenants applicable upon the termination of a person's relationship with Developer, to the extent permitted by applicable law) from any or all of the following persons: (1) all managers of Developer and any other personnel employed by Developer who have received or will receive training from Company; and (2) all Owners. Every covenant required by this Section 16 must be in a form satisfactory to Company and must specifically identify Company as a third-party beneficiary of such covenants with the independent right to enforce them.

16.9. Developer covenants that during the term of this Agreement, Developer will not permit the ratio of total indebtedness of the *Qdoba* Business (and any other debt which the holder of which may have recourse against the business) to the total equity in the *Qdoba* Business to exceed 4 to 1, all calculated in accordance with generally accepted accounting principles.

17. INSURANCE

17.1. Before beginning any construction on a Qdoba restaurant, and throughout the remaining term of this Agreement, Developer must obtain and maintain in full force and effect, at his own expense, such insurance coverages as may be required of Developer by Company. The current requirements are set forth in Exhibit D. Before beginning any construction on a Qdoba restaurant, and throughout the remaining term of this Agreement, Developer must furnish to Company evidence satisfactory to Company of such insurance coverages in effect in the form of Certificates of Insurance, any insurance policy endorsements required by Company, and a copy of Developer's insurance policy(ies). Renewal Certificates of Insurance must be delivered to Company 30 days before the expiration date of all policies. All deductible amounts on all insurance policies required under this Agreement must be disclosed in writing to, and approved by, Company, and noted on the applicable Certificate of Insurance. The insurance requirements, including but not limited to, coverages and policy limits, may be increased or modified from time to time by Company at its sole discretion as may be more particularly set out in (or modified by) the Manual.

18. INDEPENDENT CONTRACTOR AND INDEMNIFICATION

18.1. It is understood and agreed by the parties that this Agreement does not create a fiduciary relationship between them, and that Company and Developer are independent contractors. Nothing in this Agreement is intended to make either party an agent, legal representative, subsidiary, joint venturer, partner, employee or servant of the other for any purpose whatsoever.

18.2. During the term of this Agreement, Developer must hold itself out to the public as an independent contractor developing the *Qdoba* restaurants pursuant to a development agreement from Company. Developer agrees to take such actions as may be necessary to do so.

18.3. Nothing in this Agreement authorizes Developer to make any contract, agreement, warranty or representation on Company's behalf, or to incur any debt or other obligation in Company's name. Company will not assume liability for, or be deemed liable as a result of any such action; nor will Company be liable by reason of any act or omission of Developer in its conduct of the *Qdoba* Business or for any claim or judgment arising therefrom.

18.4. Developer is responsible for all losses, damages, and liabilities, whether contractual, statutory or otherwise, to third persons arising out of or in connection with the development, construction, possession, ownership or operation of any Qdoba restaurant, and for all claims or demands for damages to property, or for injury, illness or death of persons directly or indirectly resulting therefrom. Developer must defend, indemnify and hold harmless Company and its Affiliates and their agents from all such claims, demands, losses, obligations, costs, legal fees, expenses, liabilities, debts or damages directly or indirectly resulting therefrom, unless resulting from the gross negligence or willful misconduct of Company. If such claims are asserted against Company or its Affiliates or their agents, Company will notify Developer, and Developer will assume the defense of such claims. If Developer fails to assume the defense, then Company may defend in such manner as it deems appropriate. Developer must reimburse Company for all costs, including legal fees, and the reasonable value of time spent by corporate counsel, incurred by Company or its Affiliates in effecting such defense, in addition to any sum that Company or its Affiliates may incur by reason of any settlement or judgment. Company's right to defense and indemnification hereunder will exist, notwithstanding that its joint or concurrent liability may be imposed on Company by law.

19. MISCELLANEOUS PROVISIONS

19.1. APPROVALS AND WAIVERS

19.1.1. Whenever this Agreement requires the prior approval or consent of Company, Developer must make a timely written request to Company for such approval or consent. All such approvals or consents must be obtained in writing.

19.1.2. No delay, omission or forbearance on the part of Company to exercise any right, option, duty or power constitutes a waiver by Company to enforce any such right, option, duty or power as against Developer; nor does any such delay, omission, or forbearance constitute a waiver of any subsequent breach or default by Developer. Company's waiver of any payments due to it under this Agreement will not be deemed to be a waiver by Company of any preceding breach by Developer of any terms, provisions, covenants or conditions of this Agreement.

19.2. FORCE MAJEURE

Neither Company nor Developer will be deemed to be in breach of this Agreement, or be liable for loss or damage if it fails to perform its obligations due to: (1) compliance with any law, ruling, order, regulation, requirement, or instruction of any federal, state, or municipal government or any department or agency thereof; (2) acts of God; (3) acts or omissions of the other party; (4) fires, strikes, embargoes, war, terrorism or riot; or (5) any other similar event or cause which are force majeure in nature. Any delay resulting from any of said causes will extend performance accordingly, or excuse performance, in whole or in part, as may be reasonable. The provisions of this section shall not, however, operate to excuse Developer from the prompt payment of any fee or other payment due Company pursuant to the provisions of this Agreement.

19.3. NOTICES

Any and all notices required or permitted under this Agreement must be made in writing, and must be personally delivered or mailed by certified or registered mail, return receipt requested, or delivered by national overnight carrier, 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 Company:
Qdoba Restaurant Corporation
350 Camino De La Reina, Suite 400
San Diego, California 92108
Attention: Legal Department – Franchise

Notices to Developer:
EntityName
c/o Owner
EntityAddress
EntityCity

Any notice by certified or registered mail will be deemed to have been given at the earlier of the (i) date and time of receipt, or (ii) the third business day after being deposited in the U.S. Mail. Any notice, if delivered personally, shall be deemed to have been given on the day of delivery, if a business day, or if not a business day, on the business day next following the day of delivery. Any notice delivered by overnight carrier will be deemed to have been delivered on the first business day after being deposited with the carrier.

19.4. ENTIRE AGREEMENT

The Recitals and Exhibits are hereby incorporated into, and are part of, this Agreement. This Agreement constitutes the entire, full and complete agreement between Company and Developer concerning Developer's right to develop the restaurants in the Development Area identified on Exhibit A, and supersedes any prior negotiations, understandings, representations or agreements relating to such development; however, nothing in this Agreement is intended to disclaim the representations Company made in the franchise disclosure document if furnished to Developer. If this Agreement conflicts with the terms of any Franchise Agreement entered into in connection with this Agreement, this Agreement will be controlling.

19.5. MODIFICATION, SEVERABILITY AND CONSTRUCTION

No amendment, change or variance from this Agreement will be binding on either party unless mutually agreed to by the parties and signed by their authorized officers or agents in writing.

19.5.1. Except as expressly provided to the contrary in this Agreement, each portion, section, part, term and/or provision of this Agreement is severable. If for any reason a court or agency having valid jurisdiction, determines any section, part, term or provision of this Agreement is invalid and contrary to, or in conflict with, any existing or future law or regulation, that decision will not impair the operation of, or have any other effect upon, such other portions, sections, parts, terms and/or provisions of this Agreement that remain intelligible. The latter will continue to be given full force and effect and bind the parties, and the invalid portions, sections, parts, terms and/or provisions will be deemed not to be a part of this Agreement.

19.5.2. Except as expressly provided to the contrary in this Agreement, nothing in this Agreement is intended, nor will be deemed to confer upon any person or legal entity other than Developer, Company, Company's officers, directors and employees, and such successors and assigns as may be contemplated by this Agreement hereof, any rights or remedies under or by reason of this Agreement.

19.5.3. All captions in this Agreement are intended solely for the convenience of the parties, and none will be deemed to affect the meaning or construction of any provision hereof.

19.5.4. All references in this Agreement to the masculine, neuter or singular will be construed to include the masculine, feminine, neuter or plural, where applicable. All acknowledgments, promises, covenants, agreements and obligations herein made or undertaken by Developer will be deemed jointly and severally undertaken by all those executing this Agreement on behalf of Developer, as well as each Owner of Developer.

19.6. NON-BINDING MEDIATION

19.6.1. Except as provided in Subsection 19.6.5 below, controversies, disputes and claims between Company, its Affiliates and their shareholders, officers, directors, employees and agents, or any of them, on the one hand, and Developer, its Affiliates, partners, trustees, shareholders, officers, directors and agents, or any of them, on the other hand, arising out of or related to this Agreement, or the *Qdoba* Business, including the *Qdoba* restaurants developed under this Agreement, are subject to non-binding mediation pursuant to the terms of this Subsection. Except as specified in Subsection 19.6.5, no litigation may be commenced between such parties prior to the Mediation Termination Date, as defined in Subsection 19.6.4 below, on any claim which is subject to non-binding mediation under this Agreement, whether or not the mediation has been commenced. The commencement or pendency of litigation will not stay non-binding mediation required under this Agreement, and non-binding mediation required under this Agreement will not stay any litigation commenced in conformity with Subsection 19.6.5. Mediation under this subsection is not intended to alter or suspend the rights or obligations of the parties under this Agreement or to determine the validity or effect of any provision of this Agreement, but is intended to provide the parties with an opportunity to amicably and expeditiously resolve disputes in a cost-effective manner on mutually acceptable terms and conditions.

19.6.2. The non-binding mediation provided for in this Agreement must be commenced by the party demanding mediation ("Complainant") by giving written notice of the demand for mediation ("Demand") to the party with whom mediation is sought ("Respondent"). The Demand must specify with reasonable particularity the matter or matters on which non-binding mediation is being sought. A copy of the Demand must be given by the Complainant simultaneously to Company, if Company is not a Complainant or a Respondent.

19.6.3. Non-binding mediation under this Agreement will be conducted in San Diego, California, by a mediator or mediation program designated by Company in writing ("Designation"), or by such mediator as Complainant and Respondent may otherwise agree to. Company will send the Designation to Complainant and Respondent within a reasonable time after its receipt of the demand.

19.6.4. Non-binding mediation under this Agreement must be concluded within sixty days of the giving of the Demand or such longer period as may be mutually agreed to in writing by the parties to the mediation ("Mediation Termination Date"). All aspects of the mediation process will be treated as confidential, must not be disclosed to others, and will not be offered or admissible in any other proceeding or legal action whatsoever. Complainant and Respondent will each bear its own costs of mediation, and each will bear one-half the cost of the mediator and mediation service.

19.6.5. If Developer is more than forty-five (45) days past due in any of its payments to Company, whether under this Agreement or any other Agreement or account with Company, then Company will not be required to seek or to participate in mediation of any matter or dispute under this Subsection (although Company reserves the right to

require mediation), and Company will be free to commence or to pursue litigation at any time. Company will not be required to seek or to participate in mediation of any matter or dispute relating to the indemnification or insurance provisions of this Agreement (although Company reserves the right to require mediation). Nothing in this Subsection will prevent any party from instituting or pursuing litigation at any time to preserve the status quo, protect the Proprietary Marks, protect the health or safety of the public, or avoid irreparable harm.

19.7. LIMITATIONS ON ACTIONS

19.7.1. This Agreement takes effect upon its acceptance and execution by Company, and will be interpreted and construed under the laws of the State of California, which laws will prevail in the event of any conflict of law. If, however, any provision of this Agreement would not be enforceable under the laws of California, Developer is located outside of California, and such provision would be enforceable under the laws of the state in which Developer is located, then such provision shall be interpreted and construed under the laws of that state.

19.7.2. Any action brought by either party against the other in any court, whether federal or state, must be brought in San Diego, California. For the purpose of carrying out this provision, the parties hereby waive all questions of personal jurisdiction or venue.

19.7.3. No right or remedy conferred upon or reserved to Company or Developer by this Agreement is intended to be, nor will be deemed, exclusive of any other right or remedy provided or permitted herein or by law or equity, but each is cumulative of every other right or remedy.

19.7.4. Nothing contained in this Agreement restricts Company's right to obtain injunctive relief under the usual equity rules, including the applicable rules for obtaining restraining orders and preliminary injunctions.

19.7.5. Company and Developer irrevocably waive trial by jury in any action, proceeding, or counterclaim, whether at law or in equity, brought by Company against Developer, or by Developer against Company or its Affiliates, and their shareholders, officers, directors, employees and agents, whether or not there are other parties in such action.

19.7.6. Any and all claims and actions arising out of, or relating to, this Agreement, the relationship of Company and Developer, or Developer's operation of the Restaurant, must be commenced within two (2) years from the date Developer knew or should have known of the occurrence of the facts giving rise to such claim or action, or such shorter terms as is established by law, or such claim or action will be barred.

19.7.7. Company and Developer hereby waive to the fullest extent permitted by law any right to, or claim of, any punitive or exemplary damages against the other, and

agree that in the event of a dispute between them, recoverable damages will be limited to the actual damages sustained by it.

19.8. LEGAL FEES

In any litigation arising out of or relating to this Agreement, the prevailing party will be entitled to receive from other party all costs, including reasonable accounting and legal fees incurred as a result of the legal action.

20. ACKNOWLEDGMENTS

20.1. Developer understands and accepts the terms, conditions and covenants contained in this Agreement as being reasonably necessary to maintain Company's high standards of quality and service, and the uniformity of those standards at all Qdoba restaurants, and thereby to protect and preserve the goodwill of the Proprietary Marks.

20.2. Developer acknowledges and agrees that Company's officers, directors, employees and agents act only in a representative, and not in a personal, capacity in connection with any of their dealings with Developer.

20.3. The Development Agreement may be signed in one or more counterparts, all of which when taken together constitute one original document.

21. RELEASE.

21.1. .For good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged, Developer (on behalf of itself and its parent, subsidiaries and affiliates and their respective past and present officers, directors, managers, shareholders, members, owners, guarantors, agents and employees, in their corporate and individual capacities) (collectively "Releasors"), freely and without any influence, forever releases and covenants not to sue Company, and its parents, subsidiaries and affiliates and their respective past and present officers, directors, managers, shareholders, members, owners, agents and employees, in their corporate and individual capacities (collectively "Releasees"), with respect to any and all claims, demands, liabilities and causes of action of whatever kind or natures, known or unknown, vested or contingent, suspect or unsuspected (collectively "Claims") which any Releasor now owns or holds or may at any time have owned or held, including, without limitation, claims arising under federal, state and local laws, rules and ordinances, claims for contribution, indemnity and/or subrogation and claims arising out of, or related to this Agreement and all other agreements between any Releasor and any Releasee, the sale of franchises to any Releasor by any Releasee, the operation of the Franchised Business, any other franchised Qdoba restaurants and any other restaurant franchised by any Releasee, and each Releasee's performance of its obligations under this Agreement or any other agreement.

Developer (on behalf of itself and the Releasors) agrees that fair consideration has been given by Company for this release and fully understands that this

is a negotiated, complete and final release of all of Releasors' claims. Developer (on behalf of itself and the Releasors) expressly agrees that, with respect to this release, any and all rights granted under Section 1542 of the California Civil Code are expressly waived to the extent applicable. That Section reads as follows:

> A GENERAL RELEASE DOES NOT EXTEND TO CLAIMS THAT THE CREDITOR OR RELEASING PARTY DOES NOT KNOW OR SUSPECT TO EXIST IN HIS OR HER FAVOR AT THE TIME OF EXECUTING THE RELEASE AND THAT, IF KNOWN BY HIM OR HER, WOULD HAVE MATERIALLY AFFECTED HIS OR HER SETTLEMENT WITH THE DEBTOR OR RELEASED PARTY.

IN WITNESS WHEREOF, the parties hereto have duly signed, sealed and delivered this Agreement on the day and year first above written.

COMPANY:	**DEVELOPER:**
QDOBA RESTAURANT CORPORATION	COMPANY NAME
a Colorado corporation	a state corporation/limited liability company
By: _____	By: _____
Name: _____	Name: _____
Title: _____	Title: _____
Date: _____	Date: _____

EXHIBIT A

DEVELOPMENT AREA AND DEVELOPMENT QUOTA

Qdoba Restaurant Corporation

Development Agreement
by and between

Qdoba Restaurant Corporation
and EntityName

dated _____, 20__

Development Fee: $10,000 (Ten Thousand Dollars) multiplied by the number of restaurants to be developed by Developer.

Initial Franchise Fee for each Restaurant Developed: The remainder of the initial franchise fee of $20,000 (which is the $30,000 current initial franchise fee minus the pro-rated portion of the Development Fee ($10,000 per Restaurant))

The Development Area referred to in Section 2 of the captioned agreement is:

SiteAddress
SiteCity

Expiration Date: The earlier of , or the date the last restaurant in the schedule below [#___] actually opens.

Development Quota:

STORE NUMBER	OPEN AND OPERATING ON OR BEFORE

_____
Initials - Developer

_____
Initials - QRC

EXHIBIT B

GUARANTY AND ASSUMPTION OF DEVELOPER'S OBLIGATIONS

THIS GUARANTY AND ASSUMPTION OF DEVELOPER'S OBLIGATIONS ("Guaranty") is given this _____ day of _____, 20__, by the undersigned.

DEVELOPER: EntityName

Date of Development Agreement: _____, 20__

In consideration of, and as an inducement to, the execution of the above-mentioned *Qdoba* Development Agreement (the "Agreement") by Qdoba Restaurant Corporation ("Company"), each of the undersigned and any other parties who sign counterparts of this guaranty (referred to herein individually as a "Guarantor" and collectively as "Guarantors") hereby personally and unconditionally: (a) guarantees to Company, and its successors and assigns, for the term of the Agreement and thereafter as provided in the Agreement, that Developer shall punctually pay and perform each and every undertaking, agreement and covenant set forth in the Agreement; and (b) agrees to be personally bound by, and personally liable for the breach of, each and every provision in the Agreement, both monetary obligations and other obligations, including without limitation, the obligation to pay costs and legal fees as provided in the Agreement and the obligation to take or refrain from taking specific actions or to engage or refrain from engaging in specific activities, including without limitation the provisions of the Agreement relating to competitive activities.

Each Guarantor waives:

1. acceptance and notice of acceptance by Company of the foregoing undertakings; and

2. notice of demand for payment of any indebtedness or nonperformance of any obligations hereby guaranteed; and

3. protest and notice of default to any party with respect to the indebtedness or nonperformance of any obligations hereby guaranteed; and

4. any right he may have to require that an action be brought against Developer or any other person as a condition of liability; and

5. all rights to payments and claims for reimbursement or subrogation which he may have against Developer arising as a result of his execution of and performance under this guaranty by the undersigned (including by way of counterparts); and

6. any and all other notices and legal or equitable defenses to which he may be entitled.

Each Guarantor consents and agrees that:

(A) his direct and immediate liability under this guaranty shall be joint and several not only with Developer, but also among the Guarantors; and

(B) he shall render any payment or performance required under the Agreement upon demand if Developer fails or refuses punctually to do so; and

(C) such liability shall not be contingent or conditioned upon pursuit by Company of any remedies against Developer or any other person; and

(D) such liability shall not be diminished, relieved or otherwise affected by any subsequent rider or amendment to the Agreement or by any extension of time, credit or other indulgence which Company may from time to time grant to Developer or to any other person, including, without limitation, the acceptance of any partial payment or performance, or the compromise or release of any claims, none of which shall in any way modify or amend this guaranty, which shall be continuing and irrevocable throughout the term of the Agreement and for so long thereafter as there are any monies or obligations owing by Developer to Company under the Agreement. Notwithstanding any assignment for the general benefit of creditors or any bankruptcy or any other act of insolvency by Developer and notwithstanding any rejection, disaffirmance or disclaimer of the Agreement, the Guarantors shall continue to be fully liable hereunder; and

(E) the written acknowledgment of Developer, accepted in writing by Company, or the judgment of any court or arbitration panel of competent jurisdiction establishing the amount due from Developer shall be conclusive and binding on the undersigned as guarantors.

If Company is required to enforce this guaranty in a judicial or arbitration proceeding, and prevails in such proceeding, it shall be entitled to reimbursement of its costs and expenses, including, but not limited to, reasonable accountants', legal, legal assistants', arbitrators' and expert witness fees, costs of investigation and proof of facts, court costs, other litigation expenses and travel and living expenses, whether incurred prior to, in preparation for or in contemplated of the filing of any such proceeding.

If Company is required to engage legal counsel in connection with any failure by the undersigned to comply with this Guaranty, the Guarantors shall reimburse Company for any of the above-listed costs and expenses incurred by it.

This Guaranty shall be governed by the same laws which govern the Agreement.

This Guaranty may be signed in one or more counterparts, all of which when taken together constitute one original document.

IN WITNESS WHEREOF, each Guarantor has hereunto affixed his signature on the same day and year as the Agreement was signed.

GUARANTOR(S)

_____ Date:_____
Guarantor:_____
Home Address:_____
_____

_____ Date:_____
Guarantor:_____
Home Address:_____
_____

_____ Date:_____
Guarantor:_____
Home Address:_____
_____

_____ Date:_____
Guarantor:_____
Home Address:_____
_____

EXHIBIT C

CONFIDENTIALITY AND NON-COMPETITION AGREEMENT
(For Shareholders, Partners, Members)

This Confidentiality and Non-Competition Agreement ("Agreement") is entered into this ____ day of _____, 20___, between Qdoba Restaurant Corporation ("Company") and Owner ("Owner") (collectively, "Parties").

