FRANCHISE DISCLOSURE DOCUMENT

ROBERTO'S TACO SHOP, LLC
(a Nevada limited liability company)
1919 S. Jones Blvd., Suite E
Las Vegas, Nevada 89146
1-800-970-5111
reynaldo@robertostacoshop.com
www.robertostacoshop.com

Roberto's Taco Shop, LLC, offers franchises for the operation of restaurants known as Roberto's Taco Shops specializing in the service of traditional Mexican food which is freshly prepared each day from proprietary recipes. Burritos, tacos, quesadillas and condiments make up the bulk of the menu that is served at Roberto's Taco Shops.

The total investment necessary to begin operation of a Roberto's Taco Shop is $497,600 to $841,100. This includes $30,300 to $32,000 that must be paid to the franchisor or an affiliate.

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

You may wish to receive your disclosure document in another format that is more convenient for you. To discuss the availability of disclosures in different formats, please contact Reynaldo Robledo at Roberto's Taco Shop, LLC, at 1919 S. Jones Blvd., Suite E, Las Vegas, NV 89146, or at 1-800-970-5111.

The terms of your contract will govern your franchise relationship. Don't rely on the 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 accountant.

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

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

Issuance Date: May 1, 2024

How to Use This Franchise Disclosure Document

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

QUESTION	WHERE TO FIND INFORMATION
How much can I earn?	Item 19 may give you information about outlet sales, costs, profits or losses. You should also try to obtain this information from others, like current and former franchisees. You can find their names and contact information in Item 20 or Exhibits H and I.
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 C 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 ROBERTO'S TACO SHOP 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 ROBERTO'S TACO SHOP franchisee?	Item 20 or Exhibits H and I list 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 requires you to resolve disputes with the franchisor by mediation, arbitration and/or litigation only in Nevada. 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 Nevada than in your own state.

2. **Financial Condition.** Franchisor is undercapitalized (see Item 21) and may not be able to meet preopening obligations to all franchisees.

3. **Mandatory Minimum Payments.** You must make minimum royalty or advertising fund payments regardless of your sales levels. Your inability to make payments may result in termination of your franchise and loss of your investment.

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.

ROBERTO'S TACO SHOP
FRANCHISE DISCLOSURE DOCUMENT
TABLE OF CONTENTS

EXHIBITS

ITEM 1. THE FRANCHISOR, AND ANY PARENTS, PREDECESSORS AND AFFILIATES

To simplify the language in this disclosure document, words such as "we," "us," "our" and "Franchisor" refer to Roberto's Taco Shop, LLC, the franchisor of Roberto's Taco Shops. Words such as "you," "your" and "Franchisee" refer to the purchaser of a Roberto's Taco Shop franchise.

Franchisor, Parents and Affiliates

We conduct business exclusively under the name "Roberto's Taco Shop." We are a Nevada limited liability company which was formed on November 13, 2008. Our principal place of business is 1919 S. Jones Blvd., Suite E, Las Vegas, Nevada 89146. Our telephone number is 1-800-970-5111.

We began offering franchises for Roberto's Taco Shops in February 2009. We do not operate any business of the type we franchise. We have never offered franchises in any other line of business. We have no predecessors.

Our parents are the Roberto Robledo-Pinal 1994 Trust and the Dolores R. Robledo Family Trust (hereinafter, collectively, the "Trusts"), which both maintain a principal place of business at 1919 S. Jones Blvd., Suite E, Las Vegas, Nevada 89146. The Trusts sublet some locations to our franchisees for their Roberto's Taco Shop. The Trusts have never offered franchises in any line of business.

Pursuant to a certain license agreement (the "License Agreement"), we are licensed by the Trusts (also referred to in this document as, "Licensor") to use the trade name "Roberto's Taco Shop" and the related trademarks and service marks (collectively, the "Marks") and the Roberto's Taco Shop system (the "System") to grant Roberto's Taco Shop franchises in Nevada and elsewhere.

The trustor of Licensor, Roberto Robledo-Pinal (the "Trustor"), opened his first Roberto's Taco Shop in San Diego, California, in 1964. He subsequently opened numerous additional Roberto's Taco Shop units in San Diego before moving to Las Vegas, Nevada in 1990, where he opened more Roberto's Taco Shop units. Mr. Roberto Robledo-Pinal died in 1999. The Trustor, Licensor, and some beneficiaries of Licensor, offered licenses for Roberto's Taco Shops in the past. These license agreements were designed to provide sufficient controls to provide protection for the "Roberto's Taco Shop" trade name and Marks, but not enough to have the relationship constitute franchises under the law. Currently, all the Roberto's Taco Shop outlets in California, three outlets in Nevada, and one outlet in Texas, are owned and operated by beneficiaries of the Trusts. These outlets may compete with you. The California and Texas outlets do not contribute to any marketing fund, and do not make any payments to us. The three outlets in Nevada owned by beneficiaries do contribute to our Marketing Fund, but do not make any other payments to us.

Our affiliate and wholly owned subsidiary, RTS Properties, LLC, is a Nevada limited liability company formed on November 7, 2014. It shares our principal place of business at 1919 S. Jones Blvd., Suite E, Las Vegas, Nevada 89146. RTS Properties, LLC leases properties to us and our franchisees. It has never offered franchises in any line of business.

Agent for Service of Process

The names and address of our agents for service of process are listed on Exhibit B to this disclosure document.

The Business We Offer

We offer franchise opportunities to establish and operate a distinctive quick-service restaurant known as a "Roberto's Taco Shop" that specializes in authentic Mexican food prepared fresh daily from proprietary recipes. We grant you the right to operate a single Roberto's Taco Shop (the "Restaurant") under the terms of a franchise agreement (the "Franchise Agreement"). We currently only sell franchises to individuals who have been employed at a Roberto's Taco Shop for at least five (5) years, and who have demonstrated a proper understanding of the System, including the recipes and business aspects of the System.

The Franchise Agreement authorizes you to use the Marks in connection with your operation of a Roberto's Taco Shop under the System. The distinguishing characteristics of the System include, without limitation, uniform and distinctive building designs, interior and exterior layout and trade dress; business methods; technical knowledge; standards and specifications for equipment, equipment layouts, supplies and menus (including food and beverage designations, food presentation, special recipes, and quality and quantity standards); operating procedures for sanitation, maintenance and food and beverage storage, preparation and service; and methods and techniques for inventory and cost controls, recordkeeping and reporting, training, purchasing, sales, promotion and advertising.

You will sell authentic Mexican-style food, prepared fresh daily, according to our recipes and the System from your Roberto's Taco Shop. You will sell all, and only, the food and beverage products and other items that are part of the standard menu for a Roberto's Taco Shop.

The Franchise Agreement is signed by us, by you, and by those of your principals whom we designate as the principal franchisee-operator(s) (the "Designated Operator(s)") of the Roberto's Taco Shop. The Designated Operator(s) (there may be up to two such individuals but only one address to which we communicate to regarding the franchise) named has the authority to act for you in all matters relating to the Roberto's Taco Shop, including voting responsibilities. By signing the Franchise Agreement, you and the Designated Operator(s) agree to be individually bound by certain obligations in the Franchise Agreement, including covenants concerning confidentiality and non-competition, and to personally guarantee your performance under the Franchise Agreement.

This Disclosure Document sets forth the terms and conditions on which we currently offer franchises in this state. We reserve the right, in our sole discretion, to award, or not award, a Roberto's Taco Shop franchise to you, regardless of the stage of the franchise award process, costs expended by you or otherwise. Also, there may be instances in which we will vary the terms on which we offer franchises to suit the circumstances of a specific transaction.

Market and Competition

Your competitors in the quick-service, Mexican-style segment of the restaurant industry will include national chains, regional chains, individual "mom-and-pop" units, as well as grocery stores and sit-down restaurants that sell Mexican style food. The market for Mexican-style food restaurants is well developed and relatively non-seasonal.

Applicable Regulations

You must comply with federal, state, and local health and environmental safety regulations concerning the proper handling, cooking and serving of food products. These regulations may include menu labeling laws, laws relating to the storage of food, use of appropriate cooking temperatures, and laws which effect how you train and supervise your staff. You must also comply with all applicable federal and state employment laws, as well as building code laws which may affect how your unit looks, what signs you may display, and the amount and type of parking, drive-thru or hours of operation that you may keep.

California and other states and local jurisdictions have enacted laws, rules, regulations and ordinances which may apply to the operation of the Roberto's Taco Shop, including those which (a) establish general standards, specifications and requirements for the construction, design and maintenance of the Authorized Location; (b) regulate matters affecting the health, safety and welfare of your customers, such as general health and sanitation requirements for Stores; employee practices concerning the storage, handling, cooking and preparation of food; restrictions on smoking; availability of and requirements for public accommodations, including restrooms; (c) set standards pertaining to employee health and safety; (d) set standards and requirements for fire safety and general emergency preparedness, (e) govern the use of vending machines, (f) control the sale of alcoholic beverages; and (g) regulate the proper use, storage and disposal of waste, insecticides, and other hazardous materials.

The Nutrition Labeling and Education Act (NLEA) sets regulations for food labeling, including nutritional label standards, nutrient content claims, and health claims. NLEA applies to virtually all foods in the food supply, including food served and sold in ice cream parlors. The Food and Drug Administration's *Nutritional Labeling Guide for Restaurants and Other Retail Establishments* provides answers to commonly asked questions regarding the application of NLEA.

The Health Care Reform Bills that became law in March 2010 contain provisions that require disclosure of nutrition and calorie information in chains of more than 20 restaurants. California law requires each food facility that meets specified criteria (which cover franchised outlets with at least 19 other franchised outlets with the same name among certain other food facilities) to provide nutritional information that includes, per standard menu item, the total number of calories, grams of saturated fat, grams of trans fat, and milligrams of sodium and to have menu boards to include the total number of calories. Other states and cities may have laws similar to these laws. You should consult with your attorney concerning these and other local laws and ordinances that may affect your Roberto's Taco Shop. You should investigate whether there are regulations and requirements that may apply in the geographic area in which you are interested in locating the Roberto's Taco Shop and should consider both their effect and cost of compliance.

Some municipalities or other authorities have adopted or are considering regulations requiring the disclosure and posting of certain nutritional or other information on menu boards or otherwise within ice cream stores. You should consult with your attorney concerning these and other local laws and ordinances that may affect your Roberto's Taco Shop.

The Payment Card Industry Data Security Standard ("PCI DSS") requires that all companies that process, store, or transmit credit or debit card information maintain a secure environment. PCI DSS applies to all merchants, regardless of size or number of transactions that accept, transmit or store any cardholder data.

ITEM 2. BUSINESS EXPERIENCE

Managing Member, President, CEO, CFO, and COO: Reynaldo Robledo

Mr. Robledo has been our President, Chief Executive Officer, and Chief Financial Officer since January 2016. He has been our Managing Member and Chief Operations Officer since November 2008. He is also the Chief Operations Officer for the Roberto's Taco Shops owned, operated, or licensed by the Roberto Robledo-Pinal 1994 Trust and has held that title since 1999. All positions listed here for Mr. Robledo are located in Las Vegas, Nevada.

ITEM 3. LITIGATION

Concluded Franchisor Initiated Litigation:

Roberto's Taco Shop, LLC v. Lopez Quiroz, Inc. On April 7, 2021, in the Eighth Judicial District Court in Clark County, Nevada (Case No. A-21-832470-C), we filed a complaint for unlawful detainer, breach of contract, unjust enrichment, trespass, and declaratory relief, against Lopez Quiroz, Inc. ("Defendant"). Defendant is a Roberto's Taco Shop franchisee, who signed three Franchise Agreements with us to operate three Roberto's Taco Shop restaurants (the "Restaurants"). We negotiate and lease the premises for each of the Restaurants directly with the owner of each property (the "Landlord") and then we sublease the three properties (the "Properties") to Defendant. In our complaint, we alleged that Defendant violated the terms of the Franchise Agreement and Sublease for the Property located at Losee Road (the "Losee Location") by, among other things, Defendant's failure to pay rent to us. On April 14, 2021, we filed an Emergency Motion for Order to Show Cause Why Temporary Writ of Restitution Should Not Issue. On April 16, 2021, Defendant filed an opposition to our Motion. An Evidentiary Hearing was held on May 18, 2021, on our Motion for Order to Show Cause Why Temporary Writ of Restitution Should Not Issue. Among its Finds of Fact, the Court found that (i) Defendant provided false and misleading information to the Landlord of the Losee Location regarding its relationship with us; (ii) Defendant advised the Landlord that it was an independent operator of the Restaurant at the Losee Location and was no longer under a Franchise Agreement with us; (iii) Defendant requested a direct lease from the Landlord at the Losee Location, and obtained and signed a new lease with the Landlord; (iv) on January 22, 2021, we sent Defendant a letter advising of multiple breaches, including failure to pay rent, and demanded the breaches be cured; (v) the breaches were never cured by Defendant; (vi) on January 25, 2021, the Landlord sent a letter to Defendant stating that it had become aware that Defendant provided false and misleading claims to obtain its new lease, and that the lease was null and void since we were the sole and only legal authority allowed to make changes to the lease; (vii) on March 19, 2021, we sent a letter ("Termination Letter") to Defendant immediately terminating the Franchise Agreement and Sublease for the Losee Location, and also terminating the Franchise Agreements and Subleases for the Defendants other two Roberto's Taco Shop franchises under the cross-default provisions of the applicable Franchise Agreements; (viii) the Termination Letter advised Defendant to immediately stop operations, cease the use of our intellectual property, and abide by all the post-termination provisions in the Franchise Agreement; and (ix) Defendant did not comply with this demand and continued to operate as a Roberto's Taco Shop without paying rent and in violation of the Franchise Agreement, detrimentally impacting our intellectual property and brand. The Court found that Defendant materially breached the Franchise Agreement and Sublease for the Losee Location. Defendant asserted at the evidentiary hearing that if the Writ was granted, Defendant was entitled to take with it any equipment or furnishings that it had installed at the

Losee Location. The Court found, as provided in the Franchise Agreement, that all fixtures, furnishings, equipment, and signage at the Losee location belong to us. On June 15, 2021, the Court issued an Order that granted our Motion for Temporary Writ of Restitution; ordered us to post a bond of $10,000; and ordered Defendant to immediately relinquish possession of the Restaurant at the Losee Location to us. The Court did not grant at this time our temporary writ of possession on the other two Restaurants operated by Defendant. On June 4, 2021, Defendant filed an Answer and Counterclaims against us. In its Counterclaims, Defendant alleges fraud and unjust enrichment, and is seeking damages and attorneys' fees and is asking the Court for declaratory relief and to dismiss all our claims. On June 25, 2021, we filed a Reply to Defendant's Counterclaims denying generally each and every one of its allegations and further denying that Defendant sustained the damages that it alleges, by reason of any act, breach, or omission on our part. We asked the Court to enter Judgment in our favor, such that Defendant takes nothing by way of its Counterclaims and that we be awarded reasonable attorneys' fees and costs incurred in defending this action. While a decision on the motion was pending, we resolved the litigation outside of the Court through a confidential settlement agreement. We and Defendant entered in a confidential Settlement Agreement and Mutual Release dated September 2, 2021, under which Defendant agreed to (i) pay us immediately, in full, back rent owed on the Losee Location in the amount of $23,899.01; (ii) the immediate termination of the Franchise Agreements for all three Restaurants; (iii) the prompt and complete surrender of all operations at the Restaurants; and (iv) the return of all furniture, fixtures, equipment, and leasehold improvements at the Restaurants to us. We and Defendant agreed to mutually release all claims against the other, whether known or unknown, and to bear our own attorneys' fees and costs associated with this action.

Except for the above 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

Initial Franchise Fee

You must pay us an initial franchise fee (the "Initial Franchise Fee") in the amount of Twenty-Five Thousand Dollars ($25,000), in one lump sum, when the Franchise Agreement is signed. The Initial Franchise Fee is fully earned by us when paid and is not refundable in whole or in part, under any circumstances.

Digital Menu Screens

You must have digital menu screens installed in the Restaurant prior to opening for business. We will pay the third-party approved supplier directly for the digital menu screens and their installation on your behalf and you will reimburse us for the costs. The cost of the digital menu screens with installation varies based on the size, type, and number of menu screens installed and ranges from $4,500 to $6,000 for four digital menu screens, which is the typical number of menu screens for a Roberto's Taco Shop. We will invoice you for the cost of the digital menu screens prior to the opening of the Restaurant and you must pay us the full amount due within 30 days of the date of the invoice. The costs for the digital menu screens and installation are not refundable in whole or in part, under any circumstances. You are responsible for any costs incurred for maintenance and upgrades of the digital menu screens during the term of the Franchise Agreement.

Equipment Package Lease

If we build a Roberto's Taco Shop restaurant and sublease it to you, we will charge you for leasing the equipment, furniture, fixtures, digital menu screens, and signage (the "Equipment Package") that we purchase, own, and install in the Restaurant for you. The cost of the Equipment Package may range from $185,000 to $220,000, depending on the type, amount, and condition of the equipment, furniture, fixtures, and signage we install in the Restaurant for you. You will pay us this amount in a lump sum payment upon the signing of the Franchise Agreement or Sublease for the Authorized Location. This fee is not refundable, in whole or in part, under any circumstances. You are responsible for maintaining and replacing the leased equipment, fixtures, digital menu screens, and signage, at your sole expense, during the term of the Franchise Agreement. We own the Equipment Package and any replacement equipment, furniture, fixtures, digital menu screens, and signage that you purchase.

Uniforms

You must purchase from us a sufficient number of "Roberto's Taco Shop" logo shirts and hats for each employee at the Restaurant. The cost of our logo shirts and hats varies depending on the vendor and quantity purchased. We estimate the amount of your initial purchase of uniforms to range from $800 to $1,000. You will pay this fee to us in a lump sum before the Restaurant opens. This fee is not refundable, in whole or in part, under any circumstances.

ITEM 6. OTHER FEES

TYPE OF FEE (1)	AMOUNT	DUE DATE	REMARKS
Royalty Fee	A flat rate fee and/or a percentage of average Gross Sales, ranging from $6,000 to $18,000 per month, subject to inflation adjustment(2)	Payable monthly on the 1st day of the next month.	The amount you pay will be based on the location of the Restaurant and the estimated future sales. This fee amount varies and is not the same for all franchisees.
Marketing Fund Fee (3)	Currently, $200 per month	Payable on the 1st day of each month.	The Marketing Fund Fee will begin from the date the Restaurant first opens for business. We can increase or decrease this amount upon 30 days' notice to you, but no increase will be more than $500 per month.

TYPE OF FEE [1]	AMOUNT	DUE DATE	REMARKS
Local Advertising	2% of monthly Gross Sales [4]	As incurred.	Spent at your discretion on local advertising and promotional activities. Each month, you must complete and submit to us Report Forms to show you fulfilled your monthly requirement for local advertising.
Cooperative Advertising Contribution	Varies.	Varies.	You may join a cooperative of all of the Franchisees in a Designated Market Area. If the majority of the Franchisees in the cooperative so agree, then you must contribute the amount agreed upon to the cooperative.
Additional Training Fee	Cost of training [5]	30 days prior to commencement of training.	You will pay this fee for any additional training you request or require after the initial training we provide to you and your designated manager.
Annual Training in Administration	$150 per hour, per trainee	Before training.	You and your designated manager(s) are required to attend and successfully complete 10 hours of training in administration each year. You are responsible for your and your managers' travel and living expenses.
Additional Assistance	$500 per day	30 days after billing.	We may provide additional opening services.
Transfer Fee	$5,000	When transfer is first presented to us for approval.	Payable upon sale or transfer of franchise. No charge if franchise transferred to an entity you control.
Interest on Late Payments	A rate equal to the lesser of 18% per annum or the maximum rate allowed by law.	Payment on demand.	Interest on all amounts owed us beginning from the date of the underpayment to the date of payment. The highest interest rate allowed in California is 10% annually.

TYPE OF FEE [1]	AMOUNT	DUE DATE	REMARKS
Renewal Fee	$2,500	30 days before renewal.	
Sublease Rent [6]	Varies, typically from $4,500 to $18,000	On the first day of each month.	Payable to us or the Trusts if we or the Trusts sublet a unit to you. Otherwise, payable to the Landlord.
Sublease Renewal Fee	$2,000 to $16,000	Upon renewal of lease.	This fee varies and will cover our (or the Trusts') administrative, accounting, legal, and realtor costs associated with renegotiating a lease renewal for a unit we sublet to you.
Audit Fees	All costs of or relating to the audit. [7]	As incurred.	Payable only if audit is done because of your failure to furnish required reports and information on a timely basis.
Cost of Enforcement or Defense	All costs including attorneys' fees	Upon settlement or conclusion of claim or action.	You will reimburse us for all costs in enforcing our obligations concerning the Franchise Agreement if we prevail.
Insurance Reimbursement [8]	Amount of unpaid premium.	Upon demand. (You must have the policies within 60 days after signing the Franchise Agreement, but no later than the time that you acquire an interest in the real property from which you will operate the Restaurant.	Payable only if you fail to maintain required insurance coverage and we elect to obtain coverage for you.
Indemnification	All costs including attorneys' fees	Upon settlement or conclusion of claim or action.	You will defend suits, at your own cost, and hold us harmless against suits involving damages resulting from your operation of the Franchised Business.

TYPE OF FEE (1)	AMOUNT	DUE DATE	REMARKS
Upgrades and Maintenance (9)	Cost of required changes or modifications to the System.	At time of modification.	You will make these expenditures as required to comply with our system standards and modifications to the system. Payable to suppliers.
Alternative Supplier Approval (10)	$500 per day for personnel engaged in evaluating supplier.	At time of request.	Additionally, you must reimbursement us for any travel, accommodations, and meal expenses.
IT Support Fee (11)	$50 - $200 per Restaurant	Monthly	Payable to us, and we pay the approved third-party supplier of IT Support on behalf of our franchisees.
POS Software License Fee (12)	Varies, up to $400 per month	Monthly	We impose this fee, but you will pay this fee to the third-party approved supplier.
Digital Display Software Fee	$25 per screen, per year	Yearly	We impose this fee, but you will pay this fee to the third-party approved supplier.
Delivery Management Platform Fee (13)	$1,020 - $1,300 per year	Yearly	We impose this fee, but you will pay this fee to the third-party approved supplier.

Notes to Chart:

(1) All fees are imposed by and are payable to us, unless otherwise noted. All fees are uniformly imposed and non-refundable, unless stated otherwise. You must participate in our electronic funds transfer program if we require it. If we require it, you must sign and deliver to us an unconditional, irrevocable authorization to enable our financial institution to debit bank accounts at your bank in order to pay us any Royalty Fees, and other amounts that you may owe us under this Agreement or any other agreement between you and us. All Royalty Fees, Marketing Fund Fees, if any, and other amounts due us must be received by us or credited to our account by pre-authorized bank debit before 5:00 p.m. on the day each such payment is due. No other fees or payments are to be paid to us, nor do we impose or collect any other fees or payments for any third party. Fees payable to third parties may be refundable based on your individual arrangements.

(2) Amounts specified as being subject to inflation adjustment may be adjusted by us annually in our Business Judgment in proportion to the changes in the Consumer Price Index (U.S. Average, all items) maintained by the U.S. Department of Labor (or any Successor index) as compared to the previous year. We are not required to adjust any amounts downward. We will notify you of any such percentage increase adjustment.

(3) We have established a national advertising and marketing fund (the "Marketing Fund") and you will be required to make a monthly contribution to such fund (the "Marketing Fund Fee") beginning from the date the Roberto's Taco Shop first opens for business. The Marketing Fund may be used for (among other things) product development; signage; creation, production and distribution of marketing, advertising, public relations and other materials in any medium, including the internet; social media; administration expenses; brand/image campaigns; media; national, regional and other marketing programs; activities to promote current and/or future Roberto's Taco Shops and the brand; agency and consulting services; research; and any expenses approved by us and associated with the Roberto's Taco Shop. We will have sole discretion over all matters relating to the Marketing Fund. You must pay for your own local advertising.

(4) The term "Gross Sales" means the total revenues you receive from the sale of goods and services at or in connection with your Roberto's Taco Shop, less sales taxes or similar taxes or refunds.

(5) If at any time after completion of the initial training, you request additional training for you or any of your employees or employ new management employees requiring training, you shall: (i) reimburse us for our travel and lodging expenses plus all other expenses incurred by us in providing the training if you choose to have us conduct the training at your Roberto's Taco Shop, or (ii) bear all of the expenses incurred by you and/or your management employees in receiving the training if you choose to have us conduct the training at another Roberto's Taco Shop or other location designated by us.

(6) Sublease rent may include rent, property taxes, common area maintenance charges, and insurance, all charged by the landlord. If we sublet to you, we may charge an additional administrative or handling fee in order to process payments to the landlord, and to cover our legal and internal expenses for managing the sublease. The administrative fee will not exceed 10% of the annual sublease amount. If we do not receive your sublease rent within 5 days following its due date, we may charge you a late fee equal to 10% of the overdue payment.

(7) Costs relating to the audit shall include, without limitation, travel, lodging, wage expense and reasonable accounting and legal expense. These costs will be in addition to any other remedies that we may have under the Franchise Agreement or law.

(8) The minimum limits for coverage under many policies will vary depending on several factors, including the size of the Roberto's Taco Shop. See Item 8 of this Disclosure Document for our minimum insurance requirements.

(9) You must promptly repair or replace defective or obsolete equipment, furniture, signage, fixtures or any other item of the interior or exterior of your Roberto's Taco Shop that is in need of repair, refurbishing or redecorating in accordance with our established standards, which may be updated from time to time, or as may be required by your lease. We may change or modify the System that is presently identified by the Marks including, the adoption and use of new or modified Marks or copyrighted materials. You may be responsible for any reasonable conversion costs.

(10) You may request the approval of an item, product, service or supplier. We may require you to pre-pay any reasonable charges connected with our review and evaluation of any proposal.

(11) The amount you pay will vary and is determined by the amount of the invoice that we receive from the approved supplier divided by the number of franchisees currently in the System. This fee covers labor costs only, hardware is extra.

(12) You are required to use an online POS System designated by us in the operation of your Restaurant. You will pay this fee directly to the third-party approved supplier. The amount you pay will vary and is determined by the software and licensing package that you select.

(13) You must use a delivery management software platform designated by us in the operation of your Restaurant. The platform is provided by our designated third-party approved supplier and integrates food delivery services with your POS System. The amount you pay will vary and is determined by the licensing package that you select. You will pay this fee directly to the third-party approved supplier.

[Remainder of Page Intentionally Left Blank]

ITEM 7. ESTIMATED INITIAL INVESTMENT

YOUR ESTIMATED INITIAL INVESTMENT

TYPE OF EXPENDITURE	AMOUNT	METHOD OF PAYMENT	WHEN DUE	TO WHOM PAYMENT IS TO BE MADE
Initial Franchise Fee	$25,000	Lump Sum	At signing of franchise agreement	Us
Travel and Living Expenses while Training[1]	$1,000 - $2,500	As arranged	As incurred during training	Airlines, Hotels and Restaurants
Real Estate/Lease (3 months)[2]	$13,500 - $54,000	As arranged	At signing of Lease.	Landlord
Leasehold Improvements[3]	$150,000 - $300,000	As arranged	Before Opening	Vendors
Equipment, Furniture, Fixtures and Signage[4]	$200,000 - $270,000	Lump Sum	Before Opening	Vendors or Us
Computer System[5]	$1,800 - $2,600	As arranged	Before and After Opening	Approved Suppliers, Vendors, and Us
Point-of-Sale System[6]	$7,000 - $12,000	As arranged	Before Opening	Approved Suppliers and Vendors
Digital Menu Screens[7]	$4,500 - $6,000	Lump Sum	Before Opening	Us
Uniforms[8]	$800 - $1,000	As arranged	Before Opening	Us
Opening Inventory (3 months)[9]	$60,000 - $90,000	Lump Sum	Before Opening	Vendors
Insurance[10] (1 year)	$7,000 – $18,000	Lump Sum or Installments	Before Opening	Insurance Carrier
Business License and Permits[11]	$1,000 - $8,000	As arranged	Before Opening	Local, State or Federal Government
Utility Deposits[12]	$0 - $2,000	As arranged	Before Opening	Utility Suppliers
Professional Fees and Services[13]	$6,000 - $20,000	As arranged	As incurred, varied times.	Lawyers, Accountants, Architects Etc.
Grand Opening Expenses[14]	$5,000	As arranged	Within 90 days of opening	Vendors
Additional Funds[15] (3 Months)	$15,000 - $25,000	As arranged	As incurred, varied times.	Employees, Vendors, Utilities
TOTAL ESTIMATED INITIAL INVESTMENT[16]	**$497,600 - $841,100**			

All amounts are non-refundable, unless otherwise noted. Amounts payable to suppliers/vendors may be refundable according to arrangements you make with the vendor.