Recitals

Company has entered into a Development Agreement and/or Franchise Agreement with EntityName ("Developer") relating to the development and operation of one or more Qdoba Mexican Eats™ restaurants under an operating system created and maintained by the Company (the "System"). Owner is an officer, director, or holder of a beneficial interest of Developer, and/or of any corporation directly or indirectly controlling Developer. Due to his/her financial interest or other involvement in Developer, Owner may have access to information regarding the development and operation of the *Qdoba* business (including, but not limited to Company's Operating Manual) that is considered by the Parties to be confidential and/or trade secret. Company is willing to provide access to such information under the terms of this Agreement.

Accordingly, Owner agrees as follows:

1. CONFIDENTIAL INFORMATION

1.1. Owner understands and acknowledges that Company has invested, and continues to invest, considerable sums of money in developing the System. Because of the competitive nature of the restaurant business, and to protect the legitimate interest of Company and other franchisees, it is necessary to protect certain information about the System as confidential.

1.2. For purposes of this provision, "Confidential Information" includes product recipes and tests, ingredients used in Company's products, product preparation procedures, customer service measures and techniques, franchise support procedures, supplier relationship and distribution system information, new product development information, the Manual (as defined in Section 2 below), growth plans or strategies, real estate development plans or strategies, restaurant design plans, proposed restaurant sites, equipment, computer systems, business and development plans and strategies, training programs, consumer research results, marketing and advertising strategies and materials, and all other information designated by Company as confidential.

1.3. Confidential Information does not include: (a) information, concepts, methods, procedures or techniques that are, or become, generally known in the quick-service and quick-casual restaurant industries in the United States, other than through disclosure by Developer or Owner, whether deliberate or inadvertent; (b) the disclosure of Confidential

Information in judicial or administrative proceedings to the extent that Developer or Owner is legally compelled to disclose such information, provided that Developer and/or Owner has afforded Company with the opportunity to obtain an appropriate protect order or other assurance that the information will be treated as confidential; or (c) information that Developer or Owner can demonstrate came to its attention prior to disclosure thereof by Company.

1.4. Developer will be provided with Confidential Information in connection with its development and/or operation of the Franchised Business. Owner agrees that both during the term of this Agreement and thereafter, Developer and Owner: (a) will use the Confidential Information only in the operation of the Franchised Business, and not in connection with any other business; (b) will not make copies of, duplicate, record, or otherwise reproduce any Confidential Information without the express written consent of Company; (c) will not communicate, divulge or disclose the Confidential Information to any person or entity who does not need access to it to operate the Franchised Business; (d) will not use or duplicate Confidential Information for any other restaurant business; or (e) will not use the Confidential Information, or allow it to be used, for the benefit of any third party.

1.5. Owner acknowledges and agrees that all Confidential Information is, and will remain, the sole and exclusive proprietary property of Company.

1.6. Owner understands and acknowledges that any failure to comply with the requirements of this section will result in substantial injury and damage to Company for which there is no adequate remedy at law. For these reasons, if Owner violates or threatens to violate any term of this provision, the Company will be entitled to, in addition to any other remedies and damages available, injunctive or other equitable relief, to restrain the violation of this provision by Owner. Owner agrees to pay all court costs and reasonable legal fees incurred by Company in obtaining specific performance of, or an injunction against violation of, the requirements of this section, in addition to any other claims to which Company may be entitled.

2. CONFIDENTIAL OPERATING MANUAL

2.1. In order to protect the reputation and goodwill of Company and to maintain high standards of operation under Company's proprietary marks, Developer must conduct its business in accordance with the confidential manual, which may consist of more than one volume ("Manual"). Developer will receive access to the Manual from Company for the term of any Franchise Agreement or Development Agreement between Company and Developer.

2.2. Owner must at all times treat the Manual, any other manuals created for, or approved for use in, the development or operation of the franchised business, and the information contained therein, as secret and confidential, and must use all reasonable efforts to maintain such information as secret and confidential, as specified in Section 1 above, including but not limited to keeping access to the Manual secure at all times.

2.3. The Manual will at all times remain the sole property of Company.

2.4. Owner understands and acknowledges that Company may, in its sole discretion, modify or replace the Manual or its contents. If there is any dispute as to the contents of the Manual, the terms of the master copy of the Manual maintained by Company at Company's home office will be controlling.

3. COVENANTS AND RESTRICTIONS ON OTHER BUSINESS INTERESTS

3.1. Developer must devote best efforts to the development, management and operation of the Franchised Business.

3.2. Owner acknowledges that Developer and Owner will receive valuable specialized training and/or confidential information, including without limitation, information regarding the development, operational, sales, promotional and marketing methods and techniques of Company and the System. During the term of any Development Agreement or any Franchise Agreement between Company and Franchisee, except as otherwise approved in writing by Company, Owner may not, either directly or indirectly, for him/herself, or through, on behalf of, or in conjunction with any person, persons, partnership or corporation:

3.2.1. Divert or attempt to divert any business or customer 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 Company's proprietary marks and the System.

3.3. During the term of any Development Agreement or any Franchise Agreement between Company and Franchisee, Owner may not either directly or indirectly, for him/herself, or through, on behalf of, or in conjunction with any person, persons, partnership or corporation, own, maintain, operate, engage in, or have any interest in any food service business that serves primarily Mexican food or for which burritos and/or tacos comprise more than twenty percent (20%) of the menu, and/or represent more than twenty (20%) of the sales ("Competitive Business").

3.4. For a continuous period of two years after the expiration or termination of all Development Agreements and Franchise Agreements between Company and Franchisee, regardless of the cause for the termination, Owner may not either directly or indirectly, for itself, or through, on behalf of, or in conjunction with any person, persons, partnership or corporation, own, maintain, operate, engage in, or have any interest in any Competitive Business that is, or is intended to be, located i) at the Accepted Location as described in Exhibit A to the Franchise Agreement ("Accepted Location"), ii) within five (5) miles of the Accepted Location; or iii) within give (5) miles of any *Qdoba* restaurant existing at the time of the termination or expiration.

3.5. Sections 3.3 and 3.4 above do not apply to ownership by Owner of less than one percent (1%) beneficial interest in the outstanding equity securities of any publicly held corporation.

3.6. The parties agree that each of the foregoing non-competition covenants are independent of any other covenant or provision of this Agreement. If all or any portion of a covenant in this Section 3 is found unreasonable or unenforceable by a court or agency having valid jurisdiction, Owner 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 3.

3.7. Company has the right, in its sole discretion, to reduce the scope of any covenant set forth in this Agreement, or any portion thereof, without Owner's consent, effective immediately upon receipt by Owner of written notice thereof. Owner agrees that it will comply forthwith with any covenant as so modified, and that the covenant will be fully enforceable, notwithstanding the provisions of Subsection 3.4 of this Agreement.

3.8. Owner expressly agrees that the existence of any claims he/she may have against Company, whether or not arising from this Agreement, will not constitute a defense to Company's enforcement of the covenants in this Section 3. Owner agrees to pay all costs and expenses (including reasonable legal fees) incurred by Company in connection with the enforcement of this Section 3.

3.9. Owner acknowledges and agrees that his/her violation of the terms of this Section 3 would result in irreparable injury to Company for which no adequate remedy at law may be available. Owner acknowledges and agrees that Company may obtain an injunction prohibiting any conduct by Owner in violation of the terms of this Section 3.

4. MISCELLANEOUS PROVISIONS

4.1. No Waivers. No delay, omission or forbearance on the part of Company to exercise any right, option, duty or power constitutes a waiver by Company to enforce any such right, option, duty or power against Owner; nor does any such delay, omission, or forbearance constitute a waiver of any subsequent breach or default by Owner.

4.2. Notices. Any and all notices required or permitted under this Agreement must be made in writing, and must be personally delivered or mailed by certified or registered mail, return receipt requested, or delivered by national overnight carrier, 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 Company: Qdoba Restaurant Corporation
350 Camino De La Reina, Suite 400
San Diego, California 92108
Attention: Legal Department – Franchise

Notices to Developer: EntityName
c/o Owner
EntityAddressEntityAddress
EntityCityEntityCity

Any notice by certified or registered mail will be deemed to have been given at the earlier of the (i) date and time of receipt, or (ii) the third business day after being deposited in the U.S. Mail. Any notice, if delivered personally, shall be deemed to have been given on the day of delivery, if a business day, or if not a business day, on the business day next following the day of delivery. Any notice delivered by overnight carrier will be deemed to have been delivered on the first business day after being deposited with the carrier.

4.3. Modification. No amendment, change or variance from this Agreement will be binding on either party unless mutually agreed to by the parties and signed by their authorized officers or agents in writing.

4.4. Severability and Construction. Except as expressly provided to the contrary in this Agreement, each portion, section, part, term and/or provision of this Agreement is severable. If for any reason a court or agency having valid jurisdiction, determines any section, part, term and/or provision of this Agreement is invalid and contrary to, or in conflict with, any existing or future law or regulation, that decision will not impair the operation of, or have any other effect upon, such other portions, sections, parts, terms and/or provisions of this Agreement that remain intelligible. The latter will continue to be given full force and effect and bind the parties, and the invalid portions, sections, parts, terms and/or provisions will be deemed not to be a part of this Agreement.

This Agreement shall be governed by the same laws which govern the Development Agreement signed between Company and Developer.

This Agreement may be signed in one or more counterparts, all of which when taken together constitute one original document.

IN WITNESS WHEREOF, the parties hereto have duly signed, sealed and delivered this Agreement on the day and year first above written.

By: _____ Date: _____
Shareholder/Partner/Member

By: _____ Date: _____
Shareholder/Partner/Member

By: _____ Date: _____
Shareholder/Partner/Member

QDOBA RESTAURANT CORPORATION

By: _____
Name: _____
Title: _____
Date: _____

Exhibit D

DEVELOPMENT INSURANCE REQUIREMENTS

Before beginning any construction on a Qdoba restaurant, and throughout the remaining term of the Development Agreement, Developer must obtain and maintain in full force and effect the required insurance The insurance requirements, including but not limited to, coverages and policy limits, may be increased or modified from time to time by Company at its sole discretion. Requirements as of the date are set forth below:

1. During the construction of Restaurants, policies of Builders Risk Insurance for the full replacement cost of all real and personal property to be constructed. In addition, Developer will cause each contractor and subcontractor performing work to maintain the following insurance: (i) commercial general liability insurance in an amount not less than $2,000,000 combined single limit per occurrence and aggregate, written on a “per occurrence” policy form, covering bodily injury, property damage and personal injury; (ii) workers’ compensation insurance as required by law, and employer’s liability insurance with a limit not less than $1,000,000, and such other insurance as may be required by the state or locality in which the Restaurant will be constructed; and (iii) business automobile liability insurance, including owned, leased, non-owned and hired automobile coverage, with a limit not less than $1,000,000 per accident.

2. All insurance policies required of Developer: (a) must be primary and non-contributory; (b) must be issued by an insurance company(ies) with a rating of not less than “A-VIII” in the current Best Insurance Rating Guide or approved by Company; (c) must name Company and its Affiliates as "additional insureds" and must contain an "Additional Insured-Designated Person or Organization" endorsement (or its equivalent), except workers' compensation insurance only, without any qualifying language regardless of whether such insurance is provided by Developer or any of its contractors or subcontractors; (d) must provide that the insurance cannot be canceled, materially changed, or non-renewed, except upon thirty (30) days' advance written notice to Company; and (e) must contain a waiver of subrogation rights of the insurer(s) against Company, which waiver will be effective regardless of whether any loss is caused by the act, omission or negligence of Company, and must contain a "waiver of transfer rights of recovery against others" endorsement (or its equivalent). All deductible amounts on all insurance policies required must be disclosed in writing to, and approved by, Company and noted on the applicable Certificate of Insurance.

3. Before commencing construction for any Restaurant and thereafter, throughout the term of the Development Agreement, Developer must furnish to Company evidence satisfactory to Company that such insurance coverages are in effect in the form of Certificates of Insurance, any insurance policy endorsements and a copy of the Developer’s insurance policy(ies). Renewal Certificates of Insurance must be delivered to Company thirty (30) days before the expiration

date of all policies. If Developer changes insurance carriers for any of the required coverages, it must submit new certificates of insurance for such coverages.

Certificate Holder and Additional Insured:
Qdoba Restaurant Corporation
350 Camino De La Reina, Ste. 400
San Diego, CA 92108

EXHIBIT G

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STORE OPERATIONS MANUALS

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EXHIBIT H

STATE-SPECIFIC ADDENDA AND AGREEMENT AMENDMENTS

STATE-SPECIFIC ADDENDA AND AGREEMENT AMENDMENTS

Each provision of these Addenda to the Disclosure Document and Amendments to the Franchise, License and Development Agreements is effective only to the extent (with respect to each provision) that that state franchise law would apply to your franchise or development rights, without reference to the Addenda or Amendments.

CALIFORNIA DISCLOSURE ADDENDUM

In recognition of the requirements of the California Franchise Investment Law, Cal. Corp. Code §§ 31000-31516, and the California Franchise Relations Act, Cal. Bus. & Prof. Code §§ 20000-20043, the QDOBA DISCLOSURE DOCUMENT for use in the State of California is amended to include the following:

1. Our website, www.qdoba.com, has not been reviewed or approved by the California Department of Financial Protection and Innovation. Any complaints concerning the content of the website may be directed to the California Department of Financial Protection and Innovation at www.dfpi.ca.gov.

2. The California Franchise Investment Law requires that a copy of all proposed agreements relating to the sale of the franchise be delivered together with the disclosure document.

3. Section 31125 of the California Corporations Code requires us to give you a disclosure document, in a form containing the information that the Commissioner may by rule or order require, before a solicitation of a proposed material modification of an existing franchise.

4. You must sign a general release if you sign a franchise agreement, development agreement, renew or transfer your franchise. California corporations code § 31512 voids a waiver of your rights under the franchise investment law (california corporations code §§ 31000 through 31516). Business and professions code § 20010 voids a waiver of your rights under the franchise relations act (business and professions code §§ 20000 through 20043).

5. In Item 3, “Litigation” is amended by adding the following paragraphs:

   Pursuant to California law, this Item does not include any information regarding the arrest of any person(s) that did not result in a conviction or plea of nolo contendere.

   Neither we, nor any person identified in Item 2 above, 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, 15 U.S.C. § 78a, et seq.) suspending or expelling such person from membership in such association or exchange.

6. Item 5, “Initial Fees” is amended by adding the following paragraph:

   The Department of Financial Protection and Innovation requires that Company defer the collection of all initial fees from California franchisees until the franchisee is open for business. For any development agreement,

the payment of the development and initial fees will be deferred until the first unit required to be developed under the development agreement opens for business.

7. Item 6, “Interest on Late Payments” is amended by adding the following to the second column:

The highest interest rate permitted by law in California is 10% annually.

8. Item 10, “Financing” is amended by adding the following to the second paragraph:

The highest interest rate permitted by law in California is 10% annually.

9. Item 17, “Renewal, Termination, Transfer and Dispute Resolution,” is amended by adding the following paragraph(s) to the end of the Item:

California Business and Professions Code Sections 20000 through 20043 provide rights to the franchisee concerning termination, transfer or non-renewal of a franchise. If the Franchise Agreement contains a provision that is inconsistent with the law, the law will control.

The Franchise Agreement and Development Agreement provide for termination upon bankruptcy. This provision may not be enforceable under federal bankruptcy law (11 U.S.C. § 101, et seq.).

The Franchise Agreement, License Agreement and Development Agreement contain a covenant not to compete which extends beyond the termination of the franchise. This provision may not be enforceable under California law.

10. The following is added to Item 19, Financial Performance Representations:

The Historic Average Net Restaurant Sales for Franchised Qdoba Restaurants do not reflect the costs of sales, operating expenses or other costs or expenses that must be deducted from the gross revenue or gross sales figures to obtain your net income or profit. You should conduct an independent investigation of the costs and expenses you will incur in operating your franchised Qdoba Restaurant. Franchisees or former franchisees, listed in the offering circular, may be one source of this information.

11. To the extent this Addendum is deemed to be inconsistent with the Disclosure Document, the terms of this Addendum shall govern.

12. **Registration of this franchise does not constitute approval, recommendation, or endorsement by the Commissioner.**

CALIFORNIA FRANCHISE AGREEMENT AMENDMENT

In recognition of the requirements of California Franchise Investment Law, Cal. Corp. Code §§ 31000-31516, and the California Franchise Relations Act, Cal. Bus. & Prof. Code §§ 20000-20043, the parties to the attached QDOBA FRANCHISE AGREEMENT (the "Agreement") agree as follows:

1. The following is added to the end of Section 3.1. of the Agreement:

   Notwithstanding the foregoing, in the State of California, QRC will defer the payment of the franchise fee until the Franchised Business opens for business. Upon the opening of the Franchised Business, Franchisee shall pay to QRC the franchise fee.

IN WITNESS WHEREOF, the parties hereto have duly executed and delivered this Amendment to the Agreement on the same date as the Agreement was executed.

QRC: QDOBA RESTAURANT CORPORATION a Colorado corporation	**FRANCHISEE:** COMPANY NAME a state corporation/limited liability company
By: _____	By: _____
Name: _____	Name: _____
Title: _____	Title: _____
Date: _____	Date: _____
By: _____	By: _____
Name: _____	Name: _____
Title: _____	Title: _____
Date: _____	Date: _____

CALIFORNIA LICENSE AGREEMENT AMENDMENT

In recognition of the requirements of California Franchise Investment Law, Cal. Corp. Code §§ 31000-31516, and the California Franchise Relations Act, Cal. Bus. & Prof. Code §§ 20000-20043, the parties to the attached QDOBA LICENSE AGREEMENT (the "Agreement") agree as follows:

1. The following is added to the end of Section 2.A. of the Agreement:

   Notwithstanding the foregoing, in the State of California, QRC will defer payment of the License Fee until the Licensed Restaurant opens for business. Upon the opening of the Licensed Restaurant, Licensee shall pay to QRC the License Fee.

IN WITNESS WHEREOF, the parties hereto have duly executed and delivered this Amendment to the Agreement on the same date as the Agreement was executed.

QRC:	**FRANCHISEE:**
QDOBA RESTAURANT CORPORATION	COMPANY NAME
a Colorado corporation	a state corporation/limited liability company
By: _____	By: _____
Name: _____	Name: _____
Title: _____	Title: _____
Date: _____	Date: _____
By: _____	By: _____
Name: _____	Name: _____
Title: _____	Title: _____
Date: _____	Date: _____

CALIFORNIA DEVELOPMENT AGREEMENT AMENDMENT

In recognition of the requirements of California Franchise Investment Law, Cal. Corp. Code §§ 31000-31516, and the California Franchise Relations Act, Cal. Bus. & Prof. Code §§ 20000-20043, the parties to the attached QDOBA DEVELOPMENT AGREEMENT (the "Agreement") agree as follows:

1. The following is added to the end of Section 5 of the Agreement:

   Notwithstanding the foregoing, in the State of California, Company will defer the payment of the Development Fee until the first restaurant that you develop under this Agreement opens for business. Upon the opening of the first restaurant, Developer shall pay to Company the Development Fee.

IN WITNESS WHEREOF, the parties hereto have duly executed and delivered this Amendment to the Agreement on the same date as the Agreement was executed.

COMPANY:	**FRANCHISEE:**
QDOBA RESTAURANT CORPORATION	COMPANY NAME
a Colorado corporation	a state corporation/limited liability company
By: _____	By: _____
Name: _____	Name: _____
Title: _____	Title: _____
Date: _____	Date: _____
By: _____	By: _____
Name: _____	Name: _____
Title: _____	Title: _____
Date: _____	Date: _____

HAWAII DISCLOSURE ADDENDUM

In recognition of the requirements of the Hawaii Franchise Investment Law, Hawaii Rev. Stat. §§ 482E, et seq., the QDOBA DISCLOSURE DOCUMENT for use in the State of Hawaii is amended to include the following:

1. The following paragraphs are added to the State Cover Page:

> THESE FRANCHISES WILL BE OR HAVE BEEN FILED UNDER THE FRANCHISE INVESTMENT LAW OF THE STATE OF HAWAII. FILING DOES NOT CONSTITUTE APPROVAL, RECOMMENDATION OR ENDORSEMENT BY THE COMMISSIONER OF SECURITIES, DEPARTMENT OF COMMERCE AND CONSUMER AFFAIRS OR A FINDING BY THE COMMISSIONER OF SECURITIES, DEPARTMENT OF COMMERCE AND CONSUMER AFFAIRS THAT THE INFORMATION PROVIDED HEREIN IS TRUE, COMPLETE AND NOT MISLEADING.
>
> THE FRANCHISE INVESTMENT LAW MAKES IT UNLAWFUL TO OFFER OR SELL ANY FRANCHISE IN THIS STATE WITHOUT FIRST PROVIDING TO THE PROSPECTIVE FRANCHISEE AT LEAST SEVEN DAYS PRIOR TO THE EXECUTION BY THE PROSPECTIVE FRANCHISEE, OF ANY BINDING FRANCHISE OR OTHER AGREEMENT, OR AT LEAST SEVEN DAYS PRIOR TO THE PAYMENT OF ANY CONSIDERATION BY THE FRANCHISEE, WHICHEVER OCCURS FIRST, A COPY OF THE DISCLOSURE DOCUMENT, AND THIS ADDENDUM, TOGETHER WITH A COPY OF ALL PROPOSED AGREEMENTS RELATING TO THE SALE OF THE FRANCHISE.
>
> THIS ADDENDUM AND THE DISCLOSURE DOCUMENT CONTAIN A SUMMARY ONLY OF CERTAIN MATERIAL PROVISIONS OF THE FRANCHISE AGREEMENT. THE CONTRACT OR AGREEMENT SHOULD BE REFERRED TO FOR A STATEMENT OF ALL RIGHTS, CONDITIONS, RESTRICTIONS AND OBLIGATIONS OF BOTH THE FRANCHISOR AND FRANCHISEE.
>
> The name and address of the Franchisor's agent in this state authorized to receive service of process is: Commissioner of Securities, Department of Commerce and Consumer Affairs, Business Registration Division, Securities Compliance Branch, 335 Merchant Street, Room 203, Honolulu, Hawaii 96813.