NOTES:

(1) Travel and Living Expenses while Training. You must pay for all costs (e.g., transportation, meals, lodging, and other expenses) incurred by you and your designated manager while attending the 2 days of required initial training at our headquarters in Las Vegas, Nevada. The amount you spend while training will depend on several factors, including the distance you must travel and the type of accommodations you choose, if any are needed.

(2) Real Estate/Lease. You must lease or purchase land and a building for the operation of the Roberto's Taco Shop. Currently, all Roberto's Taco Shop units are situated on leased land, so we do not include estimates for the costs of purchasing land to build a unit. The typical Roberto's Taco Shop is composed of a building having an area of approximately 2,500 square feet situated on approximately 10,000 square feet of land that is located in a restaurant row or commercial area with residential areas in close proximity. (The Restaurant may be either a stand-alone unit or part of a shopping center). These figures assume base monthly rental rates ranging from $1.80 to $7.20 per square foot. Landlords may also vary the base rental rate and charge rent based on a percentage of gross sales. Such rent normally ranges between five percent (5%) and eight percent (8%) of gross sales. In addition to base rent, the lease may require you to pay common area maintenance charges ("CAM Charges"), your pro rata share of the real estate taxes and insurance, and your pro rata share of HVAC and trash removal. The actual amount you pay under the lease will vary depending on the size of the Roberto's Taco Shop, the types of charges that are allocated to tenants under the lease, your ability to negotiate with landlords, and the prevailing rental rates in the geographic area. This estimate covers the first 3 months of operation.

The cost of the real estate, if purchased, varies significantly from location to location. You should be aware that we have limited experience in building a "ground-up" restaurant. We have instead preferred to convert existing buildings whenever establishing a restaurant and, as a result, do not have sufficient information upon which to base the cost estimates of building a unit from the ground-up. Since conversion costs are influenced by the age, condition, composition and former use of the structure, such costs can differ greatly from building to building.

In some instances, we or the Trusts will identify a site and execute a lease with the Landlord. We, or the Trusts, will then sublet the premises to you. If we sublet the premises to you, we may charge you an administrative and handling fee, not to exceed 10% of the annual lease payments, to cover our administrative, accounting, and legal costs in managing the sublease.

(3) Leasehold Improvements. The cost of leasehold improvements will vary significantly depending upon many factors, including, without limitation, square footage, geographic area, market climate, labor market (e.g., prevailing wage rates, union labor restrictions, etc.), type and condition of the facility, location, condition of the leased premises and price difference between various suppliers and contractors. The costs of leasehold improvements are your sole responsibility and will vary depending upon your negotiations with the landlord or third parties prior to occupancy, or they may be financed through the landlord or third parties. You may be able to negotiate for "tenant improvement" allowances that can help to reduce your net construction costs. This is an important factor for you to consider in choosing a location. Additional important cost factors are the condition in which a landlord

delivers a space, the extent to which it has existing improvements, such as restroom facilities, electrical, HVAC, store front, doors, concrete slab, and other elements, and the nature of the building/site, among other factors, all of which will significantly impact the costs you should expect to incur. You should consult with a qualified, licensed contractor for cost estimates specific to your site before signing the lease, since we cannot predict or warrant what future costs may be. You are responsible for obtaining all necessary permits and licenses required for the location, construction, renovation, or operation of the Restaurant.

(4) Equipment, Furniture, Fixtures and Signage. You must equip the Restaurant with all of the equipment, furnishings, fixtures, signage, smallwares, and glassware, which are necessary for the opening and operation of the Restaurant. Generally, a portion of the fixtures and equipment must be purchased from designated suppliers and the balance must conform to our specifications. Depending upon the size of the Restaurant, the existing supplies of such fixtures and equipment and the number of vendors then selling the fixtures and equipment, the quantity, types of and prices of fixtures and equipment may vary. Payment and refund terms will have to be negotiated between the supplier and you. None of the designated or suggested suppliers are affiliated with us or the Trusts. However, if we build-out a unit and provide it with equipment, fixtures, digital menu screens, signage, and furnishings, we will charge you a fee ranging from $185,000 to $220,000 for leasing the Equipment Package from us. We require a lump sum payment of the Equipment Package Lease at the time you sign the Franchise Agreement or Sublease.

(5) Computer System. You must acquire a desktop or laptop computer for use in the operation of the Roberto’s Taco Shop to manage all of your scheduling, ordering, emails, etc. Your computer system must be equipped with a high-speed connection to the Internet and must include a local area network with a dedicated server. You must install and use the electronic data processing and communications hardware and software, including voicemail, business management software, color printer and a POS system designated by us. The range disclosed in the table above includes the estimated costs for a computer, color printer, phone system, and 3 months of IT Support Service and Internet service.

(6) Point-of-Sale System. You must purchase or lease a Point-of-Sale System (“POS System”) and software programs for use in the Restaurant that are approved by us; that meet all our current standards and specifications; and that are fully compatible with our POS System and software programs. We have the right to retrieve data and information directly from your POS System as part of any authorized audit. (See Item 11 of this Disclosure Document for more details.)

(7) Digital Menu Screens. This range covers 4 digital menu screens with installation. The amount varies depending on the size, type, and number of screens installed. We will pay the third-party approved supplier directly for the digital menu screens and their installation on your behalf and you will reimburse us for the costs. We will invoice you for the cost of the digital menu screens prior to the opening of the Restaurant and you must pay us the full amount due within 30 days of the date of the invoice from us. The costs for the digital menu screens and installation are not refundable.

(8) Uniforms. You will purchase uniform Roberto’s Taco Shop logo shirts for you and your employees from us.

(9) Opening Inventory. In order to open the Restaurant, you will be obligated to purchase an initial inventory of food, beverages (alcoholic and otherwise), paper supplies, etc. The inventory

items, quantity and price may vary based upon building size, availability of supplies, the number of vendors selling such items, etc. The range provided here is the estimated aggregate cost of your initial opening inventory for the first 3 months of operations. Payment terms for such items are usually cash on delivery or payment within a specified number of days (usually no more than thirty (30) days) after delivery. None of the designated or suggested suppliers of such items are affiliated with us.

(10) Insurance. This estimate is for one (1) year of your minimum required insurance. The actual cost may be more than shown here. You will need to check with your insurance carrier for actual premium quotes and costs, and for the actual amount of deposit. Insurance costs can vary widely, based on the area in which your Restaurant is located, your experience with the insurance carrier, the loss experience of the carrier, the amount of deductibles and of coverage, and other factors beyond our control. You should obtain appropriate advice from your own insurance professional before signing any binding documents or making any investments or other commitments, whether to us or anyone else.

(11) Business License and Permits. This range of costs covers the expense of acquiring the required local business permits. We make no representations or assurances as to what (if any) licenses, permits, authorizations or otherwise may be required in connection with the Roberto's Taco Shop. Our estimated costs include building permits, fire inspection, sales tax permit, and retail sales permits. If an electrical permit is necessary, the costs may be more. You should investigate applicable requirements in your area and the related costs, including receiving advice from regulatory agencies and your own lawyer, before making any commitments, whether to us or anyone else.

(12) Utility Deposits. Typically, a utility deposit will be required only if you are a new customer of the utility company.

(13) Professional Fees and Services. Professional fees include payments to attorneys, accountants, architects, and other consultants.

(14) Grand Opening Expenses. Within 90 days of opening your Roberto's Taco Shop, you must spend this amount on "Grand Opening" advertising, marketing and promotion. Approximately $1,500 of this amount will be used for printing menus that are distributed to local homes and businesses.

(15) Additional Funds. Additional Funds is an estimate of funds needed to cover certain business expenses before and during the first 3 months of the operation of your business. These expenses include initial employee wages, management compensation (but not any draw or salary for you), ongoing purchases of supplies, marketing expenses, local advertising, utilities, and other costs. This amount is only an estimate. You may need additional funds to open and operate your Roberto's Taco Shop.

(16) All of the above figures are estimates of certain initial start-up expenses. The total listed above does not include compensation for your time or labor or any return on your investment. Your costs will vary depending on such factors as: how closely you follow the Roberto's Taco Shop system and program; your management and marketing skills, experience and general business ability; and local and general economic conditions, including disposable income. You should review these figures carefully with a business advisor (such as an accountant) before making any commitments. We compiled these estimates based on our and our affiliates and predecessors combined 60 years of experience in the Mexican-style food restaurant business.

ITEM 8. RESTRICTIONS ON SOURCES OF PRODUCTS AND SERVICES

Required Purchases of Goods

You must follow the standards and specifications we periodically establish for the inventory and supplies, equipment, POS and computer systems, and indoor and outdoor signs required for your Roberto's Taco Shop.

We will provide you with specifications governing the minimum standards of certain products, services or equipment you procure from unrelated third parties. You may purchase these items from any supplier whose product, service or equipment meets our specifications. We may modify our specifications and may add new specifications in writing. Currently, we require that certain food products, typically protein and dry goods, be purchased from designated suppliers ("Approved Suppliers"). We will provide you with the names of Approved Suppliers. These suppliers may include, and may be limited to, us or an affiliate of ours. You are required to purchase your uniform logo shirts and hats from us at cost. Other than the above-mentioned logo shirts and hats, neither we nor our affiliates are currently an Approved Supplier of any other products or services that you are required to purchase. On notice by us, you will immediately cease and desist from using/offering any products, equipment, and/or services otherwise not authorized by us. (Franchise Agreement, Section 8.6)

We do not currently have Approved Suppliers for architecture, design, engineering or project management.

Required and Approved Suppliers

We do no not maintain written criteria for approving suppliers, so these criteria are not available to you or your proposed supplier. Designation of a supplier may be conditioned on factors established by us in our business judgment, including, without limitation, performance relating to frequency of delivery, standards of service, ability to maintain and/or quality of goods, ability to meet or maintain acceptable pricing, and payment or other consideration to us or parties designated by us. We may approve, revoke, or deny approval of particular items or suppliers in our business judgment.

We may designate a single supplier or multiple suppliers for any given item or service and may concentrate purchases with one or more suppliers in our business judgment. There is no assurance that we will designate more than one supplier for any item, including items for which we are the only designated supplier.

To ensure a consistent format in the prepared financial statements and financial reporting from our franchisees, we require you to use a certified public accountant designated by us in maintaining all the financial records pertaining to your Roberto's Taco Shop and in preparing its financial reports to us. (Franchise Agreement, Section 10.1)

Approval of Alternate Suppliers

If we designate a supplier for a product or service, you may request our approval to use an alternative supplier that meets our criteria. To obtain our written approval for the alternative supplier, you must submit a written request to us for approval of the supplier and the supplier must meet our specifications to our reasonable satisfaction. We may require you to pre-pay any reasonable charges connected with our review and evaluation of any proposal. These charges may include reimbursement for reasonable travel, accommodations and meal expenses, plus a fee of $500 per day for any personnel who are engaged in evaluating a supplier at your request. We will notify you in writing of our approval or disapproval within 90 days after you make a written request.

Approvals of an alternative supplier, or any supplier, may be revoked by us at any time, in our sole discretion, for reasons that include, but are not limited to, quality and service deficiencies by the supplier, a desire to consolidate purchases with a different supplier, financial problems or insolvency of the supplier, and other reasons. We will notify you in writing if we revoke approval of any alternative supplier and you must immediately cease and desist from using such supplier upon receipt of our written notice.

Insurance

You are obligated, pursuant to the Franchise Agreement, to obtain and maintain insurance (both for your benefit and for our benefit) as may be required by law or reasonably designed to protect you from the risks inherent in the construction and operation of a restaurant. You must use an insurance broker designated by us to procure the required insurance coverages as set forth below. Your insurance policy or policies must be written by an insurance company licensed in the state in which you operate your Roberto's Taco Shop, and the insurance company must have at least an "A" Rating Classification as indicate in A.M. Best's Key Rating Guide.

Prior to opening the Restaurant and throughout the term of the Franchise Agreement, you are required to keep in force, at minimum, the following insurance coverage:

(1) Workers' Compensation and Employer's Liability Insurance, as well as such other insurance with statutory limits, as required by law in the jurisdiction where the Restaurant is located. Employer's Liability or "Stop Gap" insurance with limits of not less than $1,000,000 each accident.

(2) Comprehensive General Liability Insurance, Occurrence form, including a per location aggregate, with the following coverages: owners and contractors protective liability broad form property damage, contractual liability, personal and advertising injury; and products/completed operations liability; liquor law liability, medical payments and fire damage liability; insuring franchisor and franchisee against all claims, suits, obligations, liabilities and damages, including attorneys' fees, based upon or arising out of actual or alleged personal injuries or property damage resulting from or occurring in the course of, or on or about or otherwise relating to the Roberto's Taco Shop, including general aggregate coverage in the following limits:

Required Coverage	Minimum Limits of Coverage
General Aggregate	$4,000,000
General Liability	$2,000,000
Liability Umbrella	$2,000,000
Personal and Injury	$2,000,000
Damage to Rented Premises	$300,000
Medical Expense (any one person)	$5,000

(3) Employer Practices Liability Insurance (EPLI) or (BOP) with a minimum limit of $1,000,000.

(4) All "Risks" or "Special" form coverage insurance on all furniture, fixtures, equipment, glass, supplies and other property used in the operation of the Restaurant.

(5) Business Interruption Insurance for actual losses sustained for a twelve (12) month period, with a minimum limit of $2,000,000.

(6) Automobile Liability Insurance, including owned, hired and non-owned vehicles coverage, with a combined single limit of at least $1,000,000.

(7) Cyber Liability Insurance with a minimum coverage amount of S100,000.

(8) Such additional insurance and types of coverage as may be required by the terms of any lease for the Premises, or as may be required from time to time by us.

Should you for any reason not procure and maintain the insurance coverage required by the Franchise Agreement, we will have the right and authority (without, however, any obligation to do so) to immediately procure the insurance coverage and to charge same to you.

Credit Cards

You are required to honor all credit, charge, courtesy and cash cards that we approve in writing. You must use the credit card processing company approved by us. To the extent you store, process, transmit or otherwise access or possess cardholder data in connection with the sale of products and services at the Roberto's Taco Shop, you are required to maintain the security of cardholder data and adhere to the then-current credit card security standards which can be found at www.pcisecuritystandards.org for the protection of cardholder data throughout the term of your Franchise Agreement. You are responsible for the security of cardholder data in your possession or control and in the possession or control of any of your employees that you engage to process credit cards. You must, if we request that you do so, provide appropriate documentation to us to demonstrate compliance with applicable PCI DSS requirements by you and all your employees. In the event of a breach or intrusion of or otherwise unauthorized access to cardholder data, you must immediately notify us in the manner required in the PCI DSS requirements and provide an approved third-party full access to conduct a thorough security review following a security intrusion.

Revenue from Franchisee Purchases

We do not derive revenue directly from your purchases or leases, unless we build out a Restaurant and sublease it to you, then we will charge you for leasing the equipment, furniture, fixtures and signage.

In our fiscal year ended December 31, 2023, our revenues from required purchases of Equipment Package Leases from our franchisees and rebates received from Approved Suppliers of required purchases of soft drinks and Mexican drinks by our franchisees totaled $414,332, or 4% of our total revenue of $10,335,324. We estimate that your required purchases, purchases from designated/approved suppliers and purchases that must meet our specifications in total will be about

70% to 90% of your total purchases to establish the Roberto's Taco Shop and about 40% to 50% of your purchases to continue the operation of the Roberto's Taco Shop.

In our fiscal year ended December 31, 2023, our wholly owned subsidiary RTS Properties, LLC's revenues from leasing properties to our franchises were $488,625, or 4.7% of our total revenue of $10,335,324.

We may in the future, become an approved supplier for all taco and taco products, logo items, menu boards, in shop signage and artwork, and we may derive income from the sale of these items, and the price we charge may reflect an ordinary and reasonable profit consistent with a business of the kind that produces and/or supplies these items.

Revenue from Suppliers

We receive $1,000 for each Roberto's Taco Shop in operation from our Approved Supplier of soft drinks once every 5 years, upon our contract renewal with them. Additionally, we and our franchisees receive a rebate from the Approved Supplier of soft drinks based on the number of gallons and cases of products we purchase. In our fiscal year 2023, we received a total of $19,382.04 in rebates from the Approved Supplier of soft drinks.

We receive a rebate of 4% of all franchisee purchases from our Approved Supplier of Mexican drinks. In our fiscal year 2023, we received a total of $84,949.50 in rebates from the Approved Supplier of Mexican drinks.

Negotiated Prices

From time-to-time, we may negotiate purchase arrangements with suppliers for the benefit of our affiliates and franchisees.

Cooperatives

We do not currently have any distribution or purchasing cooperatives for franchisees. When possible, we attempt to negotiate bulk purchasing discounts with suppliers on behalf of our franchisees.

Material Benefits

We do not provide material benefits to you, for example, renewal or granting additional franchises, based on your purchase of particular products or services or use of particular suppliers, but the offer or sale of any products or services not approved by us shall constitute a material breach of the Franchise Agreement.

Our Ownership Interest in a Supplier

We are the sole Approved Supplier of the uniform logo shirts required to be worn at the Roberto's Taco Shop. Other than these logo shirts, neither we nor any of our officers have an ownership interest in any Approved Supplier.

ITEM 9. FRANCHISEE'S OBLIGATIONS

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

Obligation		Section in Agreement	Disclosure Document Item
a.	Site selection and acquisition/lease	Sections 1.2, 6.1, 6.2 and 7.2	Items 7 and 11
b.	Pre-opening purchases/leases	Sections 6.1, 6.2, 7.2 and 9.4	Item 7
c.	Site development and other pre-opening requirements	Sections 6.1 and 6.2	Items 6, 7 and 11
d.	Initial and ongoing training	Sections 6.3 – 6.5	Item 11
e.	Opening	Section 2.2	Item 11
f.	Fees	Sections 3.2, 5.1 – 5.3, 5.5, 9.3, 9.4, 14.3, 14.4	Items 5 and 6
g.	Compliance with standards and policies/Operating Manual	Sections 1.1, 1.2, 1.3, 2.2, 4.2, 6.6, 7.1, 7.4, 8.7	Item 11
h.	Trademarks and proprietary information	Sections 1.1, 4.2, 12.1, 15.2 and 15.6	Items 13 and 14
i.	Restrictions on products/ services offered	Sections 1.3, 2.1, 2.2, 7.2, 8.1, 8.4, 8.5, 8.6	Item 16
j.	Warranty and customer service requirements	Section 8.5	Not applicable
k.	Territorial development and sales quota	Not applicable.	Not applicable
l.	Ongoing product/service purchases	Sections 8.6, 10.3	Items 8 and 11
m.	Maintenance, appearance and remodeling requirements	Sections 3.2, 7.4	Item 6
n.	Insurance	Section 10.4	Item 7
o.	Advertising	Sections 5.3, 9	Item 6
p.	Indemnification	Sections 7.4, 8.1, 11.2	Item 6
q.	Owner Participation/ Management / Cook Training	Sections 6.3, 8.8	Item 15
r.	Records/reports	Sections 5.2, 5.4, 10.1, 10.3	Items 6 and 11
s.	Inspections/audits	Sections 8.2, 10.2	Items 6 and 11
t.	Assignment / Transfer	Article 14	Items 6 and 17

Obligation		Section in Agreement	Disclosure Document Item
u.	Renewal	Article 3	Item 17
v.	Post-termination obligations	Sections 13.1, 15.6	Item 17
w.	Non-competition / Non-solicitation covenants	Sections 12.1,13.1, 13.2, 13.4	Item 17
x.	Dispute resolution	Article 16	Item 17
y.	Other: Guarantee of Performance	14.3 M, Exhibit 5	Item 15

ITEM 10. FINANCING

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

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

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

<u>Pre-Opening Assistance</u>

Before you open the Restaurant:

1. We may assist you in selecting a business site. We will accept or reject your site based upon the suitability for use as a restaurant, the population, spending habits, food and beverage sales of existing restaurants, and other demographic data. In some instances, we may identify a site, lease it, build it, and rent/sublease it to you. (Franchise Agreement, Section 6.1)

2. We may assist you in the construction, design, planning, and installation of the Restaurant. Your restaurant location will be purchased or leased by you from an independent third party unless you sublease the premises from us. We will function in a consulting capacity only and shall not be responsible for overseeing the day-to-day construction of the Restaurant or acting as construction manager unless we build a Roberto's Taco Shop restaurant and sublease it to you. We will provide our then-current specifications and designs for a prototypical Roberto's Taco Shop. (Franchise Agreement, Section 6.2)

3. We will consult and advise you on obtaining licenses or permits, proper display of the Marks (including layout and design), procurement of equipment, furniture, fixtures and initial inventories. (Franchise Agreement, Section 6.2) We do not provide, deliver, or install any of these items for or to you unless we build a Roberto's Taco Shop restaurant and sublease it to you.

4. We will provide you and one of your management employees, at no charge beyond the Initial Franchise Fee, with two (2) days (8 hours per day) of Initial Training Program at our headquarters (or other location that we designate.) This initial training will be within the 30 calendar-day period preceding the opening date of the Restaurant. You must pay for any travel, lodging, living, and payroll

expenses incurred in connection with this training. (Franchise Agreement, Section 6.3)

5. We will provide you with consultation and advice on your Grand Opening advertising, marketing and promotion for the Roberto's Taco Shop. (Franchise Agreement, Sections 6.11 and 9.3)

Typical Length of Time before Operation

We anticipate that the typical length of time between the earlier of the signing of the Franchise Agreement or the first payment of consideration for the franchise and the opening of the Restaurant will be three to six months. Factors that may affect the time period may include ability to obtain a lease, financing or building permits, zoning and local ordinances, weather conditions, shortages, or delayed installation of equipment, fixtures and signs. You must be open for business no later than 12 months from the Effective Date of your signed Franchise Agreement.

Continuing Assistance

After the opening of your Restaurant:

1. We will provide you and one of your management employees, at no charge beyond the Initial Franchise Fee, with approximately 7 days (4 hours per day) of on-the-job training at your Roberto's Taco Shop, beginning in your first week of operations. (Franchise Agreement, Section 6.3)

2. We will provide additional training at your request for restaurant personnel and additional training in administration to you each year. We may charge you up to $150 per hour, per trainee, for such additional ongoing/refresher training. (Franchise Agreement, Section 6.5)

2. We will specify or approve certain products, services, and suppliers to be used in the Restaurant. (Franchise Agreement, Section 6.8)

3. We will maintain and administer a Marketing Fund (the "Marketing Fund") for so long as we operate the System. (Franchise Agreement, Section 6.9)

4. We will advise you, subject to the laws in your state, on required pricing, including any fixed minimum or maximum prices of products and services offered by Roberto's Taco Shops. We will take into account cost differences among regions and localities. You must use the pricing required by us, unless we consent to changes in local pricing offered by you. (Franchise Agreement, Section 6.9)

5. We may provide regular consultation and advice to you in response to inquiries from you regarding administrative and operating issues that you bring to our attention. We may make recommendations that we deem appropriate to assist your efforts. However, you alone will establish all requirements, consistent with our policies, regarding (i) employment policies, hiring, firing, training, wage and hour requirements, record keeping, supervision, and discipline of employees; (ii) the individuals to whom you will offer and sell your products and services; and (iii) the suppliers from whom you obtain any products or services used in or at the Restaurant for which we have not established Approved Suppliers. (Franchise Agreement, Section 6.7)

The Marketing Fund and Advertising

We have established a Marketing Fund. You will pay us a monthly fee in an amount up to $500, as determined by us, for regional and national advertising and marketing services (the "Marketing Fund Fee"), beginning from the day the Roberto's Taco Shop is first opened for business. The current Marketing Fund Fee is $200 per month and is subject to increase at our discretion but not to exceed $500 per month. We will give you at least thirty (30) days' written notice before any increase in the Marketing Fund Fee. (Franchise Agreement, Sections 5.3 and 9.2A.) All franchisees will contribute at the same rate. We will make contributions to the Marketing Fund for Roberto Taco Shops owned by us or our affiliates on the same basis as our franchisees. We will manage the Marketing Fund and have sole discretion over all matters relating to it. (Franchise Agreement, Section 9.2)

We will direct all public relations, advertising and promotions with sole discretion over the message, creative concepts, materials and media used in the programs and the placement and allocation thereof. We will pay for these activities from the Marketing Fund. The Marketing Fund contributions may be used for traditional advertising activities, such as website development, social media, public relations, advertising campaigns (television, radio, print or other media), or other promotions which will raise awareness of the Roberto's Taco Shop brand. (Franchise Agreement, Section 9.2)

We are not obligated to ensure that Marketing Fund activities or dollars are spent equally, on a pro rata basis, either on your Roberto's Taco Shop, or all Roberto's Taco Shop in an area. A brief statement regarding the availability of Roberto's Taco Shop franchises may be included in advertising and other items produced using the Marketing Fund, but we will not otherwise use the Marketing Fund to pay for franchise sales or solicitations. (Franchise Agreement, Section 9.2B.)

Reasonable disbursements from the Marketing Fund will be made solely for the payment of expenses incurred in connection with the general promotion of the Marks and the System, including the cost of formulating, developing and implementing advertising and promotional campaigns; and the reasonable costs of administering the Marketing Fund, including accounting expenses and the actual costs of salaries and fringe benefits paid to our employees engaged in administration of the Marketing Fund. The Marketing Fund is not a trust or escrow account, and we have no fiduciary obligations regarding the Marketing Fund. Upon written request, we will provide you with an annual unaudited statement of the receipts and disbursements of the Marketing Fund. (Franchise Agreement, Section 9.2D.)

We are not required to spend all Marketing Fund contributions in the fiscal year they are received.

You agree to participate in all Marketing Fund programs. The Marketing Fund may furnish you with marketing, advertising and promotional materials; however, we may require that you pay the cost of producing, shipping and handling for such materials.

During our fiscal year ended December 31, 2023, the Marketing Fund spent 9.25% on commissions, 8.08% on production, 61.13% on television, radio, and billboard advertising, and 21.54% on print media.

You are responsible for local marketing activities to attract customers to your Roberto's Taco Shop. You are required to spend at least two percent (2%) of your monthly Gross Sales on local advertising to support your restaurant. How you spend the money is at your discretion. Examples of local advertising include billboards, newspaper ads, bench signs, promotional activities, community event and youth sports team sponsorships, charitable sponsorships, radio, cable and television. (Franchise Agreement, Section 9.4)

You may develop advertising materials for your own use and at your own cost. However, all such advertising and promotion in any medium by you shall first be submitted to us and shall not be used by you without our prior written approval. (Franchise Agreement, Sections 9.1 and 9.4)

Within ninety (90) days of the opening of your Roberto's Taco Shop, you will spend for "Grand Opening" advertising, marketing and promotion a minimum of Five Thousand Dollars ($5,000) for "Grand Opening" advertising. The Grand Opening shall be in the form, and using the advertising and promotional campaign and materials, reasonably designated or approved by us. (Franchise Agreement, Section 9.5)

We have not yet established a local or regional advertising cooperative. We may, in the future, decide to form one or more associations and/or sub-associations of Roberto's Taco Shops to conduct various marketing-related activities on a cooperative basis (a "Co-Op"). If one or more Co-Ops (local, regional and/or national) are formed covering your area, then you must join and actively participate. You may be required to contribute such amounts as are determined from time to time by such Co-Ops. (Franchise Agreement, Section 9.6)

We reserve the right, if necessary and in our sole judgment, to establish a Franchisee Advertising Council. The Franchisee Advertising Council will be composed of an elected body of franchisees for the purpose of providing us with input on advertising and marketing issues. The Franchisee Advertising Council will operate under its own by-laws and will be purely advisory in nature and will have no operational or decision-making authority. (Franchise Agreement, Section 9.7)

Computer and POS Systems

You must acquire a desktop or laptop computer for use in the operation of the Roberto's Taco Shop. You must install and use the electronic data processing and communications hardware and software, including voicemail, business management systems, color printer, and an online point-of-sale reporting system ("POS System"), as designated by us (collectively, the "Computer System"). The Computer System must be equipped with a high-speed connection to the Internet and must include a local area network with a dedicated server.