2. The following paragraph is added at the end of Item 5:

Based upon the review of our parent's audited financial statements by the State of Hawaii Department of Commerce and Consumer Affairs (the "DOCC"), the DOCC has required that Company defer the payment of: (1) the Development Fee until the first restaurant required to be developed under a Development Agreement opens for business; and (2) the pre-opening fees for each Restaurant until the relevant Restaurant opens for business. Upon the opening of the first Restaurant that you develop under the Development Agreement, you must pay to Company the Development Fee. Upon the opening of each Restaurant, you must pay to Company the pre-opening fees for that Restaurant.

3. Item 20, "List of Outlets," is amended by adding the following paragraph:

This proposed registration is effective/exempt from registration or will shortly be on file in California, Hawaii, Illinois, Indiana, Kentucky, Maryland, Michigan, Minnesota, New York, North Dakota, Rhode Island, South Dakota, Texas, Virginia, Washington, and Wisconsin. No states have refused, by order or otherwise, to register these franchises. No states have revoked or suspended the right to offer these franchises. The proposed registration of these franchises has not been involuntarily withdrawn in any state.

4. To the extent this Addendum is deemed to be inconsistent with the Disclosure Document, the terms of this Addendum shall govern.

HAWAII FRANCHISE AGREEMENT AMENDMENT

In recognition of the requirements of Hawaii Franchise Investment Law, Hawaii Rev. Stat. §§ 482E, et seq., the parties to the attached QDOBA FRANCHISE AGREEMENT (the "Agreement") agree as follows:

1. The following is added to the end of Section 3.1. of the Agreement:

> Notwithstanding the foregoing, in the State of Hawaii, Company will defer the payment of the franchise fee until the Franchised Business opens for business. Upon the opening of the Franchised Business, Franchisee shall pay to Company the franchise fee.

2. The following sentence is added to the end of Section 2.2.10, under the heading "Term and Renewal":

> The general release requirement excludes only such claims as Franchisee may have under the Hawaii Franchise Investment Law.

3. The following sentence is added to the end of Section 25.2.2.4, under the heading "Transfer by Franchisee":

> The general release requirement excludes only such claims as Franchisee may have under the Hawaii Franchise Investment Law.

4. The following new Section 28.5 is added, under the heading "Default and Termination":

> Notwithstanding anything to the contrary in this Section 28, Company shall comply with Hawaii law which currently requires that Company compensate Franchisee upon termination or refusal to renew the franchise for the fair market value, at the time of the termination or expiration of the franchise, of any inventory, supplies, equipment and furnishings which were purchased from Company or a supplier designated by Company. Personalized materials which have no value to Company need not be compensated for. If Company refuses to renew a franchise for the purpose of converting Franchisee's business to one owned and operated by Company, Company, in addition, must compensate Franchisee for the loss of goodwill. Company may deduct reasonable costs incurred in removing, transporting and disposing of Franchisee's inventory, supplies, equipment and furnishings pursuant to these requirements, and may offset any moneys due Company.

5. The following sentence is added to the end of Section 34, under the heading “Release”:

> The general release requirement excludes only such claims as Franchisee may have under the Hawaii Franchise Investment Law.

6. To the extent this Amendment is deemed to be inconsistent with any terms or conditions of the Agreement, the terms of this Amendment shall govern.

IN WITNESS WHEREOF, the parties hereto have duly executed and delivered this Amendment to the Agreement on the same date as the Agreement was executed.

QRC:	**FRANCHISEE:**
QDOBA RESTAURANT CORPORATION	COMPANY NAME
a Colorado corporation	a state corporation/limited liability company
By: _____	By: _____
Name: _____	Name: _____
Title: _____	Title: _____
Date: _____	Date: _____
By: _____	By: _____
Name: _____	Name: _____
Title: _____	Title: _____
Date: _____	Date: _____

HAWAII LICENSE AGREEMENT AMENDMENT

In recognition of the requirements of Hawaii Franchise Investment Law, Hawaii Rev. Stat. §§ 482E, et seq., the parties to the attached QDOBA LICENSE AGREEMENT (the "Agreement") agree as follows:

1. The following is added to the end of Section 2.A. of the Agreement:

> Notwithstanding the foregoing, in the State of Hawaii, QRC will defer payment of the License Fee until the Licensed Restaurant opens for business. Upon the opening of the Licensed Restaurant, Licensee shall pay to QRC the License Fee.

2. The following sentence is added to the end of Section 15, under the heading "Assignment by Licensee":

> The general release requirement excludes only such claims as Licensee may have under the Hawaii Franchise Investment Law.

3. The following is added to the end of Section 16, under the heading "Termination":

> Notwithstanding anything to the contrary in this Section 16, QRC shall comply with Hawaii law which currently requires that QRC compensate Franchisee upon termination or refusal to renew the franchise for the fair market value, at the time of the termination or expiration of the franchise, of any inventory, supplies, equipment and furnishings which were purchased from QRC or a supplier designated by QRC. Personalized materials which have no value to QRC need not be compensated for. If QRC refuses to renew a franchise for the purpose of converting Franchisee's business to one owned and operated by QRC, QRC, in addition, must compensate Franchisee for the loss of goodwill. QRC may deduct reasonable costs incurred in removing, transporting and disposing of Franchisee's inventory, supplies, equipment and furnishings pursuant to these requirements, and may offset any moneys due QRC.

4. The following sentence is added to the end of Section 19.E, under the heading "Release":

> The general release requirement excludes only such claims as Licensee may have under the Hawaii Franchise Investment Law.

5. To the extent this Amendment is deemed to be inconsistent with any terms or conditions of the Agreement, the terms of this Amendment shall govern.

IN WITNESS WHEREOF, the parties hereto have duly executed and delivered this Amendment to the Agreement on the same date as the Agreement was executed.

QRC:	**LICENSEE:**
QDOBA RESTAURANT CORPORATION	COMPANY NAME
a Colorado corporation	a state corporation/limited liability company
By: _____	By: _____
Name: _____	Name: _____
Title: _____	Title: _____
Date: _____	Date: _____
By: _____	By: _____
Name: _____	Name: _____
Title: _____	Title: _____
Date: _____	Date: _____

HAWAII DEVELOPMENT AGREEMENT AMENDMENT

In recognition of the requirements of Hawaii Franchise Investment Law, Hawaii Rev. Stat. §§ 482E, et seq., the parties to the attached QDOBA DEVELOPMENT AGREEMENT (the "Agreement") agree as follows:

1. The following is added to the end of Section 5 of the Agreement:

> Notwithstanding the foregoing, in the State of Hawaii, because Company has material pre-opening obligations with respect to each franchised business Developer opens under this Agreement, payment of the Development Fee will be paid proportionally with respect to each franchise outlet opened and until Company has met all its pre-opening obligations under this Agreement and Developer is open for business with respect to each such location.

2. The following new Section 14.6 is added, under the heading "Default and Termination":

> Notwithstanding anything to the contrary in this Section 14, Company shall comply with Hawaii law which currently requires that Company compensate Developer upon termination or refusal to renew the development rights for the fair market value, at the time of the termination or expiration of the development rights, of any inventory, supplies, equipment and furnishings which were purchased from Company or a supplier designated by Company. Personalized materials which have no value to Company need not be compensated for. If Company refuses to renew development rights for the purpose of converting Developer's business to one owned and operated by Company, Company, in addition, must compensate Developer for the loss of goodwill. Company may deduct reasonable costs incurred in removing, transporting and disposing of Developer inventory, supplies, equipment and furnishings pursuant to these requirements, and may offset any moneys due Company.

3. The following sentence is added to the end of Section 21, under the heading "Release":

> The general release requirement excludes only such claims as Franchisee may have under the Hawaii Franchise Investment Law.

4. To the extent this Amendment is deemed to be inconsistent with any terms or conditions of the Agreement, the terms of this Amendment shall govern.

IN WITNESS WHEREOF, the parties hereto have duly executed and delivered this Amendment to the Agreement on the same date as the Agreement was executed.

COMPANY:
QDOBA RESTAURANT CORPORATION
a Colorado corporation

By: _____
Name: _____
Title: _____
Date: _____

By: _____
Name: _____
Title: _____
Date: _____

DEVELOPER
COMPANY NAME
a state corporation/limited liability company

By: _____
Name: _____
Title: _____
Date: _____

By: _____
Name: _____
Title: _____
Date: _____

ILLINOIS DISCLOSURE ADDENDUM

In recognition of the requirements of the Illinois Franchise Disclosure Act of 1987, Illinois Complied Statutes Sections 705/4 and 705/41 ("the Act"), the QDOBA DISCLOSURE DOCUMENT for use in the State of Illinois is amended to include the following:

1. If there is any conflict between any part of the Act and any part of the Franchise or Development Agreements, the provisions of the Act will control.

2. The following paragraph is added at the end of Item 5:

> Based upon the financial condition of our parent, the State of Illinois, Office of the Attorney General, (the "OAG"), the OAG has required that we defer the payment of: (1) the Development Fee until the first Restaurant required to be developed under the Development Agreement opens for business; and (2) the pre-opening fees for each Restaurant until the relevant Restaurant opens for business. Upon the opening of the first Restaurant that you develop under the Development Agreement, you must pay to us the Development Fee. Upon the opening of each Restaurant, you must pay to us the pre-opening fees for that Restaurant.

3. Item 17 of the Disclosure Document is amended by adding the following language to the beginning of the Item:

"Notice Required By Law

> THE TERMS AND CONDITIONS UNDER WHICH YOUR FRANCHISE CAN BE TERMINATED AND YOUR RIGHTS UPON NON RENEWAL MAY BE AFFECTED BY ILLINOIS LAW, 815 ILCS 705/19 - 705/20."

4. The "Summary" section of Item 17 (v) ("Choice of forum") for the Franchise Agreement is amended by adding the following language:

> However, any provision in the Franchise Agreement that designates jurisdiction or venue in a forum outside of the State of Illinois is void under Section 4 of the current Illinois Franchise Disclosure Act, although the Franchise Agreement may provide for arbitration in a forum outside of the State of Illinois.

5. The "Summary" section of Item 17 (v) ("Choice of forum") for the Development Agreement is amended by adding the following language:

> However, any provision in the Development Agreement that designates jurisdiction or venue in a forum outside of the State of Illinois is void under Section 4 of the current Illinois Franchise Disclosure Act, although the Development Agreement may provide for arbitration in a forum outside of the State of Illinois.

6. The "Summary" section of Item 17 (v) ("Choice of forum") for the License Agreement is amended by adding the following language:

> However, any provision in the License Agreement that designates jurisdiction or venue in a forum outside of the State of Illinois is void under Section 4 of the current Illinois Franchise Disclosure Act, although the License Agreement may provide for arbitration in a forum outside of the State of Illinois.

7. The "Summary" section of Item 17 (w) ("Choice of law") for the Franchise Agreement is amended by adding the following language:

> However, except for federal law, Illinois law applies if the jurisdiction requirements of the Illinois Franchise Disclosure Act of 1987 (as amended) are met.

8. The "Summary" section of Item 17 (w) ("Choice of law") for the Development Agreement is amended by adding the following language:

> However, except for federal law, Illinois law applies if the jurisdiction requirements of the Illinois Franchise Disclosure Act of 1987 (as amended) are met.

9. The "Summary" section of Item 17 (w) ("Choice of law") for the License Agreement is amended by adding the following language:

> However, except for federal law, Illinois law applies if the jurisdiction requirements of the Illinois Franchise Disclosure Act of 1987 (as amended) are met.

10. To the extent this Addendum is deemed to be inconsistent with the Disclosure Document, the terms of this Addendum shall govern.

ILLINOIS FRANCHISE AGREEMENT AMENDMENT

To comply with the requirements of the Illinois Franchise Disclosure Act (Ill. Comp. Stat. §§ 705/1 to 705/44 (the "Act"), the parties to the attached QDOBA FRANCHISE AGREEMENT (the "Agreement") agree as follows:

1. The following is added to the end of Section 3.1. of the Agreement:

> Notwithstanding the foregoing, in the State of Illinois, Company will defer the payment of the franchise fee until the Franchised Business opens for business. Upon the opening of the Franchised Business, Franchisee shall pay to Company the franchise fee.

2. The following new Section 28.5 is added, under the heading "Default and Termination":

> If any of the provisions of this Section 28 concerning termination are inconsistent with Section 19 of the Illinois Franchise Disclosure Act, then Illinois law will apply.

3. The following new Section 32.8.8 is added, under the heading "Limitation on Actions":

> Notwithstanding any other provisions of this Section 32.8 claims arising under the Illinois Franchise Disclosure Act (which provides that "any provision in a franchise agreement that designates jurisdiction or venue in a forum outside this state [Illinois] is void") may be brought in Illinois and will be governed by Illinois law (without regard to, and without giving effect to, the application of Illinois conflict-of-laws rules). Franchisee and Company agree that the preceding venue limitations of this Section 32.8 will not apply with respect to claims arising under the Illinois Franchise Disclosure Act, which provides that "any provision in a franchise agreement that designates jurisdiction or venue in a forum outside this state [Illinois] is void." However, this Agreement may provide for arbitration in a forum outside of the state of Illinois.

4. The following is added to the Agreement:

> Section 41 of the Illinois Franchise Disclosure Act states that any condition, stipulation or provision purporting to bind any person acquiring any franchise to waive compliance with any provision of the Act is void.

5. To the extent this Amendment is deemed to be inconsistent with any terms or conditions of the Agreement, the terms of this Amendment shall govern.

IN WITNESS WHEREOF, the parties hereto have duly executed and delivered this Amendment to the Agreement on the same date as the Agreement was executed.

QRC:	**FRANCHISEE:**
QDOBA RESTAURANT CORPORATION a Colorado corporation	COMPANY NAME a state corporation/limited liability company
By: _____	By: _____
Name: _____	Name: _____
Title: _____	Title: _____
Date: _____	Date: _____
By: _____	By: _____
Name: _____	Name: _____
Title: _____	Title: _____
Date: _____	Date: _____

ILLINOIS LICENSE AGREEMENT AMENDMENT

To comply with the requirements of the Illinois Franchise Disclosure Act (Ill. Comp. Stat. §§ 705/1 to 705/44 (the "Act"), the parties to the attached QDOBA LICENSE AGREEMENT (the "Agreement") agree as follows:

1. The following is added to the end of Section 2.A. of the Agreement:

> Notwithstanding anything to the contrary, in the State of Illinois, QRC will defer the payment of the License Fee until the Licensed Restaurant opens for business. Upon the opening, Licensee shall pay to QRC the License Fee.

2. The following is added at the end of Section 16, under the heading "Termination":

> If any of the provisions of this Section 16 concerning termination are inconsistent with Section 19 of the Illinois Franchise Disclosure Act, then Illinois law will apply.

3. The following new Section 19.B.6 is added, under the heading "Governing Law, Jurisdiction, and Venue":

> Notwithstanding any other provisions of this Section 19.B., claims arising under the Illinois Franchise Disclosure Act (which provides that "any provision in a franchise agreement that designates jurisdiction or venue in a forum outside this state [Illinois] is void") may be brought in Illinois and will be governed by Illinois law (without regard to, and without giving effect to, the application of Illinois conflict-of-laws rules). Licensee and QRC agree that the preceding venue limitations of this Section 19.B. will not apply with respect to claims arising under the Illinois Franchise Disclosure Act, which provides that "any provision in a franchise agreement that designates jurisdiction or venue in a forum outside this state [Illinois] is void." However, this Agreement may provide for arbitration in a forum outside of the state of Illinois.

4. The following is added to the Agreement:

> Section 41 of the Illinois Franchise Disclosure Act states that any condition, stipulation or provision purporting to bind any person acquiring any franchise to waive compliance with any provision of the Act is void.

5. To the extent this Amendment is deemed to be inconsistent with any terms or conditions of the Agreement, the terms of this Amendment shall govern.

IN WITNESS WHEREOF, the parties hereto have duly executed and delivered this Amendment to the Agreement on the same date as the Agreement was executed.

QRC:	**LICENSEE:**
QDOBA RESTAURANT CORPORATION	COMPANY NAME
a Colorado corporation	a state corporation/limited liability company
By: _____	By: _____
Name: _____	Name: _____
Title: _____	Title: _____
Date: _____	Date: _____
By: _____	By: _____
Name: _____	Name: _____
Title: _____	Title: _____
Date: _____	Date: _____

ILLINOIS DEVELOPMENT AGREEMENT AMENDMENT

To comply with the requirements of the Illinois Franchise Disclosure Act (Ill. Comp. Stat. §§ 705/1 to 705/44 (the "Act"), the parties to the attached QDOBA DEVELOPMENT AGREEMENT (the "Agreement") agree as follows:

1. The following is added to the end of Section 5 of the Agreement:

> Notwithstanding the foregoing, in the State of Illinois, Company will defer the payment of the Development Fee until the first restaurant that Developer develop under this Agreement opens for business. Upon the opening of the first restaurant, Developer shall pay to Company the Development Fee.

2. The following new Section 14.6 is added, under the heading "Default and Termination":

> If any of the provisions of this Section 14 concerning termination are inconsistent with Section 19 of the Illinois Franchise Disclosure Act, then Illinois law will apply.

3. The following new Section 19.7.8 is added, under the heading "Limitation on Actions":

> Notwithstanding any other provisions of this Section 19, claims arising under the Illinois Franchise Disclosure Act (which provides that "any provision in a franchise agreement that designates jurisdiction or venue in a forum outside this state [Illinois] is void") may be brought in Illinois and will be governed by Illinois law (without regard to, and without giving effect to, the application of Illinois conflict-of-laws rules). Developer and Company agree that the preceding venue limitations of this Section 19 will not apply with respect to claims arising under the Illinois Franchise Disclosure Act, which provides that "any provision in a franchise agreement that designates jurisdiction or venue in a forum outside this state [Illinois] is void." However, this Agreement may provide for arbitration in a forum outside of the state of Illinois.

4. The following is added to the Agreement:

> Section 41 of the Illinois Franchise Disclosure Act states that any condition, stipulation or provision purporting to bind any person acquiring any franchise to waive compliance with any provision of the Act is void.

5. To the extent this Amendment is deemed to be inconsistent with any terms or conditions of the Agreement, the terms of this Amendment shall govern.

IN WITNESS WHEREOF, the parties hereto have duly executed and delivered this Amendment to the Agreement on the same date as the Agreement was executed.

COMPANY: QDOBA RESTAURANT CORPORATION a Colorado corporation	**DEVELOPER:** COMPANY NAME a state corporation/limited liability company
By: _____	By: _____
Name: _____	Name: _____
Title: _____	Title: _____
Date: _____	Date: _____
By: _____	By: _____
Name: _____	Name: _____
Title: _____	Title: _____
Date: _____	Date: _____

MARYLAND DISCLOSURE DOCUMENT ADDENDUM

In recognition of the requirements of the Maryland Franchise Registration and Disclosure Law, the undersigned acknowledge and agree that the attached QDOBA DISCLOSURE DOCUMENT for use in the State of Maryland is amended to include the following:

1. The following paragraph is added at the end of Item 5:

   Based upon our financial condition, the State of Maryland, Office of the Attorney General, Securities Division, (the "Securities Division"), the Securities Division has required that we defer the payment of: (1) the Development Fee until the first Restaurant required to be developed under the Development Agreement opens for business; and (2) the pre-opening fees for each Restaurant until the relevant Restaurant opens for business. Upon the opening of the first Restaurant that you develop under the Development Agreement, you must pay to us the Development Fee. Upon the opening of each Restaurant, you must pay to us the pre-opening fees for that Restaurant.