The POS System will record gross sales and transaction data (such as item ordered, price and date of sale.) You must use our approved supplier for the POS System, unless you obtain our prior written consent to use an alternative system. The POS System must be connected to a broadband line at all times and be capable of accessing the Internet for the purpose of implementing software, transmitting and receiving data, accessing the Internet for online ordering and maintaining the POS System. There are no contractual limitations on the frequency or cost of required upgrades. Neither we nor our supplier has a specific obligation to you to maintain or update your equipment or software. This is your sole obligation. We will have independent access to information that you store on your POS System. (Franchise Agreement, Sections 10.2 and 10.3A)

The cost of the POS software license fee varies depending on the software package you select and may be up to $400 per month. You will pay our approved suppliers directly for the required POS software and for related software, such as the Delivery Management Platform Fee, ranging from $1,020 to $1,300 per year, for software that integrates food delivery services with the POS System. Additionally, you will pay us a required IT Support Fee ranging from $50 to $200 per month and we will pay the third-party supplier on behalf of all our franchisees. The cost for the required Computer System, which includes a computer, printer, business management software and other software, and a phone system, and the POS System with related software is approximately $8,800 to $14,600. The annual software support and maintenance costs are estimated to be approximately $1,620 to $2,700 per year, which costs you will pay directly to the approved supplier and us.

We reserve the right to change our specifications in the future to take advantage of technological advances or to adapt the system to meet operational needs and changes. We may require you to bring any computer hardware and software, related peripheral equipment, communications systems into conformity with our then-current standards for new Roberto Taco Shops.

Operations Manual

Our recipes, systems and operating procedures are established through our training program or as set forth in the Franchise Agreement. At such time as we develop operating manuals (collectively, the "Operations Manual"), we will loan you a complete set of the Operations Manual. (Franchise Agreement, Section 6.6) We are currently working on creating our Operations Manual and do not have it complete as of the Issuance Date of this disclosure document.

Training Program

We only offer franchises to individuals who have worked at least five (5) years in a Roberto's Taco Shop, and who have demonstrated a proper understanding of the System, including the recipes and business systems. Consequently, you will have already received a significant amount of training prior to being offered a franchise. In addition to the training that you have already received, we will provide approximately 9 days of "Initial Training" to you (or your Designated Operator) and your designated manager. Our Initial Training Program consists of 2 days (8 hours per day) of classroom training at our headquarters in Las Vegas, Nevada (or other location we designate) prior to the opening of your Restaurant, and 7 days (4 hours per day) of on-the-job training at your Restaurant after you open for business. Our Initial Training Program covers administration, food safety, and the POS System. We do not charge you a fee for the Initial Training if you and your manager receive the training at the same time. (Franchise Agreement, Section 6.3)

Training requirements are communicated and updated through periodic memos, publications and manuals. The following is an outline of the current training program:

TRAINING PROGRAM

Subject	Hours of Classroom Training	Hours of On-the-Job Training	Location
Administration - Human Resources, Payroll, Word, Excel, etc.	12	5	Our corporate headquarters (or other location we designate) and at your Roberto's Taco Shop
Food Safety – Health Dept Guidelines and Regulations	2	20	Our corporate headquarters (or other location we designate) and at your Roberto's Taco Shop
POS System	2	3	Our corporate headquarters (or other location we designate) and at your Roberto's Taco Shop
Total	**16**	**28**	

You or your designated manager(s) must satisfactorily complete the initial training program to our satisfaction within the timeframe we establish. To satisfactorily complete our Initial Training Program, you must attend all the scheduled training and pass the written or oral test given at the end of the training with a score of 85% or higher, or demonstrate proficiency in all aspects of managing the Restaurant as determined by our trainer.

Your shift leaders ("shift leads"), which you are required to have one on every shift, must satisfactorily complete two (2) hours of applicable leadership training at our headquarters, or such other location as we designate. We do not charge you any additional fee for the shift leader training. You are responsible for all travel, lodging, food, wages, wage related expenses, and other expenses in connection with your training and your management employees. (Franchise Agreement, Section 6.3)

All management employees employed after the Restaurant is opened will be required to complete the Initial Training within 30 days following the commencement date of employment, at a location we designate. (Franchise Agreement, Section 6.3)

Reynaldo Robledo, whose biography is listed in Item 2, is in charge of the training program. He has over 24 years of management experience in the restaurant industry and has been with us since our inception. We will offer the Initial Training on an as-needed basis, which we anticipate being quarterly. Our primary instruction is through lecture, hands-on training, and other instructional materials we prepare specifically for the Initial Training.

If at any time after completion of the initial training, you request additional training for yourself or any of your employees or you employ new management employees requiring training, you will reimburse us for all travel and lodging expenses plus all other expenses we incur if the training is conducted at your Roberto's Taco Shop, or bear all of the expenses incurred by you or your management employees who receive the training, if you choose to have the training conducted at a company owned shop or other location we designate. (Franchise Agreement, Section 6.5A)

We currently require you and your designated manager(s) to attend and successfully complete ten (10) hours of additional training in administration each year. We may charge you up to $150 per hour, per trainee, for this additional ongoing/refresher training, but you are responsible for all compensation, travel and living expenses for you and your manager(s) during such training. (Franchise Agreement, Section 6.5B)

To help with the grand opening of your Roberto's Taco Shop, we may, but are not obligated to, send at least one of our representatives to your Roberto's Taco Shop to provide opening training to you and your employees. We will determine, at our sole discretion, the number of representatives we send and the duration of the training. We are responsible for all expenses of our representatives for this on-site assistance/training. (Franchise Agreement, Section 6.4)

If warranted by government regulations, emergency guidelines, enforced quarantines, travel restrictions, a natural disaster, force majeure or other event outside of our control, we reserve the right to conduct any and all training, classes, courses, meetings, and conferences, online, telephonically, or otherwise, or to cancel or delay any and all such training, classes, courses, meetings, and conferences. (Franchise Agreement, Section 6.3)

ITEM 12. TERRITORY

You will operate the Roberto's Taco Shop at a specific location approved by us (the "Authorized Location"). You must receive our permission before relocating the Roberto's Taco Shop. If we consent to you relocating the Roberto's Taco Shop, the new Authorized Location must be within the same Designated Market Area (specifically defined in Section 1.2 of the Franchise Agreement) in which the Roberto's Taco Shop was located. You must execute our standard form of general release upon any relocation. You will bear the sole expense of relocating the Roberto's Taco Shop, and we have the right to charge you a reasonable fee for our services in connection with any such relocation.

As described previously in Item 1 of this disclosure document, the Trustor, certain beneficiaries of the Trusts, licensees, and others have established Roberto's Taco Shops using Licensor's trade name and trademarks in various locations in the United States. These entities will continue to open and operate restaurants and to license others to operate restaurants. We cannot guarantee an exclusive territory or market area to any Franchisee. Under the Franchise Agreement, you are granted only the right to operate a single franchise from an Authorized Location.

You will not receive an exclusive area. You may face competition from other franchisees, from outlets we own, or from other channels of distribution or competitive brands that we control.

You are not restricted from selling products to any customers, no matter where they reside, so long as you sell the products directly from your Authorized Location. You may advertise anywhere for customers, with our prior approval, but you are not granted any rights to use the System and Marks in connection with any other channel of commerce or method of distribution.

There is no minimum sales quota for your Authorized Location.

You do not have any rights, including options, rights of first refusal, or other similar rights, with respect to acquiring additional franchises and/or related businesses, products and/or services, in which we may be involved, now or in the future. You do not have any options or rights of first refusal or similar rights to acquire additional franchises within your Designated Market Area or any contiguous area.

We retain the right, in our sole discretion, to offer products or services using the System and the Marks, or under a different format or brand name, in alternative channels of commerce, or in alternative methods of distribution, including, without limitation, distribution of products or services through supermarkets, grocery stores, convenience stores, gasoline stations, discount stores, kiosks, mobile kitchens, catering trucks, street vendor carts, stadiums, convention centers, concert halls, amusement parks, fairgrounds, public gatherings, mail order facilities, internet based facilities, or onsite services for business locations.

We do not have to pay you if we exercise any of these options.

You may not relocate the Roberto's Taco Shop to any other location without our prior written consent. If we approve any relocation of the Roberto's Taco Shop, you must de-identify the former location. If you fail to de-identify your former Roberto's Taco Shop, you must reimburse and indemnify and hold us harmless from all costs and expenses, including attorney's fees, arising out of your failure to de-identify.

ITEM 13. TRADEMARKS

We grant you the right to operate a Restaurant under the name "Roberto's Taco Shop." You may also use other current or future trademarks to operate the Restaurant that we designate. By trademark, we mean trade names, trademarks, service marks, and logos used to identify the Restaurant. The following Marks have been registered by Licensor (our parents, the Trusts) on the Principal Register of the United States Patent and Trademark Office, and licensed to us pursuant to a license agreement:

MARK	REG. NO.	REG. DATE	REG. RENEWAL
ROBERTO'S	1806264	November 23, 1993	Renewed December 5, 2013
ROBERTO'S (Word Mark)	1826505	March 15, 1994	Renewed March 15, 2014
Roberto's TACO SHOP	6050885	May 12, 2020	Not yet due.

MARK	REG. NO.	REG. DATE	REG. RENEWAL
Roberto's	1952098	January 30, 1996	Renewed April 27, 2016
Roberto's Taco Shop (Word Mark)	6744124	May 31, 2022	Not yet due.

Affidavits of use and incontestability, and applications for renewal will be filed at the time specified by law.

There are no agreements currently in effect, which significantly limit our rights to use or license the use of the Marks to you. The license agreement, between Licensor and us, has an indefinite term and does not significantly limit our right to use or license the trademarks in any manner material to the franchise. It can only be canceled or modified if we decide to no longer offer Roberto's Taco Shop franchises, or if we do not protect the Marks or misuse them. Cancellation or modification of the license agreement we have with Licensor will not have any effect on our existing franchisees, who may continue to operate their Restaurants until the end of the term of their Franchise Agreement.

There are no presently effective determinations of the USPTO, the Trademark Trial and Appeal Board, the trademark administrator of any state, or any court, nor any pending material litigation involving any of the Marks which are relevant to their use in any state. There are no pending interference actions or opposition or cancellation proceedings that significantly limit our rights to use or license the use of the Marks in any manner material to the System.

We have no information regarding any claims of, or agreements with, any third parties relating to the rights to use these trademarks and/or service marks. We have no knowledge of any prior rights or infringing uses that could materially affect your use of the Marks in any state.

You must use all marks in compliance with the Franchise Agreement and the Manual. You cannot use the "Roberto's Taco Shop" name or Marks as part of your corporate name or with modifying words, designs or symbols. You may not use the Marks in connection with the sale of an unauthorized product or service or in a manner not authorized in writing by us. You must not establish a website on the Internet using any domain name containing the Marks or any variation thereof without our written consent. We retain the sole right to advertise on the Internet and create a website using the Marks as domain names.

You must notify us immediately when you learn about an infringement of or challenge to the use of our trademarks, and you are obligated at your expense to assist and cooperate with any suit or other action undertaken by us with respect to such unauthorized use or infringement, including, without limitation, testifying or furnishing documents or other evidence. We have the right, but not the obligation, to take the action we think appropriate and to direct and control any proceeding, litigation or settlement involving our marks. We will be responsible for legal expenses that we incur in connection with any litigation or other legal proceedings involving such third party.

The Franchise Agreement does not require us or the Trusts to protect any of the rights which you have with respect to the Marks. We have no liability to you if a claim is asserted, and we are not required to defend or indemnify you against any claims or damages arising out of proceedings to which you are a party involving disputes over any of our names or trademarks; except that we will indemnify and hold you harmless regarding any claim, liability or other obligation directly resulting from a finding by a court or arbitrator against us on a claim of infringement by a third party that arises out of your use of the Marks in an authorized manner. Other than in this specific instance, we are not liable for any of your legal expenses unless we choose to approve such expenses.

You agree not to contest, directly or indirectly, or aid in contesting the validity or ownership of our name and trademarks or take any action whatsoever that might affect or prejudice our claimed rights therein.

We may add to, delete from, modify, change, revise or substitute different names and marks for use in identifying the Roberto's Taco Shop restaurants. You must comply, at your own expense, with each addition, deletion, modification, change, revision or substitution.

Upon termination, expiration or nonrenewal of your Franchise Agreement, you must immediately stop using the names and trademarks and take appropriate action to remove the names and trademarks from your business and to cancel any advertising relating to your use of our names and trademarks.

ITEM 14. PATENTS, COPYRIGHTS AND PROPRIETARY INFORMATION

Patents and Copyrights

We do not own any right in or to any patents or copyrights that are material to the franchise. We do, however, claim common law copyright protection for our operations manuals. You do not receive the right to use any item covered by a patent or copyright, but you can use the proprietary information in the Operations Manual and that you receive in training.

Confidential Manuals

You must conduct business under your Franchise Agreement in the manner specified in the Operations Manual or any other written or oral communication from us. We may revise the Operations Manual from time to time, and you must comply with each new or changed standard. We will lend you a copy of the Operations Manual after you complete our initial training program. You must treat the Operations Manual and the information contained in it as confidential. You cannot copy these materials or show them to any unauthorized person. The Operations Manual will remain our sole property.

Confidential Information

The Trusts are the sole owner of certain proprietary rights and information in connection with formulae and recipes for the preparation and cooking of food and the system for the operation of Roberto's Taco Shops. The Trusts have granted us a non-exclusive right to grant a non-exclusive license of these rights to you under the Franchise Agreement. You are required under the terms of the

Franchise Agreement to acknowledge that you had no part in the creation or development of such proprietary rights and information and that the same constitute trade secrets owned or licensed by us.

You must not, during or after the term of the Franchise Agreement, divulge or use for the benefit of anyone else any confidential information, knowledge, or know-how concerning the System and the methods of operation of our training program, customer and supplier lists, recipes, or other information or know-how distinctive to a Roberto's Taco Shop and all of the preceding information is considered to be proprietary and trade secrets of ours. You may divulge confidential information only to those employees who must have access to it in order to operate the Franchise Business. Any and all information and other data that we designate as confidential will be deemed confidential for purposes of the Franchise Agreement. You must also promptly tell us when you learn about the unauthorized use of this proprietary information. We are not obligated to take any action, but we will respond to your notification of unauthorized use as we think appropriate.

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

The Franchise Agreement requires you to apply your best full-time efforts to managing the day-to-day operations of the Restaurant. If you are a corporation or other entity, then the Designated Operator (as defined in Section 17.9 of the Franchise Agreement) apply their best full-time efforts to managing the day-to-day operations of the Restaurant. The Restaurant shall at all times be under your (or the Designated Operator's) direct, "on-premises" supervision, or a designated manager who has successfully completed our required training or has equivalent experience in operating a Roberto's Taco Shop. You must have a shift leader ("shift Lead"), trained by Franchisor, on every shift at the Restaurant to assist you (or the Designated Operator) and/or the designated manager with the supervision of employees and management of the Restaurant.

If you are a corporation, partnership or limited liability company, each owner of a 5% or more interest in you and their spouse must personally guarantee your obligations under, and be personally bound by, the Franchise Agreement and all other agreements with us or our affiliates and agree to certain restrictions on their ownership interests. See Exhibit 5 of the Franchise Agreement for our standard form of guarantee.

ITEM 16. RESTRICTIONS ON WHAT THE FRANCHISEE MAY SELL

We require you to offer and sell only those goods and services that we have approved. In accordance with the Franchise Agreement, you must sell only products prepared, supplied or specified by us in accordance with our systems and method.

We have the right to add additional authorized products that you will be required to offer. There are no limits on our right to do so.

In conjunction with the offering of new authorized products, we may require you to comply with other requirements, such as training, marketing, equipment or small wares purchases, or insurance, before we will allow you to offer the new products.

We will not restrict you from offering products to customers, wherever located, or soliciting customers no matter whom they are or where they are located. However, you may only offer products from your Authorized Location. We reserve the right to offer products bearing the Roberto's Taco Shop brand in alternative channels of distribution. You have no rights to offer products through alternative channels of distribution.

ITEM 17. RENEWAL, TERMINATION, TRANSFER AND DISPUTE RESOLUTION

THE FRANCHISE RELATIONSHIP

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

Provision	Section in Franchise Agreement	Summary
a. Length of the franchise term	Section 3.1	Term is 5 years.
b. Renewal or extension of the term	Section 3.2	If you are in Good Standing, you can renew three times for five years each time.
c. Requirements for franchisee to renew or extend	Sections 3.2, 3.3, 3.4	Meet renewal criteria, sign new agreement, be in Good Standing under all agreements, no history of default, sign a general release, pay renewal fee and remodel. You may be required to sign a franchise agreement with materially different terms and conditions than those in your previous franchise agreement(s) If applicable law requires, we will give you additional notice.
d. Termination by Franchisee	Section 15.1	Only if we are in default. You must give us notice and an opportunity to cure any such default (subject to applicable state law.)
e. Termination by Franchisor without cause	Not applicable	The Franchise Agreement does not provide for termination without cause.
f. Termination by Franchisor with cause	Section 15.2	Material breach of the Franchise Agreement or other agreements, intentional, repeated defaults and others. These provisions are subject to applicable state law.
g. Cause defined – curable defaults	Section 15.2 (2)	You have 30 days to cure non-payment of fees (except as described below), failure to obtain our written approval or consent, acts that affect the goodwill associated with the Marks, failure to comply with any provision of the franchise agreement, failure to maintain books and records or comply with audit or inspection, failure to directly supervise day to day shop

Provision	Section in Franchise Agreement	Summary
		operations, failure of you or your managers to complete initial training, failure to maintain insurance, failure to obtain executed confidentiality and non-compete agreements, offer of unapproved goods or services, non-submission of reports and continued violations of laws regarding operating of restaurant, and others. You have 10 days from notice to cure delinquent payment of any amount owed us or our affiliates, or obtain adequate financing to cover development, opening and operation of the Restaurant, failure to pay any amounts when due for construction, leasing, financing, operations or supply of the Restaurant, closure of bank account without notice to us.
h. Cause defined – non-curable defaults	Section 15.2 (1)	Non-curable defaults: bankruptcy, insolvency or appointment of receiver or custodian, material misrepresentation or omission in applying for the franchise, unauthorized direct or indirect transfer, falsification of financial reports or records, abandonment of franchise or loss of lease, conviction or plead no contest to a felony, violation of any health or safety law, ordinance or regulation, or operation of the business in a manner presenting a health or safety hazard, failure to obtain suitable location and open for business within 12 months after signing franchise agreement, failure to comply with non-compete covenants, misuse of the Marks, System or other Confidential Information, repeated defaults even if cured.
i. Franchisee's obligations on termination/non-renewal	Sections 15.6, 12 and 13	Obligations include complete de-identification, transfer phone numbers, cease use of Marks, cancel assumed names, assignment of any leasehold interest, certain obligations continue, including non-competition and confidentiality provisions, and payment of amounts due.

Provision	Section in Franchise Agreement	Summary
j. Assignment of contract by Franchisor	Section 14.7	No restriction on our right to assign.
k. Transfer by Franchisee, defined	Section 14.1	Includes transfer of contract, assets or ownership change.
l. Franchisor's approval of transfer by Franchisee	Section 14.1	We have the right to approve all transfers but will not unreasonably withhold approval under certain conditions.
m. Conditions for Franchisor's approval of transfer	Section 14.3	Information regarding prospective Transferee is provided to us. We have not exercised our right of first refusal. New franchisee qualifies, completes initial training, transfer fee and training fees paid, all sums owed have been paid, be in Good Standing, general release, confidentiality and non-compete agreements signed by you and all shareholders, members and partners, if required, transfer of sublease, personal guarantee by transferee, upgrade, refurbish or repair the premises to conform to our then current standards, and current agreements signed by new franchisee (also, see "n" below), and others. Additional obligations apply to transfer to a corporation or limited liability company.
n. Franchisor's right of first refusal to acquire your business	Section 14.2	We have a right of first refusal on any proposed transfer, upon the same terms and conditions offered by the proposed transferee.
o. Franchisor's option to purchase Franchisee's business	Section 15.6 (I) (1)	We have the option**,** exercisable by giving 30 days written notice to purchase any and all inventory, equipment, furniture, fixtures, signs, sundries and supplies owned by you and used in the Roberto's Taco Shop, at the lesser of (i) your cost less depreciation computed on a reasonable straight line basis (as determined in accordance with generally accepted accounting principles and consistent with industry standards and customs) or (ii) fair market value of such assets, less (in either case) any outstanding liabilities of the Roberto's Taco Shop. In addition, we have the option to assume your lease for the

Provision	Section in Franchise Agreement	Summary
		lease location of the Roberto's Taco Shop, or if an assignment is prohibited, a sublease for the full remaining term on the same terms and conditions as your lease.
p. Death or disability of Franchisee	Section 14.5	If no heir or other principal person capable of operating the Roberto's Taco Shop, we shall have the right, but not the obligation, to immediately appoint a manager and commence operating the Roberto's Taco Shop on your behalf and be paid all reasonable costs and expenses for such management assistance, including without limitation, the manager's salary, room and board, travel expenses and all other related expenses.
q. Non-competition covenants during the term of the franchise	Sections 13.1, 13.2	You must not have any interest in any Competitive Business specializing, in whole or in part, in the sale of franchises or products that are the same as or similar to any product or service provided through the Roberto's Taco Shop. These provisions are subject to applicable state law.
r. Non-competition covenants after the franchise is terminated or expired.	Section 13.1	For 2 years after the expiration, termination, non-renewal or assignment No involvement in Competing Business anywhere within a 10-mile radius of any Roberto's Taco Shop whether franchised or owned by us or any of our affiliates. These provisions are subject to applicable state law.
s. Modification of the agreement	Article 19	Only by a written agreement signed by both parties
t. Integration/merger clause	Article 19	Only the terms of the Franchise Agreement and other related written agreements are binding (subject to applicable state law) and may only be modified to the extent required by an appropriate court to make the Franchise Agreement enforceable. Nothing in the Franchise Agreement or in any related agreement is intended to disclaim the representations made in the franchise disclosure document. Any representations or promises outside of the

Provision	Section in Franchise Agreement	Summary
		franchise disclosure document and Franchise Agreement may not be enforceable.
u. Dispute resolution by arbitration or mediation	Article 16	Except for a few types of claims, all disputes are resolved through face-to-face meeting, mediation and, binding arbitration under the Rules of the AAA in Las Vegas, Nevada; waiver of jury trial; waiver of class actions; limitation of types and amount of damages and periods to bring claims. Neither, punitive damages nor attorneys' fees, may be awarded by the Panel and arbitrations will be conducted on an individual, not class-wide basis. These provisions are subject to state law.
v. Choice of forum	Section 17.6	Any action that is not subject to arbitration must be brought in state or federal court in the county where Franchisor's then-current headquarters is located (subject to applicable state law.)
w. Choice of law	Section 17.5	Nevada law applies (subject to applicable state law.)

Certain laws in various states may provide additional rights to the franchisee concerning termination or non-renewal of a franchise. If the Franchise Agreement contains a provision that is inconsistent with the law, the law will control.

ITEM 18. PUBLIC FIGURES

We do not currently use any public figure or personality to promote the franchise.

ITEM 19. FINANCIAL PERFORMANCE REPRESENTATIONS

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

We do not make any representations about a franchisee's future financial performance or the past financial performance of company-owned or franchised outlets. We also do not authorize our employees or representatives to make any such representations either orally or in writing. If you are purchasing an existing outlet, however, we may provide you with the actual records of that outlet. If you receive any other financial performance information or projections of your future income, you should report it to the franchisor's management by contacting Reynaldo Robledo, President and CFO, at 1919 S. Jones Blvd., Suite E, Las Vegas, NV 89146, at 1-800-970-5111, and at reynaldo@robertostacoshop.com, the Federal Trade Commission, and the appropriate state regulatory agencies.

ITEM 20. OUTLETS AND FRANCHISE INFORMATION

TABLE NO. 1
SYSTEMWIDE OUTLET SUMMARY
FOR YEARS 2021 TO 2023

OUTLET TYPE	YEAR	OUTLETS AT THE START OF THE YEAR	OUTLETS AT THE END OF THE YEAR	NET CHANGE
Franchised	2021	55	55	0
	2022	55	54	-1
	2023	54	56	+2
Company-Owned	2021	0	0	0
	2022	0	0	0
	2023	0	0	0
Total Outlets	2021	55	55	0
	2022	55	54	-1
	2023	54	56	+2

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

STATE	YEAR	NUMBER OF TRANSFERS
Nevada	2021	1
	2022	0
	2023	1
Total Outlets	2021	1
	2022	0
	2023	1

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

STATE	YEAR	OUTLETS AT START OF YEAR	OUTLETS OPENED	TERMINATIONS	NON-RENEWALS	REACQUIRED BY FRANCHISOR	CEASED OPERATIONS-OTHER REASONS	OUTLETS AT END OF THE YEAR
Nevada	2021	55	4	3	0	0	1	55
	2022	55	1	1	0	0	1	54
	2023	54	2	0	0	0	0	56
Total Outlets	2021	55	4	3	0	0	1	55
	2022	55	1	1	0	0	1	54
	2023	54	2	0	0	0	0	56

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

STATE	YEAR	OUTLETS AT START OF YEAR	OUTLETS OPENED	OUTLETS REACQUIRED FROM FRANCHISEE	OUTLETS CLOSED	OUTLETS SOLD TO FRANCHISEE	OUTLETS AT END OF THE YEAR
Nevada	2021	0	0	0	0	0	0
	2022	0	0	0	0	0	0
	2023	0	0	0	0	0	0
Total Outlets	2021	0	0	0	0	0	0
	2022	0	0	0	0	0	0
	2023	0	0	0	0	0	0

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

STATE	FRANCHISE AGREEMENTS SIGNED BUT OUTLET NOT OPENED	PROJECTED NEW FRANCHISED OUTLETS IN THE NEXT FISCAL YEAR	PROJECTED NEW COMPANY-OWNED OUTLETS IN THE NEXT FISCAL YEAR
California	0	1	0
Nevada	0	3	0
Total	0	4	0

A list of the names, addresses and telephone numbers of our current franchisees as of the Issuance Date of this Disclosure Document is attached as Exhibit H.

A list of the names, addresses and telephone numbers of our franchisees who have had a franchise terminated, canceled, not renewed or otherwise voluntarily or involuntarily ceased to do business under the Franchise Agreement during the most recently completed fiscal year or who have not communicated with us within 10 weeks of the issuance date of this franchise disclosure document, is attached as Exhibit I.

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

There are no trademark-specific franchisee organizations associated with the franchise system being offered in this Disclosure Document.

In the last three fiscal years, none of our franchisees have entered any confidentiality agreements that restrict their ability to speak openly about their experience with our franchise system.

ITEM 21. FINANCIAL STATEMENTS

Attached to this disclosure document as Exhibit C are our audited financial statements for our fiscal years ended December 31, 2023, December 31, 2022, and December 31, 2021, and our unaudited financial statements for the period ended April 30, 2024.

ITEM 22. CONTRACTS

The following agreements are attached to this Disclosure Document:

Exhibit A Franchise Agreement
- Exhibit 1 Authorized Location Agreement
- Exhibit 2 Electronic Funds Transfer Agreement
- Exhibit 3 Electronic Debit Agreement
- Exhibit 4 Telephone Listing Agreement
- Exhibit 5 Personal Guaranty

Exhibit D Statement of Prospective Franchisee
Exhibit E Form of Sublease
Exhibit G Form of General Release

ITEM 23. RECEIPTS

Our and your copies of the Disclosure Document Receipt are located on the last two pages of this Disclosure Document. Please date and sign both copies, return one copy to us and keep the other copy for your records.

EXHIBIT A
FORM OF FRANCHISE AGREEMENT

TABLE OF CONTENTS

ROBERTO’S TACO SHOP
FRANCHISE AGREEMENT

This Roberto’s Taco Shop Franchise Agreement (the “Agreement”) is entered into as of the ____ day of _______________________ 20___ (the “Effective Date”), between Roberto’s Taco Shop, LLC, a Nevada limited liability company, doing business as “Roberto’s Taco Shops” ("Franchisor") and ________________________, or his/her/their assignee, if a partnership, corporation or limited liability company is later formed (“Franchisee”), upon the following terms, conditions, covenants and agreements:

INTRODUCTION

A. The Roberto Robledo Pinal 1994 Trust and the Dolores R. Robledo Family Trust (collectively “The Trusts” or “Licensor”) owns and has developed and administers a system, including various business techniques and methods, trade secrets (including recipes), copyrights (possibly patentable ideas), confidential and proprietary information and other intellectual property rights (collectively, the “System”) for the establishment and operation of retail taco shops offering authentic Mexican cuisine (the “Roberto’s Taco Shops”) identified by the Roberto’s trade name and other trademarks and service marks licensed hereunder (the “ Marks”).

B. The System includes the Marks and trade secrets, proprietary methods and information and procedures for the establishment and operation of Roberto’s Taco Shops, including, without limitation, recipes, menu specifications, marketing, advertising and sales promotions, equipment, furniture and fixtures, cost controls, accounting and reporting procedures, personnel management, training methods, distinctive interior design and display procedures, and color scheme and decor.