2. Item 17, "Renewal, Termination, Transfer and Dispute Resolution," is amended by adding the following language:

   The general releases required for the purchase of a franchise, renewal or transfer will not apply with respect to any claim you may have which arises under the Maryland Franchise Registration and Disclosure Law. See Exhibit L of the FDD for additional information regarding the release.

   Except with respect to claims arising under the Maryland Franchise Registration and Disclosure Law, the Franchise Agreement permits you to sue only in California.

   Any claims arising under the Maryland Franchise Registration and Disclosure Law must be brought within 3 years after the grant of the franchise or development rights.

   You may sue in Maryland for claims arising under the Maryland Franchise Registration and Disclosure Law.

3. The Item 17, "Renewal, Termination, Transfer and Dispute Resolution," chart for the Franchise Agreement is amended by adding the following language to the summary of provision "h":

Termination upon bankruptcy may not be enforceable under federal bankruptcy law, 11 U.S.C. Section 101 et seq.

4. The Item 17, "Renewal, Termination, Transfer and Dispute Resolution," chart for the Development Agreement is amended by adding the following language to the summary of provision "h":

Termination upon bankruptcy may not be enforceable under federal bankruptcy law, 11 U.S.C. Section 101 et seq.

5. The Item 17, "Renewal, Termination, Transfer and Dispute Resolution," chart for the Franchise Agreement is amended by adding the following language to the summary of provisions "v" and "w":

, except for claims arising under the Maryland Franchise Registration and Disclosure Law.

6. The Item 17, "Renewal, Termination, Transfer and Dispute Resolution," chart for the Development Agreement is amended by adding the following language to the summary of provisions "v" and "w":

, except for claims arising under the Maryland Franchise Registration and Disclosure Law.

7. The Item 17, "Renewal, Termination, Transfer and Dispute Resolution," chart for the License Agreement is amended by adding the following language to the summary of provisions "v" and "w":

, except for claims arising under the Maryland Franchise Registration and Disclosure Law.

8. To the extent this Addendum is deemed to be inconsistent with the Disclosure Document, the terms of this Addendum shall govern.

MARYLAND FRANCHISE AGREEMENT AMENDMENT

In recognition of the requirements of the Maryland Franchise Registration and Disclosure Law, the parties to the QDOBA FRANCHISE AGREEMENT (the "Agreement") agree as follows:

1. The following sentence is added to the end of Section 2.2.10, under the heading "Term and Renewal":

> The general release requirement excludes only such claims as Franchisee may have under the Maryland Franchise Registration and Disclosure Law.

2. The following is added to the end of Section 3.1. of the Agreement:

> Notwithstanding the foregoing, in the State of Maryland, Company will defer the payment of the franchise fee until the Franchised Business opens for business. Upon the opening of the Franchised Business, Franchisee shall pay to Company the franchise fee.

3. The following sentence is added to the end of Section 25.2.2.4, under the heading "Transfer by Franchisee":

> The general release requirement excludes only such claims as Franchisee may have under the Maryland Franchise Registration and Disclosure Law.

4. The following replaces Section 32.8.6, under the heading "Limitations on Actions":

> The Maryland Franchise Registration and Disclosure Law allow a franchisee to bring a civil lawsuit in Maryland for claims arising under this Law. Any claims arising under the Maryland Franchise Registration and Disclosure Law must be brought within three (3) years after the grant of the franchise.

5. The following sentence is added to the end of Section 34, under the heading "Release":

> The general release requirement excludes only such claims as Franchisee may have under the Maryland Franchise Registration and Disclosure Law.

6. To the extent this Amendment is deemed to be inconsistent with any terms or conditions of the Agreement, the terms of this Amendment shall govern.

IN WITNESS WHEREOF, the parties hereto have duly executed and delivered this Amendment to the Agreement on the same date as the Agreement was executed.

QRC:	**FRANCHISEE:**
QDOBA RESTAURANT CORPORATION	COMPANY NAME
a Colorado corporation	a state corporation/limited liability company
By: _____	By: _____
Name: _____	Name: _____
Title: _____	Title: _____
Date: _____	Date: _____
By: _____	By: _____
Name: _____	Name: _____
Title: _____	Title: _____
Date: _____	Date: _____

MARYLAND LICENSE AGREEMENT AMENDMENT

In recognition of the requirements of the Maryland Franchise Registration and Disclosure Law, the parties to the QDOBA LICENSE AGREEMENT (the "Agreement") agree as follows:

1. The following is added to the end of Section 2.A. of the Agreement:

> Notwithstanding anything to the contrary, in the State of Maryland, QRC will defer the payment of the License Fee until the Licensed Restaurant opens for business. Upon the opening, Licensee shall pay to QRC the License Fee.

2. The following sentence is added to the end of Section 15, under the heading "Assignment by Licensee":

> The general release requirement excludes only such claims as Licensee may have under the Maryland Franchise Registration and Disclosure Law.

3. The following is added at the end of Section 19.B., under the heading "Governing Law, Jurisdiction, and Venue":

> The Maryland Franchise Registration and Disclosure Law allow a licensee to bring a civil lawsuit in Maryland for claims arising under this Law. Any claims arising under the Maryland Franchise Registration and Disclosure Law must be brought within three (3) years after the grant of the franchise.

4. The following sentence is added to the end of Section 19.E, under the heading "Release":

> The general release requirement excludes only such claims as Licensee may have under the Maryland Franchise Registration and Disclosure Law.

5. To the extent this Amendment is deemed to be inconsistent with any terms or conditions of the Agreement, the terms of this Amendment shall govern.

[SIGNATURES ON NEXT PAGE]

IN WITNESS WHEREOF, the parties hereto have duly executed and delivered this Amendment to the Agreement on the same date as the Agreement was executed.

QRC:	**LICENSEE:**
QDOBA RESTAURANT CORPORATION	COMPANY NAME
a Colorado corporation	a state corporation/limited liability company
By: _____	By: _____
Name: _____	Name: _____
Title: _____	Title: _____
Date: _____	Date: _____
By: _____	By: _____
Name: _____	Name: _____
Title: _____	Title: _____
Date: _____	Date: _____

MARYLAND DEVELOPMENT AGREEMENT AMENDMENT

In recognition of the requirements of the Maryland Franchise Registration and Disclosure Law, the parties to the QDOBA DEVELOPMENT AGREEMENT (the "Agreement") agree as follows:

1. The following is added to the end of Section 5 of the Agreement:

> Notwithstanding the foregoing, in the State of Maryland, Company will defer the payment of the Development Fee until the first restaurant that Developer develop under this Agreement opens for business. Upon the opening of the first restaurant, Developer shall pay to Company the Development Fee.

2. The following replaces Section 19.7.6, under the heading "Limitations on Actions":

> The Maryland Franchise Registration and Disclosure Law allows a franchisee to bring a civil lawsuit in Maryland for claims arising under this Law. Any claims arising under the Maryland Franchise Registration and Disclosure Law must be brought within three (3) years after the grant of the franchise.

3. The following sentence is added to the end of Section 21, under the heading "Release":

> The general release requirement excludes only such claims as Franchisee may have under the Maryland Franchise Registration and Disclosure Law.

4. To the extent this Amendment is deemed to be inconsistent with any terms or conditions of the Agreement, the terms of this Amendment shall govern.

[SIGNATURES ON NEXT PAGE]

IN WITNESS WHEREOF, the parties hereto have duly executed and delivered this Amendment to the Agreement on the same date as the Agreement was executed.

COMPANY:	**DEVELOPER:**
QDOBA RESTAURANT CORPORATION	COMPANY NAME
a Colorado corporation	a state corporation/limited liability company
By: _____	By: _____
Name: _____	Name: _____
Title: _____	Title: _____
Date: _____	Date: _____
By: _____	By: _____
Name: _____	Name: _____
Title: _____	Title: _____
Date: _____	Date: _____

MICHIGAN DISCLOSURE ADDENDUM

THE STATE OF MICHIGAN PROHIBITS CERTAIN UNFAIR PROVISIONS THAT ARE SOMETIMES IN FRANCHISE DOCUMENTS. IF ANY OF THE FOLLOWING PROVISIONS ARE IN THESE FRANCHISE DOCUMENTS, THE PROVISIONS ARE VOID AND CANNOT BE ENFORCED AGAINST YOU:

(A) A PROHIBITION ON THE RIGHT OF A FRANCHISEE TO JOIN AN ASSOCIATION OF FRANCHISEES.

(B) A REQUIREMENT THAT A FRANCHISEE ASSENT TO A RELEASE, ASSIGNMENT, NOVATION, WAIVER, OR ESTOPPEL WHICH DEPRIVES A FRANCHISEE OF RIGHTS AND PROTECTIONS PROVIDED IN THIS ACT. THIS SHALL NOT PRECLUDE A FRANCHISEE, AFTER ENTERING INTO A FRANCHISE AGREEMENT, FROM SETTLING ANY AND ALL CLAIMS.

(C) A PROVISION THAT PERMITS A FRANCHISOR TO TERMINATE A FRANCHISE PRIOR TO THE EXPIRATION OF ITS TERM EXCEPT FOR GOOD CAUSE. GOOD CAUSE SHALL INCLUDE THE FAILURE OF THE FRANCHISEE TO COMPLY WITH ANY LAWFUL PROVISIONS OF THE FRANCHISE AGREEMENT AND TO CURE SUCH FAILURE AFTER BEING GIVEN WRITTEN NOTICE THEREOF AND A REASONABLE OPPORTUNITY, WHICH IN NO EVENT NEED BE MORE THAN 30 DAYS, TO CURE SUCH FAILURE.

(D) A PROVISION THAT PERMITS A FRANCHISOR TO REFUSE TO RENEW A FRANCHISE WITHOUT FAIRLY COMPENSATING THE FRANCHISEE BY REPURCHASE OR OTHER MEANS FOR THE FAIR MARKET VALUE, AT THE TIME OF EXPIRATION, OF THE FRANCHISEE'S INVENTORY, SUPPLIES, EQUIPMENT, FIXTURES, AND FURNISHINGS. PERSONALIZED MATERIALS WHICH HAVE NO VALUE TO THE FRANCHISOR AND INVENTORY, SUPPLIES, EQUIPMENT, FIXTURES, AND FURNISHINGS NOT REASONABLY REQUIRED IN THE CONDUCT OF THE FRANCHISED BUSINESS ARE NOT SUBJECT TO COMPENSATION. THIS SUBSECTION APPLIES ONLY IF: (i) THE TERM OF THE FRANCHISE IS LESS THAN 5 YEARS; AND (ii) THE FRANCHISEE IS PROHIBITED BY THE FRANCHISE OR OTHER AGREEMENT FROM CONTINUING TO CONDUCT SUBSTANTIALLY THE SAME BUSINESS UNDER ANOTHER TRADEMARK, SERVICE MARK, TRADE NAME, LOGOTYPE, ADVERTISING, OR OTHER COMMERCIAL SYMBOL IN THE SAME AREA SUBSEQUENT TO THE EXPIRATION OF THE FRANCHISE OR THE FRANCHISEE DOES NOT RECEIVE AT LEAST 6 MONTHS ADVANCE NOTICE OF FRANCHISOR'S INTENT NOT TO RENEW THE FRANCHISE.

(E) A PROVISION THAT PERMITS THE FRANCHISOR TO REFUSE TO RENEW A FRANCHISE ON TERMS GENERALLY AVAILABLE TO OTHER FRANCHISEES OF THE SAME CLASS OR TYPE UNDER SIMILAR CIRCUMSTANCES. THIS SECTION DOES NOT REQUIRE A RENEWAL PROVISION.

(F) A PROVISION REQUIRING THAT ARBITRATION OR LITIGATION BE CONDUCTED OUTSIDE THIS STATE. THIS SHALL NOT PRECLUDE THE FRANCHISEE FROM ENTERING INTO AN AGREEMENT, AT THE TIME OF ARBITRATION, TO CONDUCT ARBITRATION AT A LOCATION OUTSIDE THIS STATE.

(G) A PROVISION WHICH PERMITS A FRANCHISOR TO REFUSE TO PERMIT A TRANSFER OF OWNERSHIP OF A FRANCHISE, EXCEPT FOR GOOD CAUSE. THIS SUBDIVISION DOES NOT PREVENT A FRANCHISOR FROM EXERCISING A RIGHT OF FIRST REFUSAL TO PURCHASE THE FRANCHISE. GOOD CAUSE SHALL INCLUDE, BUT IS NOT LIMITED TO:

(i) THE FAILURE OF THE PROPOSED FRANCHISEE TO MEET THE FRANCHISOR'S THEN CURRENT REASONABLE QUALIFICATIONS OR STANDARDS.

(ii) THE FACT THAT THE PROPOSED TRANSFEREE IS A COMPETITOR OF THE FRANCHISOR OR SUBFRANCHISOR.

(iii) THE UNWILLINGNESS OF THE PROPOSED TRANSFEREE TO AGREE IN WRITING TO COMPLY WITH ALL LAWFUL OBLIGATIONS.

(iv) THE FAILURE OF THE FRANCHISEE OR PROPOSED TRANSFEREE TO PAY ANY SUMS OWING TO THE FRANCHISOR OR TO CURE ANY DEFAULT IN THE FRANCHISE AGREEMENT EXISTING AT THE TIME OF THE PROPOSED TRANSFER.

(H) A PROVISION THAT REQUIRES THE FRANCHISEE TO RESELL TO THE FRANCHISOR ITEMS THAT ARE NOT UNIQUELY IDENTIFIED WITH THE FRANCHISOR. THIS SUBDIVISION DOES NOT PROHIBIT A PROVISION THAT GRANTS TO A FRANCHISOR A RIGHT OF FIRST REFUSAL TO PURCHASE THE ASSETS OF A FRANCHISE ON THE SAME TERMS AND CONDITIONS AS A BONA FIDE THIRD PARTY WILLING AND ABLE TO PURCHASE THOSE ASSETS, NOR DOES THIS SUBDIVISION PROHIBIT A PROVISION THAT GRANTS THE FRANCHISOR THE RIGHT TO ACQUIRE THE ASSETS OF A FRANCHISE FOR THE MARKET OR APPRAISED VALUE OF SUCH ASSETS IF THE FRANCHISEE HAS BREACHED THE LAWFUL PROVISIONS OF THE FRANCHISE AGREEMENT AND HAS FAILED TO CURE THE BREACH IN THE MANNER PROVIDED IN SUBDIVISION (C).

(I) A PROVISION WHICH PERMITS THE FRANCHISOR TO DIRECTLY OR INDIRECTLY CONVEY, ASSIGN, OR OTHERWISE TRANSFER ITS OBLIGATIONS TO FULFILL CONTRACTUAL OBLIGATIONS TO THE FRANCHISEE UNLESS PROVISION HAS BEEN MADE FOR PROVIDING THE REQUIRED CONTRACTUAL SERVICES.

* * * *

THE FACT THAT THERE IS A NOTICE OF THIS OFFERING ON FILE WITH THE ATTORNEY GENERAL DOES NOT CONSTITUTE APPROVAL, RECOMMENDATION, OR ENDORSEMENT BY THE ATTORNEY GENERAL.

* * * *

THE NAME AND ADDRESS OF THE FRANCHISOR'S AGENT IN THIS STATE AUTHORIZED TO RECEIVE SERVICE OF PROCESS IS: MICHIGAN ATTORNEY GENERAL'S OFFICE, CORPORATE OVERSIGHT DIVISION, FRANCHISE SECTION 525 WEST OTTAWA STREET, G. MENNEN WILLIAMS BUILDING, 1ST FLOOR, LANSING, MICHIGAN 48913.

ANY QUESTIONS REGARDING THIS NOTICE SHOULD BE DIRECTED TO:

MICHIGAN ATTORNEY GENERAL'S OFFICE
CORPORATE OVERSIGHT DIVISION
FRANCHISE SECTION
525 WEST OTTAWA STREET
G. MENNEN WILLIAMS BUILDING, 1ST FLOOR
LANSING, MICHIGAN 48913

MINNESOTA DISCLOSURE ADDENDUM

In recognition of the requirements of the Minnesota Franchises Law, Minn. Stat. §§ 80C.01 through 80C.22, and of the Rules and Regulations promulgated thereunder by the Minnesota Commissioner of Commerce, Minn. Rules §§ 2860.0100 through 2860.9930, the undersigned acknowledge and agree that the attached QDOBA DISCLOSURE DOCUMENT for use in the State of Minnesota is amended to include the following:

1. Item 5 of the Disclosure Document, "Initial Fees," is supplemented by the following paragraph:

> Based upon the review of our parent's audited financial statements by the State of Minnesota Department of Commerce Securities Section (the "Department"), the Department has required that Company defer the payment of: (1) the Development Fee until the first restaurant required to be developed under a Development Agreement opens for business; and (2) the pre-opening fees for each Restaurant until the relevant Restaurant opens for business. Upon the opening of the first Restaurant that you develop under the Development Agreement, you must pay to Company the Development Fee. Upon the opening of each Restaurant, you must pay to Company the pre-opening fees for that Restaurant.

2. Item 13 of the Disclosure Document, "Trademarks," is supplemented by the following sentence:

> The franchisor will protect the franchisee's right to use the trademarks, service marks, trade names, logotypes or other commercial symbols and/or indemnify the franchisee from any loss, costs or expenses arising out of any claim, suit or demand regarding the use of the name.

3. Item 14 of the Disclosure Document, "Patents, Copyrights, and Proprietary Information," is supplemented by the following sentence:

> The franchisor will protect the franchisee's right to use the trademarks, service marks, trade names, logotypes or other commercial symbols and/or indemnify the franchisee from any loss, costs or expenses arising out of any claim, suit or demand regarding the use of the name.

4. Item 17 of the Disclosure Document, “Renewal, Termination, Transfer, and Dispute Resolution,” is supplemented by the following:

> With respect to franchisees/licensees/developers governed by Minnesota law, we will comply with Minn. Stat. Sec. 80C.14, Subds. 3, 4, and 5 which require, except in certain specified cases, that a franchisee/developer be given 90 days' notice of termination (with 60 days to cure) and 180 days' notice of non-renewal of the Franchise/License/Development Agreement, and that consent to the transfer of the franchise/license/development rights not be unreasonably withheld.
>
> Pursuant to Minn. Rule 2860.4400D, any general release of claims that you or a transferor may have against us or our shareholders, directors, employees and agents, including without limitation claims arising under federal, state, and local laws and regulations, shall exclude claims you or a transferor may have under the Minnesota Franchise Law and the Rules and Regulations promulgated thereunder by the Commissioner of Commerce.
>
> Minn. Stat. § 80C.21 and Minn. Rule 2860.4400J prohibit us from requiring litigation to be conducted outside Minnesota, requiring waiver of a jury trial, or requiring you to consent to liquidated damages, termination penalties or judgment notes. In addition, nothing in the disclosure document or agreement can abrogate or reduce any of your rights as provided for in Minnesota Statutes, Chapter 80C, or your rights to jury trial, any procedure, forum, or remedies as may be provided for by the laws of the jurisdiction.
>
> Any claim made pursuant to Minn. Stat. § 80C.17 may be brought within three (3) years after the cause of action accrues. (Minn. Stat. § 80C.17, Subd. 5.)

5. To the extent this Addendum is deemed to be inconsistent with the Disclosure Document, the terms of this Addendum shall govern.

MINNESOTA FRANCHISE AGREEMENT AMENDMENT

In recognition of the requirements of the Minnesota Franchises Law, Minn. Stat. §§ 80C.01 through 80C.22, and of the Rules and Regulations promulgated thereunder by the Minnesota Commissioner of Commerce, Minn. Rules §§ 2860.0100 through 2860.9930, the parties to the attached QDOBA FRANCHISE AGREEMENT (the "Agreement") agree as follows:

1. Section 3.1 of the Agreement, is supplemented by the following:

> Notwithstanding the foregoing, in the State of Minnesota, QRC will defer the payment of the franchise fee until the Franchised Business opens for business. Upon the opening of the Franchised Business, Franchisee shall pay to QRC the franchise fee.

2. Section 21 of the Agreement, "Ownership and Use of Marks," is supplemented by the following sentence:

> Company will protect the Franchisee's right to use the trademarks, service marks, trade names, logotypes or other commercial symbols and/or indemnify Franchisee from any loss, costs or expenses arising out of any claim, suit or demand regarding the use of the name.

3. Section 2.2.10 of the Agreement, under the heading "Term and Renewal," is supplemented by the following:

> The general release required as a condition of assignment or transfer shall not apply to any claims that arise under Minnesota Law regulating franchises. (Minn. Rule Part 260.4400D.)

4. Section 25.2.2.4 of the Agreement, under the heading "Transfer by Franchisee," is supplemented by the following:

> The general release required as a condition of assignment or transfer shall not apply to any claims that arise under Minnesota Law regulating franchises. (Minn. Rule Part 260.4400D.)