C. Pursuant to a written agreement (the “License Agreement”), Franchisor has licensed from Licensor the non-exclusive rights to franchise the System and the Marks in connection with its franchise program. Franchisor grants to qualified persons who are willing to undertake the required investment and effort, a license to open a Roberto’s Taco Shop.

D. Franchisee desires to obtain a license to use the System in the development and operation of a Roberto’s Taco Shop at the location specified in this Agreement (the “Roberto’s Taco Shop” or “Restaurant”).

E. Franchisor is entering into this Agreement in reliance upon the representations of Franchisee as to itself and to the person(s) who will participate in the ownership and management of the Roberto’s Taco Shop.

F. Franchisee has independently investigated the business contemplated by this Agreement and recognizes that the nature of the business may change over time, that an investment in a Roberto’s Taco Shop involves business risks and that the venture's success depends primarily upon Franchisee's business abilities and efforts.

G. Franchisee acknowledges having received a copy of Franchisor's Franchise Disclosure Document and having had an adequate opportunity to investigate the business contemplated by this Agreement and to discuss the terms and conditions of this Agreement with financial and legal advisors of Franchisee's choosing at least fourteen (14) days prior to signing. Franchisee confirms that it is not relying upon any representation as to profits and/or sales volume that Franchisee may achieve nor upon any representations or promises by Franchisor that are not contained in this Agreement.

NOW, THEREFORE, in consideration of the premises and of the considerations set below, the parties agree as follows:

1. GRANT OF LICENSE; LOCATION

1.1 **Grant**. Subject to any pre-existing rights of The Trusts, its beneficiaries, Franchisor and any pre-existing licensees, franchisees or other affiliates of Franchisor to the rights of Franchisor to distribute any products or services through any "Alternative Channels of Distribution" (as defined herein) and subject to the rights otherwise reserved by Franchisor in this Agreement, Franchisor grants to Franchisee, subject to the terms and conditions of this Agreement, the non-exclusive right and license to:

A. Establish and operate one (1) retail "Roberto's Taco Shop" utilizing only the System and Marks, including, without limitation, menus items and recipes developed and approved by Franchisor, at a location that has been authorized by Franchisor (the "Authorized Location");

B. Use the Marks of Franchisor under the terms of this Agreement to identify and promote the Roberto's Taco Shop offered hereunder; and

C. Use the proprietary business methods and know-how as set forth periodically in Franchisor's Operations Manual (as defined herein), other manuals, training programs, or otherwise communicated to Franchisee.

1.2 **Authorized Location**. The Authorized Location for the Roberto's Taco Shop is:

____

If the Authorized Location has not been identified at the time this Agreement is signed, Franchisee must identify a site accepted by Franchisor within the following Designated Market Area: ____. Before Franchisor shall be obligated to consider accepting a proposed location, Franchisee shall submit to Franchisor a complete report containing all information Franchisor may reasonably request concerning the proposed location, including, without limitation, population density, demographics, proximity to other Roberto's Taco Shops, traffic flow and entrance to and exit from the site (the "Location Report"). Franchisor shall deliver to Franchisee written notice of approval or disapproval of a proposed location within 30 days after Franchisor receives the Location Report. Franchisor's approval of the proposed site shall be deemed to be a binding addendum to this Agreement upon Franchisor and Franchisee's execution of Exhibit 1, which is attached hereto and incorporated herein by reference, and which will set forth the Authorized Location. Franchisor agrees not to withhold unreasonably approval of a site that meets its site criteria. Franchisee acknowledges that Franchisor's approval of a proposed site is permission only and not an assurance or guaranty to Franchisee of the availability, suitability or success of a location, and cannot create a liability for Franchisor. While Franchisor will provide site selection assistance as specified in Paragraph 6.1 herein, Franchisee alone is ultimately responsible for selecting and developing an acceptable location for the Roberto's Taco Shop. Franchisee agrees to hold Franchisor harmless with respect to the selection of the Authorized Location by Franchisee. Franchisee must obtain lawful possession of an Authorized Location by lease, purchase or other method and open for regular, continuous business as a Roberto's Taco Shop within twelve (12) months of the date that Franchisor accepts this Agreement.

1.3 **Rights Reserved to Franchisor**.

A. Except for the right to operate a single, traditional, full service Roberto's Taco Shop from the Authorized Location, Franchisee is not granted any rights to use the System and Marks in connection with any other channel of commerce or method of distribution, including, without limitation, distribution of products or services through supermarkets, grocery stores, convenience stores, gasoline stations, discount stores, department stores, kiosks, mobile kitchens, catering trucks, street vendor carts, stadiums, convention centers, concert halls, amusement parks, fairgrounds and other areas of public gatherings, any temporary or mobile facilities, mail order facilities, internet based facilities, or onsite services for business locations (collectively, the "Alternative Channels of Distribution"), all such rights being retained by Franchisor. Notwithstanding the foregoing or anything else in this Agreement or otherwise, Franchisor (and those that Franchisor may appoint) retain all rights to sell Roberto's Taco Shop brand (or any other brand) products and services (whether or not competitive) to customers located anywhere using Alternative Channels of Distribution and Franchisee has no expectation that Franchisor will not use those means of distribution. With respect to sales by any Alternative Channel of Distribution, there is no limitation on Franchisor's ability (and the ability of anyone Franchisor appoints) to sell to customers located anywhere.

B. Franchisee receives no territorial rights or protected areas around its franchise. Franchisee is to operate a traditional, full-service Roberto's Taco Shop at an Authorized Location. Franchisor may, in its sole discretion, determine that the immediate area will support more than one traditional, full-service Roberto's Taco Shop (for example, without limitation, central business districts, downtown areas, densely populated urban areas, tourist areas, etc.).

C. Notwithstanding anything to the contrary in this Agreement or otherwise, Franchisor and/or any of Franchisor's affiliates can acquire, be acquired by, merge, affiliate with or engage in any transaction with other businesses (whether competitive or not), with units located anywhere, and including arrangements in which (1) other units are (or are not) converted to the Roberto's Taco Shop or other format (including using the System and/or Marks) and/or (2) Franchisor and/or any of Franchisor's affiliates are acquired, and/or company-owned, franchised or other businesses (including the traditional Roberto's Taco Shop) are converted to another format, maintained under the System or otherwise. All Roberto's Taco Shops owned by Franchisee (whether traditional, full service type or Alternative Channel of Distribution type) will fully participate in any such conversion, at Franchisee's sole expense; provided, however, Franchisee shall have a period of twelve (12) months to complete the conversion, and if Franchisee has commenced operations or has undertaken any renovations, upgrades or capital improvements costing more than Twenty-Five Thousand Dollars ($25,000) within twelve (12) months prior to the date of the notice from Franchisor, then Franchisee shall have a period of twenty-four (24) months to complete the conversion from the date of the notice from Franchisor.

D. Franchisee acknowledges and agrees that if the System is converted to a different format or brand name, Franchisor may immediately commence to promote and market the new format and/or brand name. Franchisor may direct that funds from the National Fund, as described in Paragraph 9.2, be used likewise, even though Franchisee defers the conversion of Franchisee's Roberto's Taco Shop to the new format and/or brand name, and Franchisee shall be obligated to continue to make contributions to the National Fund.

2. ACCEPTANCE BY FRANCHISEE

2.1 **Acceptance by Franchisee**. Franchisee accepts this Agreement and the license granted herein and agrees to develop and operate the Roberto's Taco Shop on the terms and conditions specified herein. Franchisee agrees to follow the System requirements relative to all of its operations, including, without limitation, its facilities, staff, advertising, operations and all other aspects of Franchisor's business and the System now in effect and changed periodically. Franchisee, all its active owners and management employees shall attend and complete Franchisor's training program to Franchisor's satisfaction.

2.2 **Conditions**. The rights being licensed herein are subject, without limitation, to the following conditions:

A. Franchisee's business and the Roberto's Taco Shop shall be identified only by those Marks approved in writing by Franchisor with at least one outside sign as designated by Franchisor.

B. Franchisee shall submit the lease for the Roberto's Taco Shop to Franchisor for its written consent before Franchisee executes the lease for the Authorized Location. The lease must contain the provisions outlined in Paragraph 7.2.A herein.

C. Franchisee agrees that it shall open for regular, continuous business the Roberto's Taco Shop not later than twelve (12) months after the Effective Date of this Agreement.

D. Franchisee agrees at all times to comply with the Operations Manual, standards, authorized products, operating systems, and other aspects of the System prescribed by Franchisor, which are subject to change at Franchisor's discretion.

E. Franchisee agrees to execute any exhibits, addenda, attachments, and agreements to this Agreement requiring Franchisee's signature.

3. TERM AND RENEWAL

3.1 **Term**. The term of this Agreement shall be for a period of five (5) years beginning on the Effective Date this Agreement; provided, however, the term of this Agreement shall be shortened (but not extended) to conform to the term of the lease for the Authorized Location (if the lease is shorter than five (5) years.) Franchisee agrees to operate the Roberto's Taco for the entire term of this Agreement, unless Franchisee receives Franchisor's prior written approval to transfer its interest in the franchise pursuant to Section 14 of this Agreement, or unless the lease for the Authorized Location is terminated at no fault of Franchisee and Franchisee cannot find an alternative location to operate the franchise that is acceptable to Franchisor.

3.2 **Renewal**. Unless terminated at an earlier date, upon the expiration of the initial term, Franchisee shall have the right to renew this Agreement for three consecutive additional five (5) year terms, or for option terms equal to the new or extended term of the lease for the Authorized Location (or suitable alternative location accepted by Franchisor), subject to satisfaction of each of the following conditions:

A. Prior to each such renewal, Franchisee shall execute Franchisor's standard form franchise agreement being offered at the time of each such renewal. The provisions of each such renewal franchise agreement may differ from and shall supersede this Agreement in all respects, including, without limitation, changes in royalty and advertising fees, except that Franchisee shall pay the renewal fee specified in Paragraph 3.2.G instead of the initial franchise fee. Franchisee's failure or refusal to execute and return Franchisor's then current standard form Franchise Agreement to Franchisor within thirty (30) days after receipt by Franchisee shall constitute Franchisee's election not to renew;

B. Franchisee shall present evidence satisfactory to Franchisor that Franchisee has the right to remain in possession of the Authorized Location for the duration of the renewal term, or Franchisee has been able to secure and develop in compliance with the then applicable standards used in granting of a franchise for Roberto's Taco Shop a suitable alternative site acceptable to Franchisor;

C. In consideration of each such renewal of the franchise, Franchisee shall execute a general release in the form and substance satisfactory to us, releasing any and all claims against us and our affiliates, officers, directors, employees and agents;

D. At Franchisee's sole expense, Franchisee and Franchisee's management employees shall complete such training as Franchisor may require to bring Franchisee into conformity with the then current qualifications and training requirements for new franchisees;

E. Franchisee shall have completed or made arrangements to make, at Franchisee's expense such renovation and modernization of the Roberto's Taco Shop, including the interior and exterior of the building, grounds, leasehold improvements, signs, furnishings, fixtures, equipment, uniforms and decor as Franchisor reasonably requires so the Roberto's Taco Shop conforms with the then current standards and image of Franchisor;

F. Franchisee, during the term of this Agreement, shall have substantially complied with all of the provisions of this Agreement and all other agreements with Franchisor, and shall be in compliance with the Operations Manual and with Franchisor's policies, standards and specifications on the date of the notice of renewal and at the expiration of the initial term;

G. Franchisee shall pay to Franchisor a renewal fee of Two Thousand Five Hundred Dollars ($2,500); and

H. Franchisee shall have given Franchisor written notice of renewal not less than 90 or more than 180 days before expiration of the initial term.

I. For any lease term which extends the underlying lease for a period of time in excess of the remaining term of the Franchise Agreement, or any renewal period for the Franchise Agreement, Franchisee must obtain Franchisor's prior written consent to permit either the extended lease term or any additional franchise term.

3.3 **Franchisor's Refusal to Renew Franchise**. Franchisor may refuse to renew the franchise if Franchisee is in default under this Agreement, or any other agreement with Franchisor or an affiliate of Franchisor, if Franchisee has had two or more defaults, whether cured or not, during the term of this

Agreement; or if Franchisee fails to satisfy any of the foregoing conditions. Subject to the above, Franchisor will not unreasonably deny renewal of a Franchise.

3.4 **Notice of Expiration Required by Law.** If applicable law requires that Franchisor give a longer period of notice to Franchisee than herein provided prior to the expiration of the initial term or any additional term, Franchisor will give such additional required notice. If Franchisor does not give such required additional notice, this Agreement shall remain in effect on a month-to-month basis until Franchisee has received such required notice.

3.5 **Holdover.** If Franchisor permits Franchisee to continue after the Franchise and/or term would otherwise end pursuant to this Agreement, then (but without prejudice to any of the Franchisor's other rights or remedies):

(a) Franchisee must continue to operate the Restaurant on a monthly basis;

(b) Franchisee continues on the same terms and conditions so far as applicable to a monthly license as are contained in this Agreement; and

(c) the monthly license may be terminated by either party giving the other thirty (30) days' written notice, which may expire on any day.

4. TRADEMARK STANDARDS

4.1 **Name and Ownership**. Franchisee acknowledges the validity of the Mark "Roberto's" and all other Marks that now or in the future are or will be part of the System and agrees and recognizes that the Marks are the sole and exclusive property of Franchisor and/or the affiliates of Franchisor. Franchisee further acknowledges that Franchisee's right to use the Marks is derived solely from this Agreement and is limited to the conduct of a Roberto's Taco Shop pursuant to and in compliance with this Agreement and all applicable standards, specifications and operating procedures prescribed by Franchisor from time to time. Any unauthorized use of the Marks by Franchisee shall be a breach of this Agreement and an infringement of the rights of Franchisor and its affiliates. Franchisee's use of the Marks inures to the benefit of Franchisor, which owns all goodwill now and hereafter associated with the Marks. Franchisee agrees not to contest ownership or registration of the Marks. Franchisor (and/or its affiliates) owns all right, title and interest in and to the Marks, and Franchisee has and acquires hereby only the qualified license granted in this Agreement.

4.2 **Use**.

A. Franchisee shall not use any Mark as part of the name of any corporation, limited liability company or other entity that Franchisee may form, including any prefix, suffix or other modifying words, terms, designs or symbols, or in any modified form. Franchisee shall display and use the Marks only in the manner and form prescribed or authorized by Franchisor and shall conduct no other business than that prescribed by Franchisor. Franchisee shall not use any other mark, name, commercial symbol or logotype in connection with the operation of the Roberto's Taco Shop and shall not market any product relating to the Roberto's Taco Shop without Franchisor's written consent, and if such consent is granted, such product must be marketed in a manner acceptable to Franchisor. Franchisor may also permit Franchisee to use from time-to-time other trademarks, service marks, trade names and commercial symbols as may be designated in writing.