5. The following is added as Section 28.5, under the heading "Default and Termination":

> With respect to franchises governed by Minnesota Law, the franchisor will comply with Minn. Stat. § 80C.14, Subds. 3, 4 and 5 which require, except in certain specified cases, that Franchisee be given 90 days' notice of termination (with 60 days to cure) and 180 days' notice for non-renewal of the franchise agreement, and that

consent to the transfer of the franchise rights not be unreasonably withheld.

6. Section 32.8 of the Agreement, "Limitations on Actions," is supplemented by the following:

> Minn. Stat. § 80C.21 and Minn. Rule 2860.4400J prohibit Company from requiring litigation to be conducted outside Minnesota, requiring waiver of a jury trial, or requiring Franchisee to consent to liquidated damages, termination penalties or judgment notes. In addition, nothing in the disclosure document or agreement can abrogate or reduce any of Franchisee's rights as provided for in Minnesota Statutes, Chapter 80C, or Franchisee's rights to jury trial, any procedure, forum, or remedies as may be provided for by the laws of the jurisdiction.
>
> Any claim made pursuant to Minn. Stat. § 80C.17, may be brought within three (3) years after the cause of action accrues. (Minn. Stat. § 80C.17, Subd. 5.)

7. Section 34 of the Agreement, under the heading "Release," is supplemented by the following:

> The general release required as a condition to the Agreement shall not apply to any claims that arise under Minnesota Law regulating franchises. (Minn. Rule Part 260.4400D.)

8. To the extent this Amendment is deemed to be inconsistent with any terms or conditions of the Agreement, the terms of this Amendment shall govern.

[SIGNATURES ON NEXT PAGE]

IN WITNESS WHEREOF, the parties hereto have duly executed and delivered this Amendment to the Agreement on the same date as the Agreement was executed.

QRC:	**FRANCHISEE:**
QDOBA RESTAURANT CORPORATION	COMPANY NAME
a Colorado corporation	a state corporation/limited liability company
By: _____	By: _____
Name: _____	Name: _____
Title: _____	Title: _____
Date: _____	Date: _____
By: _____	By: _____
Name: _____	Name: _____
Title: _____	Title: _____
Date: _____	Date: _____

MINNESOTA LICENSE AGREEMENT AMENDMENT

In recognition of the requirements of the Minnesota Franchises Law, Minn. Stat. §§ 80C.01 through 80C.22, and of the Rules and Regulations promulgated thereunder by the Minnesota Commissioner of Commerce, Minn. Rules §§ 2860.0100 through 2860.9930, the parties to the attached QDOBA LICENSE AGREEMENT (the "Agreement") agree as follows:

1. The following is added to the end of Section 2.A. of the Agreement:

   Notwithstanding anything to the contrary, in the State of Minnesota, QRC will defer the payment of the License Fee until the Licensed Restaurant opens for business. Upon the opening, Licensee shall pay to QRC the License Fee.

2. The following is added to the Agreement:

   QRC will protect the Licensee's right to use the trademarks, service marks, trade names, logotypes or other commercial symbols and/or indemnify Licensee from any loss, costs or expenses arising out of any claim, suit or demand regarding the use of the name.

3. The following sentence is added to the end of Section 15, under the heading "Assignment by Licensee":

   The general release required as a condition of assignment or transfer shall not apply to any claims that arise under Minnesota Law regulating franchises. (Minn. Rule Part 260.4400D.)

4. The following is added as to the end of Section 16, under the heading "Termination":

   With respect to franchises governed by Minnesota Law, the franchisor will comply with Minn. Stat. § 80C.14, Subds. 3, 4 and 5 which require, except in certain specified cases, that Licensee be given 90 days' notice of termination (with 60 days to cure) and 180 days' notice for non-renewal of the license agreement, and that consent to the transfer of the franchise rights not be unreasonably withheld.

5. The following is added at the end of Section 19.B., under the heading "Governing Law, Jurisdiction, and Venue":

   Minn. Stat. § 80C.21 and Minn. Rule 2860.4400J prohibit QRC from requiring litigation to be conducted outside Minnesota, requiring waiver of a jury trial, or requiring Licensee to consent to liquidated

damages, termination penalties or judgment notes. In addition, nothing in the disclosure document or agreement can abrogate or reduce any of Licensee's rights as provided for in Minnesota Statutes, Chapter 80C, or Licensee's rights to jury trial, any procedure, forum, or remedies as may be provided for by the laws of the jurisdiction.

Any claim made pursuant to Minn. Stat. § 80C.17, may be brought within three (3) years after the cause of action accrues. (Minn. Stat. § 80C.17, Subd. 5.)

6. The following sentence is added to the end of Section 19.E. under the heading "Release":

The general release required as a condition to the Agreement shall not apply to any claims that arise under Minnesota Law regulating franchises. (Minn. Rule Part 260.4400D.)

7. To the extent this Amendment is deemed to be inconsistent with any terms or conditions of the Agreement, the terms of this Amendment shall govern.

IN WITNESS WHEREOF, the parties hereto have duly executed and delivered this Amendment to the Agreement on the same date as the Agreement was executed.

QRC:	**LICENSEE:**
QDOBA RESTAURANT CORPORATION	COMPANY NAME
a Colorado corporation	a state corporation/limited liability company
By: _____	By: _____
Name: _____	Name: _____
Title: _____	Title: _____
Date: _____	Date: _____
By: _____	By: _____
Name: _____	Name: _____
Title: _____	Title: _____
Date: _____	Date: _____

MINNESOTA DEVELOPMENT AGREEMENT AMENDMENT

In recognition of the requirements of the Minnesota Franchises Law, Minn. Stat. §§ 80C.01 through 80C.22, and of the Rules and Regulations promulgated thereunder by the Minnesota Commissioner of Commerce, Minn. Rules §§ 2860.0100 through 2860.9930, the parties to the attached QDOBA DEVELOPMENT AGREEMENT (the "Agreement") agree as follows:

1. The following is added to the end of Section 5 of the Agreement:

> Notwithstanding the foregoing, in the State of Minnesota, Company will defer the payment of the Development Fee until the first restaurant that you develop under this Agreement opens for business. Upon the opening of the first restaurant, Developer shall pay to Company the Development Fee.

2. Section 8 of the Agreement, "Ownership and Use of Marks," is supplemented by the following sentence:

> Company will protect Developer's right to use the trademarks, service marks, trade names, logotypes or other commercial symbols and/or indemnify Developer from any loss, costs or expenses arising out of any claim, suit or demand regarding the use of the name

3. The following is added as Section 14.6 of the Agreement, under the heading "Default and Termination":

> With respect to development rights governed by Minnesota Law, the franchisor will comply with Minn. Stat. § 80C.14, Subds. 3, 4 and 5, which require, except in certain specified cases, that a Developer be given 90 days' notice of termination (with 60 days to cure) and 180 days' notice for non-renewal of the development agreement, and that consent to the transfer of the development rights not be unreasonably withheld.

4. Section 19.7 of the Agreement, "Limitations on Actions," is supplemented by the following:

> Minn. Stat. § 80C.21 and Minn. Rule 2860.4400J prohibit Company from requiring litigation to be conducted outside Minnesota, requiring waiver of a jury trial, or requiring Developer to consent to liquidated damages, termination penalties or judgment notes. In addition, nothing in the disclosure document or agreement can abrogate or reduce any of Developer's rights as provided for in Minnesota Statutes, Chapter 80C, or Developer's rights to jury trial,

any procedure, forum, or remedies as may be provided for by the laws of the jurisdiction.

Any claim made pursuant to Minn. Stat. § 80C.17, may be brought within three (3) years after the cause of action accrues. (Minn. Stat. § 80C.17, Subd. 5.)

5. Section 21 of the Agreement, under the heading "Release," is supplemented by the following:

The general release required as a condition to the Agreement shall not apply to any claims that arise under Minnesota Law regulating franchises. (Minn. Rule Part 260.4400D.)

6. To the extent this Amendment is deemed to be inconsistent with any terms or conditions of the Agreement, the terms of this Amendment shall govern.

IN WITNESS WHEREOF, the parties hereto have duly executed and delivered this Amendment to the Agreement on the same date as the Agreement was executed.

COMPANY:	**DEVELOPER:**
QDOBA RESTAURANT CORPORATION	COMPANY NAME
a Colorado corporation	a state corporation/limited liability company
By: _____	By: _____
Name: _____	Name: _____
Title: _____	Title: _____
Date: _____	Date: _____
By: _____	By: _____
Name: _____	Name: _____
Title: _____	Title: _____
Date: _____	Date: _____

NEW YORK DISCLOSURE ADDENDUM

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 B 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, NY 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.

STATEMENT OF DISCLOSURE DOCUMENT ACCURACY

THE FRANCHISOR REPRESENTS THAT THIS DISCLOSURE DOCUMENT DOES NOT KNOWINGLY OMIT ANY MATERIAL FACT OR CONTAIN ANY UNTRUE STATEMENT OF A MATERIAL FACT.

NEW YORK FRANCHISE AGREEMENT AMENDMENT

In recognition of the requirements of the New York General Business Law, Article 33, Sections 680 through 695, and of the regulations promulgated thereunder (N.Y. Comp. Code R. & Regs., tit. 13, §§ 200.1 through 201.16), the parties to the attached QDOBA FRANCHISE AGREEMENT (the "Agreement") agree as follows:

1. Section 24.8 of the Agreement, "Confidential Information," is deleted and replaced by the following paragraph:

> Franchisee understands and acknowledges that any failure to comply with the requirements of this Section 24 will result in substantial injury and damage to Company for which there is no adequate remedy at law. For these reasons, if Franchisee violates or threatens to violate any term of this provision, the Company will be entitled to, in addition to any other remedies and damages available, injunctive or other equitable relief, to restrain the violation of this provision by Franchisee and its agents or employees. Franchisee agrees to pay all court costs and reasonable attorneys' fees incurred by Company in seeking specific performance of, or an injunction against violation of, the requirements of this Section 24, in addition to any other claims to which Company may be entitled.

2. Section 2.2.10 of the Agreement, "Term and Renewal," is supplemented by the following:

> Article 33, Section 687.5, of the New York General Business Law states that it is unlawful to require a franchisee to assent to a release, assignment, novation, waiver or estoppel which would relieve a person from any duty or liability imposed by this article.

3. Section 25.2.2.4 of the Agreement, "Transfer by Franchisee," is supplemented by the following:

> Article 33, Section 687.5, of the New York General Business Law states that it is unlawful to require a franchisee to assent to a release, assignment, novation, waiver or estoppel which would relieve a person from any duty or liability imposed by this article

4. Section 32.8 of the Agreement, "Limitations on Actions," is supplemented by adding the following language:

> Nothing in this Agreement should be considered a waiver of any right conferred upon Franchisee by New York General Business Law, Sections 680-695.

5. Section 34 of the Agreement, "Release," is supplemented by the following:

> Article 33, Section 687.5, of the New York General Business Law states that it is unlawful to require a franchisee to assent to a release, assignment, novation, waiver or estoppel which would relieve a person from any duty or liability imposed by this article.

6. There are circumstances in which an offering made by QDOBA RESTAURANT CORPORATION would not fall within the scope of the New York General Business Law, Article 33, such as when the offer and acceptance occurred outside the state of New York. However, an offer or sale is deemed made in New York if Franchisee is domiciled in or the franchise will be opening in New York. QDOBA RESTAURANT CORPORATION is required to furnish a New York prospectus to every prospective franchisee who is protected under the New York General Business Law, Article 33.

7. To the extent this Amendment is deemed to be inconsistent with any terms or conditions of the Agreement, the terms of this Amendment shall govern.

IN WITNESS WHEREOF, the parties hereto have duly executed and delivered this Amendment to the Agreement on the same date as the Agreement was executed.

QRC:	**FRANCHISEE:**
QDOBA RESTAURANT CORPORATION	COMPANY NAME
a Colorado corporation	a state corporation/limited liability company
By: _____	By: _____
Name: _____	Name: _____
Title: _____	Title: _____
Date: _____	Date: _____
By: _____	By: _____
Name: _____	Name: _____
Title: _____	Title: _____
Date: _____	Date: _____

NEW YORK LICENSE AGREEMENT AMENDMENT

In recognition of the requirements of the New York General Business Law, Article 33, Sections 680 through 695, and of the regulations promulgated thereunder (N.Y. Comp. Code R. & Regs., tit. 13, §§ 200.1 through 201.16), the parties to the attached QDOBA LICENSE AGREEMENT (the "Agreement") agree as follows:

1. The following sentence is added to the end of Section 15, under the heading "Assignment by Licensee":

> Article 33, Section 687.5, of the New York General Business Law states that it is unlawful to require a licensee to assent to a release, assignment, novation, waiver or estoppel which would relieve a person from any duty or liability imposed by this article.

2. The following is added at the end of Section 19, under the heading "Miscellaneous: General Conditions":

> Nothing in this Agreement should be considered a waiver of any right conferred upon Licensee by New York General Business Law, Sections 680-695.

3. Section 19.E. of the Agreement, "Release," is supplemented by the following:

> Article 33, Section 687.5, of the New York General Business Law states that it is unlawful to require a licensee to assent to a release, assignment, novation, waiver or estoppel which would relieve a person from any duty or liability imposed by this article.

4. There are circumstances in which an offering made by QDOBA RESTAURANT CORPORATION would not fall within the scope of the New York General Business Law, Article 33, such as when the offer and acceptance occurred outside the state of New York. However, an offer or sale is deemed made in New York if Licensee is domiciled in or the license will be opening in New York. QDOBA RESTAURANT CORPORATION is required to furnish a New York prospectus to every prospective licensee who is protected under the New York General Business Law, Article 33.

5. To the extent this Amendment is deemed to be inconsistent with any terms or conditions of the Agreement, the terms of this Amendment shall govern.

[SIGNATURES ON NEXT PAGE]

IN WITNESS WHEREOF, the parties hereto have duly executed and delivered this Amendment to the Agreement on the same date as the Agreement was executed.

QRC:	**LICENSEE:**
QDOBA RESTAURANT CORPORATION	COMPANY NAME
a Colorado corporation	a state corporation/limited liability company
By: _____	By: _____
Name: _____	Name: _____
Title: _____	Title: _____
Date: _____	Date: _____
By: _____	By: _____
Name: _____	Name: _____
Title: _____	Title: _____
Date: _____	Date: _____

NEW YORK DEVELOPMENT AGREEMENT AMENDMENT

In recognition of the requirements of the New York General Business Law, Article 33, Sections 680 through 695, and of the regulations promulgated thereunder (N.Y. Comp. Code R. & Regs., tit. 13, §§ 200.1 through 201.16), the parties to the attached QDOBA DEVELOPMENT AGREEMENT (the "Agreement") agree as follows:

1. Section 10.8 of the Agreement, under the heading "Confidential Information," is deleted and replaced by the following paragraph:

> Developer understands and acknowledges that any failure to comply with the requirements of this Section 10 will result in substantial injury and damage to Company for which there is no adequate remedy at law. For these reasons, if Developer violates or threatens to violate any term of this provision, the Company will be entitled, in addition to any other remedies and damages available, to injunctive or other equitable relief to restrain the violation of this provision by Developer and its agents or employees. Developer agrees to pay all court costs and reasonable attorneys' fees incurred by Company in seeking specific performance of, or an injunction against violation of, the requirements of this Section 10, in addition to any other claims to which Company may be entitled.

2. Section 19.7 of the Agreement, under the heading "Limitations on Actions," is supplemented by adding the following language:

> Nothing in this Agreement should be considered a waiver of any right conferred upon Franchisee by New York General Business Law, Sections 680-695.

3. Section 21 of the Agreement, "Release," is supplemented by the following:

> Article 33, Section 687.5, of the New York General Business Law states that it is unlawful to require a franchisee to assent to a release, assignment, novation, waiver or estoppel which would relieve a person from any duty or liability imposed by this article.

4. There are circumstances in which an offering made by QDOBA RESTAURANT CORPORATION would not fall within the scope of the New York General Business Law, Article 33, such as when the offer and acceptance occurred outside the state of New York. However, an offer or sale is deemed made in New York if Developer is domiciled in or the franchise will be opening in New York. QDOBA RESTAURANT CORPORATION is required to furnish a New York prospectus to every prospective developer who is protected under the New York General Business Law, Article 33.

5. To the extent this Amendment is deemed to be inconsistent with any terms or conditions of the Agreement, the terms of this Amendment shall govern.

IN WITNESS WHEREOF, the parties hereto have duly executed and delivered this Amendment to the Agreement on the same date as the Agreement was executed.

COMPANY: QDOBA RESTAURANT CORPORATION a Colorado corporation	**DEVELOPER:** COMPANY NAME a state corporation/limited liability company
By: _____	By: _____
Name: _____	Name: _____
Title: _____	Title: _____
Date: _____	Date: _____
By: _____	By: _____
Name: _____	Name: _____
Title: _____	Title: _____
Date: _____	Date: _____

NORTH DAKOTA DISCLOSURE ADDENDUM

In recognition of the requirements of the North Dakota Franchise Investment Law, N.D. Cent. Code, §§ 51 19 01 through 51 19 17, and the policies of the office of the State of North Dakota Securities Commission, the undersigned acknowledge and agree that the attached QDOBA DISCLOSURE DOCUMENT for use in the State of North Dakota is amended as follows:

1. Item 5 of the Disclosure Document, "Initial Fees," is supplemented by the following paragraph:

> Based upon QRC's financial condition, the North Dakota Securities Commissioner requires Company to defer payment of the initial franchise fee and other initial payments owed by franchisees to Company until the Company has fulfilled its initial pre-opening obligations under the Franchise Agreement and the franchise is open for business.

2. The North Dakota Securities Commissioner has held the following to be unfair, unjust, or inequitable to North Dakota franchisees (Section 51-19-09, N.D.C.C.):

> A. Restrictive Covenants: Franchise Disclosure Documents which disclose the existence of covenants restricting competition contrary to Section 9-08-06, N.D.C.C., without further disclosing that such covenants will be subject to this statute.
>
> B. Situs of Arbitration Proceedings: Franchise agreements providing that the parties must agree to arbitrate disputes at a location that is remote from the site of the franchisee's business.
>
> C. Restriction on Forum: Requiring North Dakota franchisees to consent to the jurisdiction of courts outside of North Dakota.
>
> D. Liquidated Damages and Termination Penalties: Requiring North Dakota franchisees to consent to liquidated damages or termination penalties.
>
> E. Applicable Laws: Franchise Agreements which specify that any claims arising under the North Dakota franchise law will be governed by the laws of a state other than North Dakota.
>
> F. Waiver of Trial by Jury: Requiring North Dakota franchisees to consent to the waiver of a trial by jury.

G. Waiver of Exemplary and Punitive Damages: Requiring North Dakota franchisees to consent to a waiver of exemplary and punitive damages.

H. General Release: Requiring North Dakota franchisees to execute a general release of claims as a condition of renewal or transfer of a franchise.

3. To the extent this Addendum is deemed to be inconsistent with the Disclosure Document, the terms of this Addendum shall govern.

NORTH DAKOTA FRANCHISE AGREEMENT AMENDMENT

In recognition of the requirements of the North Dakota Franchise Investment Law, N.D. Cent. Code, §§ 51 19 01 through 51 19 17, and the policies of the office of the State of North Dakota Securities Commission, the attached QDOBA FRANCHISE AGREEMENT (the "Agreement") is supplemented as follows:

1. The Agreement is amended by adding the following Section 3.1:

   Based upon QRC's financial condition, the North Dakota Securities Commissioner has required a financial assurance. Therefore, all initial fees and payments owed by Franchisee shall be deferred until the Franchisee has (a) received all pre-opening and initial training obligations that it is entitled to under this Agreement and (b) is open for business.

2. The Agreement is amended by adding the following Section 36:

   L. The parties acknowledge and agree that they have been advised that the North Dakota Securities Commissioner has determined the following agreement provisions are unfair, unjust or inequitable to North Dakota franchisees (Section 51-19-09, N.D.C.C.):

      1. Restrictive Covenants: Any provision which discloses the existence of covenants restricting competition contrary to Section 9-08-06, N.D.C.C., without further disclosing that such covenants will be subject to this statute.

      2. Situs of Arbitration Proceedings: Any provision requiring that the parties must agree to arbitrate disputes at a location that is remote from the site of the franchisee's business.

      3. Restriction on Forum: Any provision requiring North Dakota franchisees to consent to the jurisdiction of courts outside of North Dakota.

      4. Liquidated Damages and Termination Penalties: Any provision requiring North Dakota franchisees to consent to liquidated damages or termination penalties.

      5. Applicable Laws: Any provision which specifies that any claims arising under the North

Dakota franchise law will be governed by the laws of a state other than North Dakota.

6. Waiver of Trial by Jury: Any provision requiring North Dakota franchisees to consent to the waiver of a trial by jury.

7. Waiver of Exemplary and Punitive Damages: Any provision requiring North Dakota franchisees to consent to a waiver of exemplary and punitive damages.

8. General Release: Any provision requiring North Dakota franchisees to execute a general release of claims as a condition of the Agreement, renewal or transfer of a franchise.

3. To the extent this Amendment is deemed to be inconsistent with any terms or conditions of the Agreement, the terms of this Amendment shall govern.

IN WITNESS WHEREOF, the parties hereto have duly executed and delivered this Amendment to the Agreement on the same date as the Agreement was executed.

QRC:	**FRANCHISEE:**
QDOBA RESTAURANT CORPORATION	COMPANY NAME
a Colorado corporation	a state corporation/limited liability company
By: _____	By: _____
Name: _____	Name: _____
Title: _____	Title: _____
Date: _____	Date: _____
By: _____	By: _____
Name: _____	Name: _____
Title: _____	Title: _____
Date: _____	Date: _____

NORTH DAKOTA LICENSE AGREEMENT AMENDMENT

In recognition of the requirements of the North Dakota Franchise Investment Law, N.D. Cent. Code, §§ 51 19 01 through 51 19 17, and the policies of the office of the State of North Dakota Securities Commission, the attached QDOBA LICENSE AGREEMENT (the "Agreement") is supplemented as follows:

1. The following is added to the end of Section 2.A. of the Agreement:

   In lieu of an impound of franchise fees, QRC will not require or accept the payment of any initial franchise fees until the Licensee has (a) received all pre-opening and initial training obligations that it is entitled to under this Agreement and (b) is open for business.

2. The Agreement is amended by adding the following Section 20:

   L. The parties acknowledge and agree that they have been advised that the North Dakota Securities Commissioner has determined the following agreement provisions are unfair, unjust or inequitable to North Dakota franchisees (Section 51-19-09, N.D.C.C.):

      1. Restrictive Covenants: Any provision which discloses the existence of covenants restricting competition contrary to Section 9-08-06, N.D.C.C., without further disclosing that such covenants will be subject to this statute.

      2. Situs of Arbitration Proceedings: Any provision requiring that the parties must agree to arbitrate disputes at a location that is remote from the site of the franchisee's business.

      3. Restriction on Forum: Any provision requiring North Dakota franchisees to consent to the jurisdiction of courts outside of North Dakota.

      4. Liquidated Damages and Termination Penalties: Any provision requiring North Dakota franchisees to consent to liquidated damages or termination penalties.

      5. Applicable Laws: Any provision which specifies that any claims arising under the North Dakota franchise law will be governed by the laws of a state other than North Dakota.

6. Waiver of Trial by Jury: Any provision requiring North Dakota franchisees to consent to the waiver of a trial by jury.

7. Waiver of Exemplary and Punitive Damages: Any provision requiring North Dakota franchisees to consent to a waiver of exemplary and punitive damages.

8. General Release: Any provision requiring North Dakota franchisees to execute a general release of claims as a condition of the Agreement, renewal or transfer of a franchise.

3. To the extent this Amendment is deemed to be inconsistent with any terms or conditions of the Agreement, the terms of this Amendment shall govern.

IN WITNESS WHEREOF, the parties hereto have duly executed and delivered this Amendment to the Agreement on the same date as the Agreement was executed.

QRC:	**LICENSEE:**
QDOBA RESTAURANT CORPORATION	COMPANY NAME
a Colorado corporation	a state corporation/limited liability company
By: _____	By: _____
Name: _____	Name: _____
Title: _____	Title: _____
Date: _____	Date: _____
By: _____	By: _____
Name: _____	Name: _____
Title: _____	Title: _____
Date: _____	Date: _____

NORTH DAKOTA DEVELOPMENT AGREEMENT AMENDMENT

In recognition of the requirements of the North Dakota Franchise Investment Law, N.D. Cent. Code, §§ 51 19 01 through 51 19 17, and the policies of the office of the State of North Dakota Securities Commission, the attached QDOBA DEVELOPMENT AGREEMENT (the "Agreement") is supplemented as follows:

1. The Agreement is amended by adding the following Section 5:

   Based upon QRC's financial condition, the North Dakota Securities Commissioner has required a financial assurance. Therefore, Company will defer the payment of the Development Fee until the first restaurant that you develop under this Agreement opens for business. Upon the opening of the first restaurant, Developer shall pay to Company the Development Fee

2. The Agreement is amended by adding the following Section 22:

   D. The parties acknowledge and agree that they have been advised that the North Dakota Securities Commissioner has determined the following agreement provisions are unfair, unjust or inequitable to North Dakota franchisees (Section 51-19-09, N.D.C.C.):

      1. Restrictive Covenants: Any provision which discloses the existence of covenants restricting competition contrary to Section 9-08-06, N.D.C.C., without further disclosing that such covenants will be subject to this statute.

      2. Situs of Arbitration Proceedings: Any provision requiring that the parties must agree to arbitrate disputes at a location that is remote from the site of the franchisee's business.

      3. Restriction on Forum: Any provision requiring North Dakota franchisees to consent to the jurisdiction of courts outside of North Dakota.

      4. Liquidated Damages and Termination Penalties: Any provision requiring North Dakota franchisees to consent to liquidated damages or termination penalties.

5. Applicable Laws: Any provision which specifies that any claims arising under the North Dakota franchise law will be governed by the laws of a state other than North Dakota.

6. Waiver of Trial by Jury: Any provision requiring North Dakota franchisees to consent to the waiver of a trial by jury.

7. Waiver of Exemplary and Punitive Damages: Any provision requiring North Dakota franchisees to consent to a waiver of exemplary and punitive damages.

8. General Release: Any provision requiring North Dakota franchisees to execute a general release of claims as a condition of the Agreement, renewal or transfer of a franchise.

3. To the extent this Amendment is deemed to be inconsistent with any terms or conditions of the Agreement, the terms of this Amendment shall govern.

IN WITNESS WHEREOF, the parties hereto have duly executed and delivered this Amendment to the Agreement on the same date as the Agreement was executed.

COMPANY:	**DEVELOPER:**
QDOBA RESTAURANT CORPORATION	COMPANY NAME
a Colorado corporation	a state corporation/limited liability company
By: _____	By: _____
Name: _____	Name: _____
Title: _____	Title: _____
Date: _____	Date: _____
By: _____	By: _____
Name: _____	Name: _____
Title: _____	Title: _____
Date: _____	Date: _____

RHODE ISLAND DISCLOSURE ADDENDUM

In recognition of the requirements of the Rhode Island Franchise Investment Act, §§ 19 28.1-1 through 19-28.1-34, the QDOBA DISCLOSURE DOCUMENT for use in the State of Rhode Island is amended to include the following:

1. The following language is added to Item 17, "Renewal, Termination, Transfer and Dispute Resolution":

> § 19-28.1-14 of the Rhode Island Franchise Investment Act provides that "A provision in a franchise agreement restricting jurisdiction or venue to a forum outside this state or requiring the application of the laws of another state is void with respect to a claim otherwise enforceable under this Act."

2. To the extent this Addendum is deemed to be inconsistent with the Disclosure Document, the terms of this Addendum shall govern.

RHODE ISLAND FRANCHISE AGREEMENT AMENDMENT

In recognition of the requirements of the Rhode Island Franchise Investment Act, §§ 19 28.1-1 through 19-28.1-34, the parties to the attached QDOBA FRANCHISE AGREEMENT (the "Agreement") agree as follows:

1. Section 32.8 of the Agreement, under the heading "Limitations on Actions," is supplemented by adding the following:

> § 19-28.1-14 of the Rhode Island Franchise Investment Act provides that "A provision in a franchise agreement restricting jurisdiction or venue to a forum outside this state or requiring the application of the laws of another state is void with respect to a claim otherwise enforceable under this Act."

2. To the extent this Amendment is deemed to be inconsistent with any terms or conditions of the Agreement, the terms of this Amendment shall govern.

IN WITNESS WHEREOF, the parties hereto have duly executed and delivered this Amendment to the Agreement on the same date as the Agreement was executed.

QRC:	**FRANCHISEE:**
QDOBA RESTAURANT CORPORATION	COMPANY NAME
a Colorado corporation	a state corporation/limited liability company
By: _____	By: _____
Name: _____	Name: _____
Title: _____	Title: _____
Date: _____	Date: _____
By: _____	By: _____
Name: _____	Name: _____
Title: _____	Title: _____
Date: _____	Date: _____

RHODE ISLAND LICENSE AGREEMENT AMENDMENT

In recognition of the requirements of the Rhode Island Franchise Investment Act, §§ 19 28.1-1 through 19-28.1-34, the parties to the attached QDOBA LICENSE AGREEMENT (the "Agreement") agree as follows:

1. Section 19.B. of the Agreement, under the heading "Governing Law, Jurisdiction, and Venue," is supplemented by adding the following:

> § 19-28.1-14 of the Rhode Island Franchise Investment Act provides that "A provision in a franchise agreement restricting jurisdiction or venue to a forum outside this state or requiring the application of the laws of another state is void with respect to a claim otherwise enforceable under this Act."

2. To the extent this Amendment is deemed to be inconsistent with any terms or conditions of the Agreement, the terms of this Amendment shall govern.

IN WITNESS WHEREOF, the parties hereto have duly executed and delivered this Amendment to the Agreement on the same date as the Agreement was executed.

QRC:	**LICENSEE:**
QDOBA RESTAURANT CORPORATION	COMPANY NAME
a Colorado corporation	a state corporation/limited liability company
By: _____	By: _____
Name: _____	Name: _____
Title: _____	Title: _____
Date: _____	Date: _____
By: _____	By: _____
Name: _____	Name: _____
Title: _____	Title: _____
Date: _____	Date: _____

RHODE ISLAND DEVELOPMENT AGREEMENT AMENDMENT

In recognition of the requirements of the Rhode Island Franchise Investment Act, §§ 19 28.1-1 through 19-28.1-34, the parties to the attached QDOBA DEVELOPMENT AGREEMENT (the "Agreement") agree as follows:

1. Section 19.7 of the Agreement, under the heading "Limitations on Actions," is supplemented by adding the following:

> § 19-28.1-14 of the Rhode Island Franchise Investment Act provides that "A provision in a franchise agreement restricting jurisdiction or venue to a forum outside this state or requiring the application of the laws of another state is void with respect to a claim otherwise enforceable under this Act."

2. To the extent this Amendment is deemed to be inconsistent with any terms or conditions of the Agreement, the terms of this Amendment shall govern.

IN WITNESS WHEREOF, the parties hereto have duly executed and delivered this Amendment to the Agreement on the same date as the Agreement was executed.

COMPANY:	**DEVELOPER:**
QDOBA RESTAURANT CORPORATION	COMPANY NAME
a Colorado corporation	a state corporation/limited liability company
By: _____	By: _____
Name: _____	Name: _____
Title: _____	Title: _____
Date: _____	Date: _____
By: _____	By: _____
Name: _____	Name: _____
Title: _____	Title: _____
Date: _____	Date: _____

VIRGINIA DISCLOSURE ADDENDUM

In recognition of the Virginia Retail Franchising Act, Virginia Code Sections 13,1-557 et seq., ("Franchise Act"), the QDOBA DISCLOSURE DOCUMENT for use in the State of Virginia is amended to include the following:

1. Item 5 of the Disclosure Document, "Initial Fees," is supplemented by the following paragraph:

> The Virginia State Corporation Commission's Division of Securities and Retail Franchising requires Company to defer payment of the initial franchise fee and other initial payments owed by franchisees to Company until Company has completed its pre-opening obligations under the franchise agreement.

2. Item 17 of the Disclosure Document, "Renewal, Termination, Transfer and Dispute Resolution," is supplemented by adding the following statement:

> Section 13.1-571 of the Franchise Act provides that any condition, stipulation or provision binding any person to waive compliance with any provision of the Franchise Act or of any rule or order under the Franchise Act is void.

3. To the extent this Addendum is deemed to be inconsistent with the Disclosure Document, the terms of this Addendum shall govern.

VIRGINIA FRANCHISE AGREEMENT AMENDMENT

In recognition of the requirements of the Virginia Retail Franchising Act, Va. Code Ann. § 13.1-557, and the Virginia Retail Franchising Act Rule, VAC 5-110-65, the parties to the attached QDOBA FRANCHISE AGREEMENT (the "Agreement") agree as follows:

2. The following is added to the end of Section 3.1. of the Agreement:

> The Virginia State Corporation Commission's Division of Securities and Retail Franchising requires QRC to defer payment of the initial franchise fee and other initial payments owed by franchisees to QRC until QRC has completed its pre-opening obligations under the franchise agreement.

IN WITNESS WHEREOF, the parties hereto have duly executed and delivered this Amendment to the Agreement on the same date as the Agreement was executed.

QRC:	**FRANCHISEE:**
QDOBA RESTAURANT CORPORATION	COMPANY NAME
a Colorado corporation	a state corporation/limited liability company
By: _____	By: _____
Name: _____	Name: _____
Title: _____	Title: _____
Date: _____	Date: _____
By: _____	By: _____
Name: _____	Name: _____
Title: _____	Title: _____
Date: _____	Date: _____

VIRGINIA LICENSE AGREEMENT AMENDMENT

In recognition of the requirements of the Virginia Retail Franchising Act, Va. Code Ann. § 13.1-557, and the Virginia Retail Franchising Act Rule, VAC 5-110-65, the parties to the attached QDOBA LICENSE AGREEMENT (the "Agreement") agree as follows:

2. The following is added to the end of Section 2.A. of the Agreement:

> Notwithstanding the foregoing, the Virginia State Corporation Commission's Division of Securities and Retail Franchising requires QRC to defer the payment of the License Fee until the Licensed Restaurant opens for business. Upon the opening of the Licensed Restaurant, Licensee shall pay to QRC the License Fee.

IN WITNESS WHEREOF, the parties hereto have duly executed and delivered this Amendment to the Agreement on the same date as the Agreement was executed.

QRC:	**FRANCHISEE:**
QDOBA RESTAURANT CORPORATION	COMPANY NAME
a Colorado corporation	a state corporation/limited liability company
By: _____	By: _____
Name: _____	Name: _____
Title: _____	Title: _____
Date: _____	Date: _____
By: _____	By: _____
Name: _____	Name: _____
Title: _____	Title: _____
Date: _____	Date: _____

VIRGINIA DEVELOPMENT AGREEMENT AMENDMENT

In recognition of the requirements of the Virginia Retail Franchising Act, Va. Code Ann. § 13.1-557 (West), and Virginia Retail Franchising Act Rule, VAC 5-110-65, the parties to the attached QDOBA DEVELOPMENT AGREEMENT (the "Agreement") agree as follows:

2. The following is added to the end of Section 5 of the Agreement:

   The Virginia State Corporation Commission's Division of Securities and Retail Franchising requires Company to defer the payment of the Development Fee until the first restaurant that you develop under this Agreement opens for business. Upon the opening of the first restaurant, Developer shall pay to Company the Development Fee.

IN WITNESS WHEREOF, the parties hereto have duly executed and delivered this Amendment to the Agreement on the same date as the Agreement was executed.

COMPANY: QDOBA RESTAURANT CORPORATION a Colorado corporation	**FRANCHISEE:** COMPANY NAME a state corporation/limited liability company
By: _____	By: _____
Name: _____	Name: _____
Title: _____	Title: _____
Date: _____	Date: _____
By: _____	By: _____
Name: _____	Name: _____
Title: _____	Title: _____
Date: _____	Date: _____

WASHINGTON DISCLOSURE ADDENDUM

In recognition of the requirements of the Washington Franchise Investment Protection Act, Wash. Rev. Code ("RCW") §§ 19.100, the QDOBA DISCLOSURE DOCUMENT for use in the State of Washington is amended as follows:

1. The following paragraph is added at the end of Item 5:

   The State of Washington has imposed a financial condition under which the initial franchise fees due will be deferred until the Company has fulfilled its initial pre-opening obligations under the Franchise Agreement and the franchise is open for business. Because the Franchisor has material pre-opening obligations with respect to each franchised business the Franchisee opens under the Area Development Agreement, the State of Washington will require that the franchise fees be released proportionally with respect to each franchised business.

2. In the event of a conflict of laws, the provisions of the Washington Franchise Investment Protection Act, Chapter 19.100 RCW will prevail.

3. RCW 19.100.180 may supersede the franchise agreement in your relationship with the franchisor including the areas of termination and renewal of your franchise. There may also be court decisions which may supersede the franchise agreement in your relationship with the franchisor including the areas of termination and renewal of your franchise.

4. In any arbitration or mediation involving a franchise purchased in Washington, the arbitration or mediation site will be either in the state of Washington, or in a place mutually agreed upon at the time of the arbitration or mediation, or as determined by the arbitrator or mediator at the time of arbitration or mediation. In addition, if litigation is not precluded by the franchise agreement, a franchisee may bring an action or proceeding arising out of or in connection with the sale of franchises, or a violation of the Washington Franchise Investment Protection Act, in Washington.

5. A release or waiver of rights executed by a franchisee may not include rights under the Washington Franchise Investment Protection Act or any rule or order thereunder except when executed pursuant to a negotiated settlement after the agreement is in effect and where the parties are represented by independent counsel. Provisions such as those which unreasonably restrict or limit the statute of limitations period for claims under the Act, or rights or remedies under the Act such as a right to a jury trial, may not be enforceable.

6. Transfer fees are collectable to the extent that they reflect the franchisor's reasonable estimated or actual costs in effecting a transfer.

7. Pursuant to RCW 49.62.020, a noncompetition covenant is void and unenforceable against an employee, including an employee of a franchisee, unless the employee's earnings from the party seeking enforcement, when annualized, exceed $100,000 per year (an amount that will be adjusted annually for inflation). In addition, a noncompetition covenant is void and unenforceable against an independent contractor of a franchisee under RCW 49.62.030 unless the independent contractor's earnings from the party seeking enforcement, when annualized, exceed $250,000 per year (an amount that will be adjusted annually for inflation). As a result, any provisions contained in the franchise agreement or elsewhere that conflict with these limitations are void and unenforceable in Washington.

8. RCW 49.62.060 prohibits a franchisor from restricting, restraining, or prohibiting a franchisee from (i) soliciting or hiring any employee of a franchisee of the same franchisor or (ii) soliciting or hiring any employee of the franchisor. As a result, any such provisions contained in the franchise agreement or elsewhere are void and unenforceable in Washington.

9. The undersigned does hereby acknowledge receipt of this addendum.

10. To the extent this Addendum is deemed to be inconsistent with the Disclosure Document, the terms of this Addendum shall govern.

WASHINGTON AMENDMENT TO THE FRANCHISE AGREEMENT AND RELATED AGREEMENTS

In recognition of the requirements of the Washington Franchise Investment Protection Act, Wash. Rev. Code ("RCW") §§ 19.100.010 through 19.100.940, the parties to the attached QDOBA FRANCHISE AGREEMENT (the "Agreement") agree as follows:

1. The following is added to the end of Section 3.1 of the Franchise Agreement:

   > In lieu of an impound of franchise fees, the Company will not require or accept the payment of any initial franchise fees until the Franchisee has (a) received all pre-opening and initial training obligations that it is entitled to under this Agreement and (b) is open for business.

2. In the event of a conflict of laws, the provisions of the Washington Franchise Investment Protection Act, Chapter 19.100 RCW will prevail.

3. RCW 19.100.180 may supersede the franchise agreement in your relationship with the franchisor including the areas of termination and renewal of your franchise. There may also be court decisions which may supersede the franchise agreement in your relationship with the franchisor including the areas of termination and renewal of your franchise.

4. In any arbitration or mediation involving a franchise purchased in Washington, the arbitration or mediation site will be either in the state of Washington, or in a place mutually agreed upon at the time of the arbitration or mediation, or as determined by the arbitrator or mediator at the time of arbitration or mediation. In addition, if litigation is not precluded by the franchise agreement, a franchisee may bring an action or proceeding arising out of or in connection with the sale of franchises, or a violation of the Washington Franchise Investment Protection Act, in Washington.

5. A release or waiver of rights executed by a franchisee may not include rights under the Washington Franchise Investment Protection Act or any rule or order thereunder except when executed pursuant to a negotiated settlement after the agreement is in effect and where the parties are represented by independent counsel. Provisions such as those which unreasonably restrict or limit the statute of limitations period for claims under the Act, or rights or remedies under the Act such as a right to a jury trial, may not be enforceable.

6. Transfer fees are collectable to the extent that they reflect the franchisor's reasonable estimated or actual costs in effecting a transfer.

7. Pursuant to RCW 49.62.020, a noncompetition covenant is void and unenforceable against an employee, including an employee of a franchisee,

unless the employee's earnings from the party seeking enforcement, when annualized, exceed $100,000 per year (an amount that will be adjusted annually for inflation). In addition, a noncompetition covenant is void and unenforceable against an independent contractor of a franchisee under RCW 49.62.030 unless the independent contractor's earnings from the party seeking enforcement, when annualized, exceed $250,000 per year (an amount that will be adjusted annually for inflation). As a result, any provisions contained in the franchise agreement or elsewhere that conflict with these limitations are void and unenforceable in Washington.

8. RCW 49.62.060 prohibits a franchisor from restricting, restraining, or prohibiting a franchisee from (i) soliciting or hiring any employee of a franchisee of the same franchisor or (ii) soliciting or hiring any employee of the franchisor. As a result, any such provisions contained in the franchise agreement or elsewhere are void and unenforceable in Washington.

9. The undersigned does hereby acknowledge receipt of this addendum.

10. To the extent this Amendment shall be deemed to be inconsistent with any terms or conditions of the Agreement, the terms of this Amendment shall govern.

IN WITNESS WHEREOF, the parties hereto have duly executed and delivered this Amendment to the Agreement on the same date as the Agreement was executed.

QRC:	**FRANCHISEE:**
QDOBA RESTAURANT CORPORATION	COMPANY NAME
a Colorado corporation	a state corporation/limited liability company
By: _____	By: _____
Name: _____	Name: _____
Title: _____	Title: _____
Date: _____	Date: _____
By: _____	By: _____
Name: _____	Name: _____
Title: _____	Title: _____
Date: _____	Date: _____

WASHINGTON AMENDMENT TO THE LICENSE AGREEMENT AND RELATED AGREEMENTS

In recognition of the requirements of the Washington Franchise Investment Protection Act, Wash. Rev. Code ("RCW") §§ 19.100.010 through 19.100.940, the parties to the attached QDOBA LICENSE AGREEMENT (the "Agreement") agree as follows:

1. The following is added to the end of Section 2.A. of the Agreement:

   > In lieu of an impound of franchise fees, QRC will not require or accept the payment of any initial franchise fees until the Licensee has (a) received all pre-opening and initial training obligations that it is entitled to under this Agreement and (b) is open for business.

2. In the event of a conflict of laws, the provisions of the Washington Franchise Investment Protection Act, Chapter 19.100 RCW will prevail.

3. RCW 19.100.180 may supersede the franchise agreement in your relationship with the franchisor including the areas of termination and renewal of your franchise. There may also be court decisions which may supersede the franchise agreement in your relationship with the franchisor including the areas of termination and renewal of your franchise.

4. In any arbitration or mediation involving a franchise purchased in Washington, the arbitration or mediation site will be either in the state of Washington, or in a place mutually agreed upon at the time of the arbitration or mediation, or as determined by the arbitrator or mediator at the time of arbitration or mediation. In addition, if litigation is not precluded by the franchise agreement, a franchisee may bring an action or proceeding arising out of or in connection with the sale of franchises, or a violation of the Washington Franchise Investment Protection Act, in Washington.

5. A release or waiver of rights executed by a franchisee may not include rights under the Washington Franchise Investment Protection Act or any rule or order thereunder except when executed pursuant to a negotiated settlement after the agreement is in effect and where the parties are represented by independent counsel. Provisions such as those which unreasonably restrict or limit the statute of limitations period for claims under the Act, or rights or remedies under the Act such as a right to a jury trial, may not be enforceable.

6. Transfer fees are collectable to the extent that they reflect the franchisor's reasonable estimated or actual costs in effecting a transfer.

7. Pursuant to RCW 49.62.020, a noncompetition covenant is void and unenforceable against an employee, including an employee of a franchisee, unless the employee's earnings from the party seeking enforcement, when

annualized, exceed $100,000 per year (an amount that will be adjusted annually for inflation). In addition, a noncompetition covenant is void and unenforceable against an independent contractor of a franchisee under RCW 49.62.030 unless the independent contractor's earnings from the party seeking enforcement, when annualized, exceed $250,000 per year (an amount that will be adjusted annually for inflation). As a result, any provisions contained in the franchise agreement or elsewhere that conflict with these limitations are void and unenforceable in Washington.

8. RCW 49.62.060 prohibits a franchisor from restricting, restraining, or prohibiting a franchisee from (i) soliciting or hiring any employee of a franchisee of the same franchisor or (ii) soliciting or hiring any employee of the franchisor. As a result, any such provisions contained in the franchise agreement or elsewhere are void and unenforceable in Washington.

9. The undersigned does hereby acknowledge receipt of this addendum.

10. To the extent this Amendment shall be deemed to be inconsistent with any terms or conditions of the Agreement, the terms of this Amendment shall govern.

IN WITNESS WHEREOF, the parties hereto have duly executed and delivered this Amendment to the Agreement on the same date as the Agreement was executed.

QRC:	**LICENSEE:**
QDOBA RESTAURANT CORPORATION	COMPANY NAME
a Colorado corporation	a state corporation/limited liability company
By: _____	By: _____
Name: _____	Name: _____
Title: _____	Title: _____
Date: _____	Date: _____
By: _____	By: _____
Name: _____	Name: _____
Title: _____	Title: _____
Date: _____	Date: _____

WASHINGTON AMENDMENT TO THE DEVELOPMENT AGREEMENT AND RELATED AGREEMENTS

In recognition of the requirements of the Washington Franchise Investment Protection Act, Wash. Rev. Code ("RCW") §§ 19.100.010 through 19.100.940, the parties to the attached QDOBA DEVELOPMENT AGREEMENT (the "Agreement") agree as follows:

1. The following is added to the end of Section 5 of the Agreement:

   > Because Company has material pre-opening obligations with respect to each franchised business Developer opens under this Agreement, payment of the Development Fee will be paid proportionally with respect to each franchise outlet opened and until Company has met all its pre-opening obligations under this Agreement and Developer is open for business with respect to each such location.

2. In the event of a conflict of laws, the provisions of the Washington Franchise Investment Protection Act, Chapter 19.100 RCW will prevail.

3. RCW 19.100.180 may supersede the franchise agreement in your relationship with the franchisor including the areas of termination and renewal of your franchise. There may also be court decisions which may supersede the franchise agreement in your relationship with the franchisor including the areas of termination and renewal of your franchise.

4. In any arbitration or mediation involving a franchise purchased in Washington, the arbitration or mediation site will be either in the state of Washington, or in a place mutually agreed upon at the time of the arbitration or mediation, or as determined by the arbitrator or mediator at the time of arbitration or mediation. In addition, if litigation is not precluded by the franchise agreement, a franchisee may bring an action or proceeding arising out of or in connection with the sale of franchises, or a violation of the Washington Franchise Investment Protection Act, in Washington.

5. A release or waiver of rights executed by a franchisee may not include rights under the Washington Franchise Investment Protection Act or any rule or order thereunder except when executed pursuant to a negotiated settlement after the agreement is in effect and where the parties are represented by independent counsel. Provisions such as those which unreasonably restrict or limit the statute of limitations period for claims under the Act, or rights or remedies under the Act such as a right to a jury trial, may not be enforceable.

6. Transfer fees are collectable to the extent that they reflect the franchisor's reasonable estimated or actual costs in effecting a transfer.

7. Pursuant to RCW 49.62.020, a noncompetition covenant is void and unenforceable against an employee, including an employee of a franchisee, unless the employee's earnings from the party seeking enforcement, when annualized, exceed $100,000 per year (an amount that will be adjusted annually for inflation). In addition, a noncompetition covenant is void and unenforceable against an independent contractor of a franchisee under RCW 49.62.030 unless the independent contractor's earnings from the party seeking enforcement, when annualized, exceed $250,000 per year (an amount that will be adjusted annually for inflation). As a result, any provisions contained in the franchise agreement or elsewhere that conflict with these limitations are void and unenforceable in Washington.

8. RCW 49.62.060 prohibits a franchisor from restricting, restraining, or prohibiting a franchisee from (i) soliciting or hiring any employee of a franchisee of the same franchisor or (ii) soliciting or hiring any employee of the franchisor. As a result, any such provisions contained in the franchise agreement or elsewhere are void and unenforceable in Washington.

9. The undersigned does hereby acknowledge receipt of this addendum.

10. To the extent this Amendment shall be deemed to be inconsistent with any terms or conditions of the Agreement, the terms of this Amendment shall govern.

IN WITNESS WHEREOF, the parties hereto have duly executed and delivered this Amendment to the Agreement on the same date as the Agreement was executed.

COMPANY:	**DEVELOPER:**
QDOBA RESTAURANT CORPORATION	COMPANY NAME
a Colorado corporation	a state corporation/limited liability company
By: _____	By: _____
Name: _____	Name: _____
Title: _____	Title: _____
Date: _____	Date: _____
By: _____	By: _____
Name: _____	Name: _____
Title: _____	Title: _____
Date: _____	Date: _____

EXHIBIT I

CERTIFICATION OF ENTITY STRUCTURE AND OPERATION FORM

CERTIFICATION OF ENTITY STRUCTURE AND OPERATION

Please review the information below and complete the form. If you need to correct any of the information, you may do so on this form. Please sign and date the form and email it to Vanessa.Habbaba@qdoba.com.

Qdoba Restaurant Corporation ("QRC") is contemplating entering into an agreement, or agreements, with the corporation or limited liability company ("LLC") described below. Each person/entity signing this document understands that QRC is relying on the truth and accuracy of the information contained in this Certification in making its decision whether or not to enter into the agreement(s).

All sites that are wholly owned by the corporation (or, if applicable, will be wholly owned by the corporation when the pending transaction is concluded):

Site #: _____	Site #: _____	Site #: _____	Site #: _____
Site #: _____	Site #: _____	Site #: _____	Site #: _____
Site #: _____	Site #: _____	Site #: _____	Site #: _____
Site #: _____	Site #: _____	Site #: _____	Site #: _____
Site #: _____	Site #: _____	Site #: _____	Site #: _____

1. The name of the corporation/LLC is: _____

2. The address of the corporation/LLC is: _____
   _____
   _____

3. The corporation/LLC was formed in the state of: _____

4. The corporation's/LLC's Tax/Employer Identification Number is: _____

5. The corporation's/LLC's only business is the development and operation of Qdoba franchises.

6. The Designated Operator is: _____

7. For **corporations**, please complete Sections **7.a and 7.b** only**.** For **LLCs**, please complete Section **7.c** only.

   a. The officers of the corporation are as follows:

Title	**Full Legal Name**
President	
Secretary	
Vice President	
Treasurer	

b. The shareholders of the corporation and their ownership interests are as follows:

Names of Shareholders	Percentage of the Corporation owned by this person/entity
	____%
	____%
	____%
	____%
	____%
	____%
	____%
	____%

c. The membership shares of the LLC are as follows:

Title	Names of Members	Percentage of the LLC owned by this person/entity
Managing Member		____%
Member		____%
Member		____%
Member		____%
Member		____%
Member		____%
Member		____%
Member		____%

8. Describe voting rights, if different from above: _____

_____

_____

9. Please attach a certificate of good standing issued by the entity's state of formation.

10. I understand that Franchise Agreements and Development Agreements with QRC contain provisions restricting assignments and transfers. They include restrictions on the shareholders/members' right to transfer any part of his/her/its ownership interest in the corporation/LLC, whether that transfer is voluntary or involuntary, or by sale, by gift, or upon death. (See Franchise Agreement sections entitled "Transfer by Franchisee," "Death or Disability of Franchisee," and "Company's Right of First Refusal"; and the section entitled "Transfer of Interest" in the Development Agreement.) Any certificates of ownership issued by the corporation/LLC will reflect these restrictions.

11. I hereby reaffirm that the individual name as "Designated Operator" listed above is authorized to represent the corporation/LLC in all of its dealings with Qdoba Restaurant Corporation. (See Franchise Agreement section entitled "Personnel of the Franchised Restaurant," and Development Agreement section entitled "Development Conditions and Procedures.") The designated Operator may not be changed without the written approval of Qdoba Restaurant Corporation.

12. In order to bind the corporation/LLC to any instrument or agreement, the following person(s) must sign on its behalf (list all required signatory(ies) and his/her title(s) below):

Required Signatory Name(s)	Title(s)

FOR **CORPORATIONS**, PLEASE COMPLETE THE FOLLOWING SIGNATURE SECTION:

The undersigned certifies under penalty of perjury under the laws of the state of California that the foregoing information is true and correct.

Please sign both as an individual franchisee and as an officer (as applicable).
Please use full legal name for all signatures.

Signatures as Officers:

Signature: _____ Print: _____ Title: _____ Date: _____	Signature: _____ Print: _____ Title: _____ Date: _____
Signature: _____ Print: _____ Title: _____ Date: _____	Signature: _____ Print: _____ Title: _____ Date: _____
Signature: _____ Print: _____ Title: _____ Date: _____	Signature: _____ Print: _____ Title: _____ Date: _____

FOR **LLCS**, PLEASE COMPLETE THE FOLLOWING SIGNATURE SECTION:

The undersigned certifies under penalty of perjury under the laws of the state of California that the foregoing information is true and correct. (**Please use full legal name for all signatures**).

Managing Member	Print Name	Date
Member	Print Name	Date
Member	Print Name	Date
Member	Print Name	Date
Member	Print Name	Date

EXHIBIT J

GENERAL RELEASE OF ALL CLAIMS

GENERAL RELEASE OF ALL CLAIMS

For good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged, the undersigned,

- [FRANCHISEE]
- [FRANCHISEE], and

- [ENTITY NAME], a [STATE OF INCORPORATION] corporation

(collectively "Releasor"), hereby releases and forever discharges Qdoba Restaurant Corporation, its officers, directors, agents, employees, parent, subsidiaries and affiliates from and against any and all liabilities, actions, causes of action, judgments, suits, controversies, claims, demands, damages, costs and expenses whatsoever, in law or in equity ("Claims") arising out of any matters prior to the date of execution hereof, which have ever existed, may now exist, or may hereafter arise, known or unknown, foreseen or unforeseen, to the full extent permitted by applicable law. Without limiting the generality of the foregoing, it is expressly understood and agreed that this Release includes Claims Releasor may have individually or as the member of any class (i) under any federal or state franchise, antitrust, trade regulation, or similar law (with the exception of claims under applicable state franchise laws); or (ii) under any state or federal security, blue sky, or similar law; or (iii) in connection with allowances, discounts, or compensation of any type received by Qdoba Restaurant Corporation or its parent companies or affiliates from vendors.

Further, the undersigned do hereby expressly waive all right, protection, privilege and benefit under Section 1542 of the Civil Code of the State of California, which provides:

> **"1542 A general release does not extend to claims that the creditor or releasing party does not know or suspect to exist in his or her favor at the time of executing the release and that, if known by him or her, would have materially affected his or her settlement with the debtor or released party."**

By signing this General Release of All Claims, Releasor is giving up all rights under Section 1542 and any similar provision of any state.

Further, this General Release of All Claims does not apply to claims arising under the Washington Franchise Investment Protection Act, Chapter 19.100 RCW and the rules adopted thereunder unless this General Release of All Claims is executed pursuant to a negotiated settlement in connection with a bona fide dispute between a franchisee and a franchisor, after a franchise agreement has taken effect, and in which the Releasor is represented by independent legal counsel.

Notwithstanding any other provision contained in this Release, existing Franchise Agreements and Lease Agreements (the "Franchise Agreements" and the "Leases") to which Releasor and Qdoba Restaurant Corporation are parties remain in full force and effect.

This Release does not release, waive, modify or in any way affect liabilities of Qdoba Restaurant Corporation under the Franchise Agreements or Leases arising after the date of execution of this Release by Releasor.

This release contains the entire agreement among the parties hereto concerning the subject matter hereof, and the terms of this Release are contractual and not a mere recital.

The undersigned hereby certify that they have read all provisions of this General Release of All Claims and the quoted California Civil Code Section, that they are represented by Counsel, and have been advised or been afforded the opportunity to be advised of the effect of the provisions of this General Release of All Claims and their waiver of all rights under the quoted California Civil Code Section, that they have made such investigation and inquiry as they and Counsel have deemed appropriate, and that they understand said provisions and effect, and have executed this General Release of All Claims freely and without duress.

_____ Dated: _____
[FRANCHISEE]

_____ Dated: _____
[FRANCHISEE]

[ENTITY NAME],
a [STATE OF INCORPORATION] corporation

By: _____ Dated: _____
[FRANCHISEE], President

By: _____ Dated: _____
[FRANCHISEE], Secretary

EXHIBIT K

MASTER TECHNOLOGY AGREEMENT

Master Technology Agreement

This Master Technology Agreement ("Agreement") is made by and between Qdoba Restaurant Corporation ("QRC") and _____ ("Franchisee"). This Agreement will become valid and binding upon acceptance of this Agreement by QRC, indicated by the signature of its authorized representative.

Recitals

Under the Franchise Agreement (defined in Section 1) between the parties, specifically referred to and incorporated herein by this reference, Franchisee is required to use the Technology System that QRC may specify or require from time to time. If the lease or purchase agreement associated with the Franchisee's place of business requires alternate Technology Systems be used ("Alternate Technology Systems"), QRC may approve Franchisee to use such Alternate Technology Systems in lieu of the standard Technology System. Approved hardware, software and operating systems will reach an end to their useful life and will have to be replaced periodically as directed by QRC. This Agreement describes the technology-related services that Franchisee may and/or must purchase from QRC or its approved 3rd party vendors as of the date this Agreement is signed. This Agreement will be effective until terminated or modified in accordance with the terms of this Agreement.

1. Definitions

a. "Franchise Agreement" means any franchise agreement, non-traditional franchise agreement, license agreement or similar agreement authorizing Franchisee to use QRC's trademarks or operating system in connection with the operation of a restaurant.

b. "Manuals" has the same meaning as in the Franchise Agreements between the parties.

c. "Technology System" means all computers, communications technology, and other products and services that are used to technologically enable the Restaurant or QRC's business, including physical hardware, operating systems, software package and applications, software configuration, databases, storage, servers, PCs, telecommunications equipment and other equipment.

d. "Restaurants" means every Qdoba Mexican Grill® or Qdoba Mexican Eats® restaurant operated by Franchisee.

2. Support Services

QRC provides data hosting and help desk support services for certain components of the Technology System ("Support Services") to Franchisees using QRC Technology Systems. Support services are not available for Franchisees approved to use Alternate Technology Systems.

a. For the Support Services, Franchisee must pay a one-time charge for the installation of Remotelink or other polling software of $199 per Restaurant, and a charge of $4,400 per Restaurant per year.

b. The Support Services offered by QRC are further described in the Manuals, and may change from time to time. Franchisee will be provided 30 days' notice by email of any changes to the Support Services.

c. Support Service hours are currently 7:00 am - 10:00 pm Central Time, Monday – Sunday, including holidays except Thanksgiving Day and Christmas Day. The Support Service hours are subject to change by QRC.

d. The following are some of the limitations on the Support Services provided by QRC:

   i. QRC does not provide any support or maintenance pertaining to Payment Card Industry Data Security Standards, otherwise known as PCI Compliance.

   ii. QRC Support does not provide training in the use of MenuLink or any other restaurant or POS-related systems.

   iii. Other limitations are described in the Manuals.

e. Franchisee authorizes QRC to facilitate on its behalf, any repair, replacement of hardware, or services not covered under a specific third party-service contract. All charges relating to such repair, replacement or service will be paid by the Franchisee, whether paid directly to a third-party vendor, or billed as a pass-through by QRC. Third-party charges are due at the time QRC is billed for the services, and QRC will automatically deduct those amounts from the Franchisee's authorized account.

f. Support Services may be provided by QRC and/or its authorized agents.

g. No Support Services will be provided by QRC unless Franchisee is current on all charges incurred under this Agreement and charges to third-party vendors.

3. Web-based Applications, On-Line Ordering and Affinity Services

Franchisee must participate in web-based applications, On-Line Ordering and Affinity programs, or any other loyalty program required by QRC, unless Franchisee has been approved to use Alternate Technology Systems.

4. Q-Cash Program

Franchisee must participate in the Q-Cash program unless Franchisee has been approved to use Alternate Technology Systems or Franchisee's restaurant is located outside the United States. The Q-Cash program is not available to franchisees using Alternate Technology Systems or located outside the United States. The program has a charge of $7.75 per month.

5. Email and Social Media

Franchisee agrees to abide by all policies QRC establishes relating to email and social media, as described in the Manuals.

6. QRC Standardized Network

Franchisee must participate in the QRC Standardized Network program unless Franchisee has been approved to use Alternate Technology Systems. Participating franchisees must pay to QRC all fees associated with QRC Standardized Network Required Services, all fees associated with any QRC Standardized Network Optional Services selected by Franchisee, and any other applicable services charges. Franchisee is responsible for Standardized Network fees through the end of any third-party lease agreements or terms, with any outstanding balances due upon restaurant closure, if applicable.

7. Franchisee Technology-Related Responsibilities

In addition to technology-related responsibilities set forth in any Franchise Agreement between the parties and related Manuals, Franchisee acknowledges and agrees to the following:

a. Franchisee has sole responsibility to determine any and all local, state and federal laws and requirements, including but not limited to labor laws, FACTA, overtime, and taxes, and shall have the sole responsibility to determine and maintain proper settings in compliance with all relevant laws. Qdoba may provide labor law configuration under this Agreement, but is not responsible for the accuracy of such configuration, and Franchisee is solely responsible for compliance with all labor laws, including but not limited to regular and overtime pay calculations, exempt status, meal and rest breaks, and age restrictions.

b. Franchisee is responsible for complying with any and all applicable personal identity laws. Franchisee is solely responsible for determining whether its systems conform to such laws, or whether a different or additional product is needed for compliance.

c. Franchisee is solely responsible for complying with credit card processing PCI requirements. Specific requirements related to QRC Technology Systems include, but are not limited to:

    i. Running a Qdoba-approved version of POS and Credit Card processing software, and replacing the POS and Credit Card processing software version upon QRC's request. QRC will automatically deduct amounts for software maintenance from the Franchisee's authorized account. Franchisee is responsible for all software maintenance fees through the end of the current term, with any outstanding balances due upon restaurant closure, if applicable. QRC is only responsible for ensuring POS and Credit Card processing software maintenance is renewed when needed for continuous coverage.

    ii. Purchasing or leasing and installing required components of the QRC Standardized Network that meets or exceeds the minimum QRC broadband requirements

    iii. On a yearly basis, providing to QRC a signed copy of the PCI self-assessment questionnaire.

    iv. Purchasing and installing required P2PE payment terminals and implementing all procedures outlined in the applicable P2PE Instruction Manual.

Specific requirements related to Alternate Technology Systems include, but are not limited to:

v. Running a PA-DSS validated version of POS and Credit Card processing software

vi. Purchasing and installing a hardware firewall capable of performing stateful packet inspections

vii. On a yearly basis, providing to QRC a signed copy of the PCI self-assessment questionnaire

8. General Limitations

a. QRC is not responsible for any loss of sales or receipts due to software or equipment malfunction.

b. The methods or practices related to data transmission, storage and security employed by QRC may not meet all applicable requirements related to personal identity laws and regulations. Any data hosted by QRC is only intended to facilitate services under this Agreement, and is not suitable for any third-party or government audit. Franchisee is responsible for maintaining its own data storage and other records. Any data hosted by QRC may be deleted at any time in QRC's sole discretion. Franchisee agrees to hold QRC harmless from, and QRC shall have no liability for, the loss of data regardless of the causes of or circumstances of such loss.

c. Franchisee is solely responsible for compliance with and reporting of all sales taxes.

9. Charges

a. Monthly and periodic charges are invoiced, and funds shall be automatically deducted from the Franchisee's authorized account. Periodic charges are deducted in the first week of each of QRC's four-week fiscal periods.

b. Third-party charges are due at the time QRC is billed for the services, and the charges will be automatically deducted from the Franchisee's account of record immediately.

c. Monthly periodic and third-party charges may change from time to time. Franchisee will be provided 30 days' notice by email of any changes to these charges.

10. Termination

a. This Agreement will remain in full force and effect until (i) the Franchise Agreement is terminated or (ii) QRC terminates this Agreement in accordance with Section 10.b below, whichever occurs first.

b. QRC reserves the right to terminate this Agreement, in whole or in part, immediately upon notice to Franchisee, if Franchisee is behind on any financial obligation to

QRC, or QRC is informed by a third- party vendor that Franchisee is behind on any financial obligation to that vendor. Additionally, QRC may terminate this Agreement immediately, upon notice to Franchisee, if Franchisee is in material default of any terms of this Agreement.

11. Indemnity and Limitation of Liability

Franchisee hereby agrees to defend, indemnify, and hold QRC harmless from and against any and all third- party claims and liabilities arising out of or related to the configuration, settings, maintenance, or operation of the Technology System, including but not limited to claims arising under local, state and federal labor laws or any other similar laws. Franchisee waives any and all claims against QRC for any and all actions or inaction under this Agreement, and Franchisee acknowledges that QRC shall have no liability to Franchisee, whether in tort, contract or otherwise, arising out of or related to this Agreement. These provisions supplement rather than replace the indemnification and limitation of liability provision in any franchise agreement or other contract between the parties.

12. Other Terms and Conditions

a. This Agreement is the complete and final agreement between the parties with respect to the Technology Services data hosting and support services provided by QRC , and this Agreement supersedes all other communications, representations, or proposals on that subject except any Franchise Agreement, Non-Traditional Franchise Agreement or License Agreement the parties have signed or will sign.

b. This Agreement may not be changed, altered or modified except by an instrument in writing executed by Franchisee and an authorized officer of QRC.

c. Any knowledge or information disclosed by Franchisee to QRC or its authorized representative in connection with this Agreement shall not be deemed to be confidential or proprietary.

d. This Agreement may not be assigned or transferred by Franchisee without the express, prior written approval of QRC.

e. This Agreement shall be construed according to California law without respect to its conflicts of laws rules. Any legal action between the parties to this Agreement shall take place in the State or Federal courts located in San Diego, California, and the parties agree that such courts are the exclusive jurisdiction and venue for such legal action.

[SIGNATURES ON FOLLOWING PAGE]

QRC:
QDOBA RESTAURANT CORPORATION
a Colorado corporation

By: _____
Name: _____
Title: _____
Date: _____

FRANCHISEE:
COMPANY NAME
a state corporation/limited liability company

By: _____
Name: _____
Title: Managing Member
Date: _____

FRANCHISEE:
COMPANY NAME
a state corporation/limited liability company

By: _____
Name: _____
Title: President
Date: _____

EXHIBIT L

AUTHORIZATION FOR PREARRANGED PAYMENTS (DIRECT DEBITS)

AUTHORIZATION FOR PREARRANGED PAYMENTS
(DIRECT DEBITS)

Name of Franchisee or Legal Entity: _____
Contact Name: _____
Store Address: _____
_____
Store Number: _____ Contact Email Address: _____

The undersigned depositor ("Customer") hereby authorizes Qdoba Restaurant Corporation ("Company") to initiate debit entries to the checking and/or savings account(s) indicated below for all amounts owed by Customer to Company.

Name of Account Holder	Federal ID Number
Bank	
Bank Transit/ABA Number	Account Number

This authorization will remain in full force and effect until Bank has received joint written notification from Company and Franchisee of the termination of such authorization in such time and in such manner as Bank requires.

If an erroneous debit entry is initiated by Company to Customer's account(s), customer will have the right to have the amount of such entry credited by Company against future invoices. If an erroneous debit entry exceeds $25,000, Customer may request that Company correct the error by wiring funds into the account within 5 days after the error is verified; alternatively, Customer may request a reversal of the entry by Bank and Company agrees to send to Bank a written notice identifying such entry, stating that such entry was in error and requesting Bank to credit the amount thereof to such account(s). These rights are in addition to any rights Customer may have under applicable federal and state banking laws.

The undersigned represents and warrants that he/she is authorized to sign this document on behalf of Customer and that the undersigned and Customer are authorized to initiate debit entries to the account referenced above for all amounts owed by Customer to Company.

Customer agrees to provide such other and additional information as Bank may require to authorize debit entries, including but not limited to written authorization of any joint account holders if the account referenced above is a joint account.

Please provide a voided check, MICR encoded slip, or a MICR Specification sheet provided by the Bank to verify the Bank Transit/ABA Number and Account Number.

By: _____

Date: _____

EXHIBIT M

NON-DISCLOSURE AGREEMENT

NON-DISCLOSURE AGREEMENT

This Non-Disclosure Agreement ("Agreement") is entered into as of _____ by and between Qdoba® Restaurant Corporation ("Qdoba") and _____ (the "Undersigned").

Qdoba is the owner of a system for the development and operation of restaurants which includes proprietary rights in the following items, both currently in use and proposed for use in the future: trademarks, trade names, logos, symbols, designs and color schemes for restaurants, signs, equipment, procedures, menu formats, formulas and specifications for products, marketing strategies, business plans, non-public financial information, development plans, operating methods, consumer research and other information relating to Qdoba, its affiliates, subsidiaries, franchisees, and the restaurant industry and not generally known by others ("Confidential Information"). To the extent provided to the undersigned, the Confidential Information also includes, without limitation, any and all agreements, leases and other documents, and the information included therein (i.e., rents, terms, options, etc.), with respect to any particular restaurant or other locations operated, franchised or contemplated by Qdoba.

The restaurant business is highly competitive and Qdoba has invested considerable sums of money in developing the Confidential Information.

It is the mutual desire of both parties hereto to preserve the secrecy of the Confidential Information and to preserve the Confidential Information for the exclusive use and control of Qdoba.

Therefore, in consideration of the mutual benefit accruing to both of the parties hereto and other good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged by each party, the Undersigned agrees to hold and maintain all of the Confidential Information for the sole and exclusive benefit of Qdoba and agrees that the Confidential Information is and shall remain the sole and exclusive proprietary property of Qdoba.

The Undersigned will not communicate or disclose to any person, firm or corporation or use for the benefit of the Undersigned or another person, firm or corporation, directly or indirectly, any of Qdoba's Confidential Information.

Confidential Information shall be disclosed by the Undersigned only to those of its employees who need to know such Confidential Information, who have been informed of the confidential nature of such information, and who are obligated to maintain such information in confidence.

The Agreement shall be governed by the laws of the State of California. Any litigation arising out of this Confidentiality Agreement shall take place in San Diego, California, which shall be the sole, proper venue for such action.

Should any provision of this Agreement be declared unenforceable for any reason or found contrary to any federal or state statute, said provision will automatically cease to be a part of this Agreement without affecting any other provision or obligation thereof.
The waiver of any breach or non-enforcement of any provision of this Agreement shall not be construed to constitute a waiver of any other breach or provisions of this or any other Agreement.

This Agreement shall not be construed as a partnership, joint venture or other such arrangement (other than the parties hereto agree that this Agreement is for the purpose of protecting Proprietary Information only).

Neither party has an obligation to supply Proprietary Information hereunder.

Nothing in this Agreement shall be deemed to grant a license directly or by implication, estoppel or otherwise to any Proprietary Information disclosed pursuant to this Agreement.

The Undersigned recognizes and agrees that a violation of this Confidentiality Agreement will result in substantial injury and damage to Qdoba for which there is no adequate remedy at law. In the event of a violation of this Agreement, Qdoba shall be entitled, in addition to any other remedies and damages available, to injunctive or other equitable relief to restrain the violation hereof by the Undersigned and his/her representatives.

This Confidentiality Agreement supplements, rather than replaces the Undersigned's obligation not to disclose or use confidential information, as set forth in any Franchise Agreement or other contracts between the Undersigned and Qdoba.

QDOBA RESTAURANT CORPORATION a Colorado corporation	UNDERSIGNED
By: _____	By: _____
Name: _____	Name: _____
Title: _____	Title: _____
Date: _____	Date: _____

EXHIBIT N

STORED VALUE CARD SERVICE AGREEMENT

STORED VALUE CARD SERVICE AGREEMENT

THIS STORED VALUE CARD SERVICE AGREEMENT ("Agreement") is entered into this ____ day of _____, 20___ between QMG Stored Value Cards, LLC ("QMG SVC"), a Virginia limited liability company and _____ ("FRANCHISEE").

RECITALS:

1. Qdoba Restaurant Corporation has engaged QMG SVC to initiate a stored value card program, whereby customers of Qdoba restaurants may purchase and redeem stored value cards at any participating Qdoba Mexican Eats® restaurant (the "Gift Card Program");

2. FRANCHISEE independently operates one or more Qdoba Mexican Eats® restaurants, and desires to participate in the Gift Card Program.

3. FRANCHISEE desires to use the services of QMG SVC in connection with the conduct of its business activities related to the administration of a Gift Card Program on the terms and conditions set forth herein.

Now therefore, in consideration of the premises and mutual covenants contained herein, the parties agree as follows:

ARTICLE I

Retention of Services and Term Agreement

1.1 Retention. FRANCHISEE hereby retains the services of QMG SVC, and QMG SVC agrees to provide the services described herein.

1.2 Term. The term of this Agreement shall begin on _____, and continue until terminated by either party. Termination by one party shall be effective ten (10) calendar days after the date of mailing a written notice of termination to the other party.

ARTICLE II

Power and Duties of QMG SVC

2.1 Powers of QMG SVC Subject to such limitations as may be imposed by law or this Agreement, QMG SVC is hereby authorized and empowered, in the name of and on behalf of FRANCHISEE, to manage the Gift Card Program as it deems reasonably necessary and appropriate, including but not limited to: (a) managing contracts with outside vendors for the tracking functions associated with the issuance and redemption of the Gift Card Program; and (b) establishing policies and procedures

with respect to the operations, marketing, banking, accounting, financial controls, and other activities of the Gift Card Program.

2.2 Duties of QMG SVC

QMG SVC shall:

a) render or cause to be rendered such accounting services, financial controls, legal, technical and other services as it deems necessary or appropriate in the management of the Gift Card Program;

b) facilitate cash transfers between FRANCHISEE's bank account and QMG SVC's bank account to the extent of stored value card activations, redemptions, and other transactions requiring the transfer of cash. To enable QMG SVC to perform such services, FRANCHISEE agrees to execute and deliver such authorizations and other instruments as QMG SVC may require, including but not limited to the authorization attached hereto as Exhibit A.

c) prepare and furnish to FRANCHISEE such information and reports concerning the conduct of the business and affairs of the Gift Card Program as FRANCHISEE shall reasonably request;

d) render such reports and make such periodic and other filings regarding the Gift Card Program as may be required under applicable federal, state and local laws, rules and regulations.

ARTICLE III

Duties of Franchisee

3.1 Execution of Authorizations and Agreements. To enable QMG SVC to perform services hereunder and administer the Gift Card Program, FRANCHISEE agrees to execute and deliver to QMG SVC, QMG SVC's designee or FRANCHISEE's bank, such authorizations and other instruments as QMG SVC may require, including but not limited to the authorization attached hereto as Exhibit A.

3.2 Payments of ACH or other Banking Fees. Any charges imposed by FRANCHISEE's bank, QMG SVC's bank, any governing authority, or any other loss or expense arising out of or incurred in connection with automated electronic withdrawals, deposits, transfers or insufficient funds (including reasonable attorneys' fees) are the responsibility of FRANCHISEE. FRANCHISEE agrees to maintain sufficient funds in his accounts to cover the expenses of this program.

ARTICLE IV

Compensation of QMG SVC

4.1 In consideration of the services provided by QMG SVC hereunder, FRANCHISEE agrees to pay to QMG SVC during the term of this Agreement, a monthly fee in an amount to be determined by QMG SVC in its reasonable discretion (the “Service Fee”). The Service Fee shall be paid monthly in advance on or before the first day of each calendar month during the term of this Agreement. Each payment shall be made to QMG SVC or QMG SVC’s designee. The initial Service Fee shall be in the amount of seven dollars and seventy-five cents ($7.75) per month, and shall remain in that amount until QMG SVC notifies FRANCHISEE of a change in the amount of the Service Fee. Any change in the amount of the Service Fee shall be effective thirty (30) days after notice is given by QMG SVC. QMG SVC and FRANCHISEE acknowledge that QMG SVC is not currently charging the Service Fee set forth in this Section 4.1; however, upon thirty days’ notice, QMG SVC may begin charging such fee.

ARTICLE V

Liability of QMG SVC; Indemnification

5.1 Judgments in Good Faith. Notwithstanding any other provisions contained herein to the contrary, in no event shall FRANCHISEE, or any director, officer, employee, agent, affiliate or shareholder of same make claim against QMG SVC on account of any alleged errors of judgment made in good faith in connection with the provision of services under this Agreement.

5.2 Indemnification. FRANCHISEE is responsible for all losses, damages and liabilities, whether contractual, statutory or otherwise, to third persons arising out of or in connection with the offer, sale, redemption or any use of stored value cards at businesses operated by FRANCHISEE, and for all claims or demands for damages or injury directly or indirectly resulting therefrom. FRANCHISEE on behalf of itself and each of its officers, directors, shareholders, affiliates, partners, agents, employees, heirs, successors and assigns (the "INDEMNITORS") hereby agrees to indemnify and hold harmless QMG SVC and each of its officers, directors, agents, employees, parent corporation and affiliates (the "INDEMNITEES") from any and all claims, demands, costs, losses, damages, liabilities, expenses (including attorneys' fees) judgments, fines and amounts paid in settlement (collectively, "Losses") in connection with claims made by third parties, whether contractual, statutory or otherwise, directly or indirectly arising out of or in connection with the offer, sale, redemption or any use of stored value cards at restaurants operated by INDEMNITORS, unless resulting from the gross negligence or willful misconduct of INDEMNITEES. If such claims are asserted against INDEMNITEES shall notify INDEMNITOR, and INDEMNITOR will assume the defense of such claims. If INDEMNITOR fails to assume the defense, then INDEMNITEES may defend in such

manner as it deems appropriate. INDEMNITOR shall reimburse INDEMNITEE for all costs, including attorneys' fees, and the reasonable value of time spent by corporate counsel, incurred by INDEMNITEE in effecting such defense, in addition to any sum which INDEMNITEE or its affiliates may incur by reason of any settlement or judgment. INDEMNITEE's right to defense and indemnification hereunder shall exist, notwithstanding that its joint or concurrent liability may be imposed on INDEMNITEE by law.

ARTICLE VI

Miscellaneous

6.1 Independent Contractor. Nothing herein shall be construed or deemed to create a joint venture, contract of employment or partnership. QMG SVC SHALL NOT BE LIABLE TO ANY PERSON OR ORGANIZATION FOR ANY DEBT, LIABILITY OR OBLIGATION OF FRANCHISEE INCURRED OR CREATED PURSUANT TO THE AUTHORITY GRANTED IN THIS AGREEMENT OR BY REASON OF ITS MANAGEMENT, DIRECTION OR CONDUCT OF FRANCHISEE 'S OPERATIONS.

IN WITNESS WHEREOF, the parties hereto have caused this Agreement to be executed the day and year first above written.

FRANCHISEE:
COMPANY NAME
a state corporation/limited liability company

By: _____

Name: _____

Title: _____

Date: _____

QMG STORED VALUE CARDS, LLC
a Virginia limited liability company

By: _____

Name: _____

Title: _____

Date: _____

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:

STATES	EFFECTIVE DATE
California	*pending*
Hawaii	*January 18, 2023, as amended _____*
Illinois	*December 22, 2022, as amended _____*
Indiana	*December 22, 2022, as amended _____*
Maryland	*pending*
Michigan	*December 22, 2022, as amended January 26, 2023*
Minnesota	*January 24, 2023, as amended _____*
New York	*December 27, 2022, as amended _____*
North Dakota	*December 28, 2022, as amended _____*
Rhode Island	*January 11, 2023, as amended _____*
South Dakota	*December 22, 2022, as amended January 26, 2023*
Virginia	*January 4, 2023, as amended _____*
Washington	*January 3, 2023, as amended _____*
Wisconsin	*December 22, 2022, as amended _____*

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.

RECEIPT

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 Qdoba Restaurant Corporation offers you a franchise, it must provide this Disclosure Document to you fourteen (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 ten (10) business days before the execution of the franchise or other agreement or the payment of any consideration that relates to the franchise relationship. Iowa requires that we give you this disclosure document at the earlier of the first personal meeting or fourteen (14) 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 ten (10) business days before the execution of any binding franchise or other agreement or the payment of any consideration, whichever occurs first.

If Qdoba Restaurant Corporation 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 and state law may have occurred and should be reported to the Federal Trade Commission, Washington, D.C. 20580 and the state agencies listed in Exhibit B.

The franchisor is Qdoba Restaurant Corporation, located at 350 Camino De La Reina, Suite 400, San Diego, California 92108. Qdoba Restaurant Corporation authorizes the agents listed in Exhibit C to receive service of process for it.

Issuance Date: December 22, 2022, as amended January 26, 2023

The name, principal business address and telephone number of each franchise seller offering the franchise:

Mary Richardson, Director of License Operations and Business Development; Eric Williams, Chief Operating Officer, James D. Sullivan, Chief Development Officer, and Lori Osley, Vice President of Franchise Development. Each of these individuals may be reached at: 350 Camino De La Reina, Suite 400, San Diego, California 92108, 858.766.4900.

I have received a Franchise Disclosure Document, issued December 22, 2022, as amended January 26, 2023, that included the following exhibits:

A CONSOLIDATED FINANCIAL STATEMENTS OF QUIDDITCH ACQUISITION, INC.
B LIST OF STATE ADMINISTRATORS
C AGENTS FOR SERVICE OF PROCESS
D LIST OF CURRENT FRANCHISED LOCATIONS AND FORMER FRANCHISEES
E-1 FRANCHISE AGREEMENT
E-2 LICENSE AGREEMENT
F DEVELOPMENT AGREEMENT
G TABLE OF CONTENTS – MANUALS
H STATE SPECIFIC ADDENDA AND AGREEMENT AMENDMENTS
I CERTIFICATION OF ENTITY STRUCTURE AND OPERATION FORM
J GENERAL RELEASE OF ALL CLAIMS
K MASTER TECHNOLOGY AGREEMENT
L AUTHORIZATION FOR PREARRANGED PAYMENTS
M NON-DISCLOSURE AGREEMENT
N STORED VALUE CARD SERVICE AGREEMENT

_____ _____

Date of Receipt Company Name

_____ _____

Signature Print Name

RECEIPT

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M NON-DISCLOSURE AGREEMENT
N STORED VALUE CARD SERVICE AGREEMENT

Date of Receipt	Company Name
Signature	Print Name