B. Franchisee agrees to give such notices of trademark and service mark registrations and copyrights as Franchisor specifies and to obtain such fictitious or assumed name registrations as may be required under applicable law.

C. Franchisee is prohibited from using the Marks in advertising, promotion or otherwise, without the appropriate "©" or "®" (copyright and registration marks) or the designations "™" or "℠" (trademark and service mark), where applicable.

D. Franchisee shall not establish a website, a URL, or any email accounts, using any domain name containing the Marks or any variation thereof without the prior written consent of Franchisor.

E. Franchisee and its employees and agents will not engage in any acts or conduct that impair the goodwill associated with the Marks.

4.3 **Litigation**. Franchisee agrees to notify Franchisor immediately in writing if it becomes aware that any person who is not a licensee of Franchisor is using or infringing upon any of the Marks. Franchisee may not communicate with any person other than Franchisor and its counsel in connection with any such use or infringement. Franchisor will have discretion to determine what steps, if any, are to be taken in any instance of unauthorized use or infringement of any of its Marks and will have complete control of any litigation or settlement in connection with any claim of an infringement or unfair competition or unauthorized use with respect to the Marks. Franchisee, at Franchisee's own expense will execute any and all instruments and documents and will assist and cooperate with any suit or other action undertaken by Franchisor with respect to such unauthorized use or infringement such as by giving testimony or furnishing documents or other evidence. Franchisor will be responsible for legal expenses incurred by Franchisor in connection with any litigation or other legal proceeding involving such third party. Franchisor shall not be liable for any legal expenses of Franchisee unless approved in writing by Franchisor in its discretion.

4.4 **Modification, Discontinuance or Substitution**. Franchisor reserves the right, if necessary in Franchisor's sole judgment, to change the principal Mark(s) of the System on a national or regional basis, and promptly upon notice, Franchisee shall at its expense adopt a new principal Mark(s) designated by Franchisor to identify the Roberto's Taco Shop. Franchisor shall have no liability or obligation whatsoever with respect to Franchisee's change of any Mark. Franchisor shall have no liability for any expenses or damages incurred by Franchisee as a result of Franchisor's election to change the use of any or all of the Marks.

4.5 **Franchisor's Revenues**. Franchisor and its affiliates may offer to sell to Franchisee at a reasonable profit various goods and services, and reserve the right to receive fees or other consideration in connection with "Roberto's Taco Shop" sales promotion and advertising programs or from System vendors.

5. FEES

5.1 **Initial Franchise Fee.** Unless waived, Franchisee agrees to pay Franchisor the sum of Twenty-Five Thousand Dollars ($25,000) upon execution of this Agreement in the form of a cashier's check. The Initial Franchise Fee is used, among other things, to offset Franchisor's costs and expenses relating to site selection assistance [if appropriate], initial training, equipment [if appropriate], establishment of suppliers, inspection, testing and other quality control programs, design assistance, project management, initial marketing and grand opening assistance, as well as Franchisor's other costs in helping Franchisee open the franchise. The Initial Franchise Fee is not refundable.

5.2 **Royalty Fee**. In addition to the Initial Franchise Fee, during the term of this Agreement, Franchisee agrees to pay Franchisor, without setoff, credit or deduction of any nature, a flat rate fee and/or a percentage of average Gross Sales (as defined in Section 5.4 below) each month of the term of this Agreement (the "Royalty Fee") according to the following schedule (commencing on the date that Franchisee takes possession of the restaurant):

Period	Monthly Rate

The Royalty Fee is due by the 1st day of each month, using the method of payment specified in Section 5.6 below, and is subject to increases tied to inflation, as more fully described in Section 17.17 below. For any partial month, the amount owed shall be prorated.

5.3 **Marketing Fund Fee.** During the term of this Agreement, Franchisee agrees to pay to Franchisor, without set-off, credit or deduction of any nature, an advertising and national marketing fund fee (the "Marketing Fund Fee"), at the same time and in the same manner as the Royalty Fee is paid, in an amount up to $500 per month, as determined by Franchisor in its sole discretion. The Marketing Fund Fee shall be expended in accordance with Section 9.2 herein. Upon thirty (30) days' notice to Franchisee, the Marketing Fund Fee may be increased or decreased at Franchisor's sole discretion.

5.4 **Local Advertising Expenses.** Franchisee agrees to spend each month no less than 2% of its Gross Sales for the month on local advertising and promotion of the Roberto's Taco Shop. The term "Gross Sales" in this Agreement means the total revenues you receive from the sale of goods and services at or in connection with your Roberto's Taco Shop, less sales taxes or similar taxes or refunds. (See Section 9.4 for more details on Local Advertising.)

5.5 **Advertising Cooperative Contribution.** If Franchisee joins an Advertising Cooperative as described in Section 9.6, then Franchisee agrees to pay its pro rata share of any advertising agreed upon by the majority of franchisees in the Advertising Cooperative. If requested, Franchisor may agree to collect and spend such funds on behalf of the Cooperative. Franchisor is not obligated to collect such funds and shall bear no responsibility for non-payment of funds by members of the cooperative.

5.6 **Electronic Transfer**.

A. Unless Franchisor in its discretion specifies otherwise, Franchisee agrees to pay the Royalty Fee, Marketing Fund Fee, and all other fees or payments currently due to Franchisor by pre-authorized electronic debit to Franchisor's bank or other financial institution account.

B. Franchisee agrees to complete and execute an "Electronic Funds Transfer Agreement" (attached as Exhibit 2 to this Agreement) and any other form, including, without limitation, an "Electronic Debit Authorization" (attached as Exhibit 3 to this Agreement) prescribed by Franchisor in its discretion for the purpose of authorizing an electronic debit, and to submit any information required by Franchisor for such authorization. By signing this Agreement, Franchisee gives authorization to permit Franchisor to debit electronically Franchisee's account. Franchisee agrees to maintain an account at a bank or other financial institution that has the capacity to perform electronic debits to its account.

C. Franchisee agrees to install at its expense and use such pre-authorized payment and computerized point of sales systems, credit verification systems, automatic payment systems, electronic funds transfer systems, or automatic banking system as Franchisor in its discretion may require. This requirement may be specified by Franchisor to fulfill any business purpose reasonably related to the operation of the franchise and the System or to permit Franchisee to make all required payments to Franchisor by automatic bank transfer.

D. Franchisee agrees to maintain account balances sufficient to pay all Royalty Fees and Marketing Fund Fees and all other payments due to Franchisor by electronic transfer. Any insufficiency shall constitute a default in payment pursuant to Paragraph 15.2(2) of this Agreement. Any charges incurred by Franchisor due to a shortage of funds in Franchisee's account shall be promptly reimbursed by Franchisee to Franchisor.

5.7 **Equipment Package Lease**. If Franchisee subleases the Authorized Location for the Roberto's Taco Shop from Franchisor, Franchisee will pay Franchisor a fee ranging from $185,000 to $220,000 for the equipment, furniture, fixtures and signage (the "Equipment Package") that Franchisor purchases, owns and installs in the Restaurant for Franchisee. The cost of the Equipment Package will depend upon the type, amount and condition of the equipment, furniture, fixtures, digital menu screens, and signage that Franchisor installs in the Restaurant and is set forth in Exhibit 1 to this Agreement. This fee is not refundable, in whole or in part, under any circumstances. Franchisee is responsible for maintaining and replacing such equipment, furniture, fixtures, digital menu screens, and signage during the term of this Agreement. Franchisee acknowledges and agrees that Franchisor is the owner of the Equipment Package, including any replacement equipment, furniture, fixtures, digital menu screens, and signage that Franchisee must purchase during the term of this Agreement.

5.8 **Digital Menu Screens.** Franchisee agrees to have digital menu screens installed in the Restaurant prior to opening for business. Without any obligation whatsoever to do so, Franchisor may, at its sole discretion, elect to pay the third-party approved supplier directly for the digital menu screens and their installation on behalf of Franchisee. If Franchisor elects to pay for the digital menu screens and installation, Franchisee agrees to reimburse Franchisor for the costs. The cost of the digital menu screens with installation varies based on the size, type, and number of menu screens installed and ranges from $4,500 to $6,000 for four digital menu screens, which is the typical number of menu screens for a Roberto's Taco Shop. Franchisor will invoice Franchisee for the cost of the digital menu screens and installation, and Franchisee must pay Franchisor the full amount due within 30 days of the date of the invoice. The costs for the digital menu screens and installation are not refundable in whole or in part, under any circumstances. Franchisee is responsible for any costs incurred for maintenance and upgrades of the digital menu screens during the term of this Agreement.

5.9 **Technology Fees**. Franchisor may, at its option, make available to Franchisee certain technology services and software programs that Franchisee is required to use in the operation of the Restaurant and charge Franchisee a fee for such services and software ("Technology Fees"). These fees will help cover the costs and expenses associated with developing, implementing, licensing or otherwise using and integrating the technology Franchisor determines appropriate to provide as part of the System or otherwise in connection with the Restaurant. Franchisor may charge Franchisee ongoing fees for providing technology services including, but not limited to, an "IT Support Fee" and certain software licensing fees. Additionally, Franchisor may provide a single software program or bundle the costs of multiple software programs and charge Franchisee one monthly fee for all the software programs, including an administrative fee. Franchisor may charge Franchisee any applicable setup fees associated with the software programs. If Franchisor elects to provide any of the aforementioned technology services and/or software programs to Franchisee, Franchisee agrees to pay Franchisor monthly for the Technology Fees, as specified in Section 5.6, above. The amount of the Technology Fees may change from time to time during the term of this Agreement.

5.10 **Interest and Late Charges**. Amounts due to Franchisor (except interest on unpaid amounts due) not paid when due shall bear interest from the date due until paid at the lesser of one and one-half percent (1.5%) per month, or the highest rate of interest allowed by law. Franchisor may also recover its reasonable attorneys' fees, costs and other expenses incurred in collecting amounts owed by Franchisee.

5.11 **No Accord or Satisfaction**. If Franchisee pays, or Franchisor otherwise receives, a lesser amount than the full amount due under this Agreement for any payment due hereunder, such payment or receipt shall be applied against the earliest amount due Franchisor. Franchisor may accept any check or payment in any amount without prejudice to Franchisor's right to recover the balance of the amount due or to pursue any other right or remedy. No endorsement or statement on any check or payment or in any letter accompanying any check or payment or elsewhere shall constitute or be construed as an accord or satisfaction.

6. FRANCHISOR SERVICES

6.1 **Site Selection and Lease Negotiations**. Franchisee is solely responsible for locating, obtaining and evaluating the suitability and prospects of the Roberto's Taco Shop location, and for the review and negotiation of Franchisee's lease. Franchisor may in its discretion, at Franchisee's request, assist Franchisee in site selection and the review and negotiation of Franchisee's lease by furnishing Franchisee with Franchisor's confidential site evaluation criteria, by consulting with and counseling Franchisee, and, at Franchisor's discretion, conducting field inspections of proposed sites at mutually convenient times. Franchisor agrees not to withhold approval unreasonably of a site that meets its site criteria. Franchisee acknowledges that Franchisor's approval of a proposed site is permission only and not an assurance or guaranty to Franchisee of the availability, suitability or success of a location, and cannot create a liability for Franchisor.

6.2 **Unit Development**. Franchisor shall consult and advise Franchisee on obtaining licenses or permits, proper display of the Marks, layout and design, procurement of equipment, furniture, fixtures and initial inventories, recruiting personnel, and managing construction or remodeling of the Roberto's Taco Shop. After Franchisee has executed a lease for the Authorized Location, Franchisor shall deliver to Franchisee specifications and standards for building, equipment, furnishings, fixtures, layout, design and signs relating to the Authorized Location and shall provide reasonable consultation in connection with the development of the Roberto's Taco Shop. Franchisor shall at its corporate headquarters, or at such other place as designated by Franchisor, review Franchisee's plans and assist Franchisee in selecting the plan most suitable for the Roberto's Taco Shop. Franchisee's architect must make any layout, design and specifications provided by Franchisor site-specific. Franchisee agrees to make no changes, alterations or modifications whatsoever to the selected layout and design without obtaining prior written consent from Franchisor. If there is a conflict between Franchisee and Franchisor regarding the layout and design of the Roberto's Taco Shop, Franchisor's recommendations shall control.

6.3 **Initial Training**. Franchisor currently only offers franchises to trained individuals who have worked extensively, at least five (5) years, in a Roberto's Taco Shop, and who have demonstrated a proper understanding of the System, including, but not limited to, the recipes and business systems. Consequently, Franchisee has already received a significant amount of training prior to being offered a franchise. In addition to the training that Franchisee has already received, Franchisor will provide Franchisee (or the Designated Operator) and Franchisee's designated manager with "Initial Training", consisting of classroom and on-the-job training. The classroom portion of the Initial Training will be held prior to the opening of the Roberto's Taco Shop, at Franchisor's headquarters, or another location designated by Franchisor. The on-the-job portion of the Initial Training will be conducted at Franchisee's Roberto's Taco Shop after Franchisee opens for business. There will be no charge beyond the Initial Franchise Fee for the Initial Training, provided that Franchisee and its designated manager attend such training simultaneously. The Initial Training will cover basic administration (e.g., human resources, payroll, Word, Excel, etc.), food safety, and the POS System. All of the required training is mandatory. Franchisee (or the Designated Operator) and Franchisee's designated manager(s) must satisfactorily complete such Initial Training within the timeframe established by Franchisor. Franchisee is responsible for all travel, lodging, food, wages, wage related expenses, and other expenses in connection with said training for Franchisee and Franchisee's management employees. Franchisee agrees that it will require all management employees employed after the initial Roberto's Taco Shop is opened to complete Franchisor's training program within 30 days following the commencement date of employment at a location designated by Franchisor. Franchisee also agrees to have its shift leaders ("shift leads") satisfactorily complete applicable leadership training at Franchisor's headquarters, or such other location as designated by Franchisor. Franchisor may revise, amend or change the initial training requirements, from time to time, at its sole discretion, and Franchisee agrees to attend and complete any and all such required training to Franchisor's satisfaction. If warranted by government regulations, emergency guidelines, enforced quarantines, travel restrictions, a natural disaster, force majeure or other event outside of Franchisor's control, Franchisor reserves the right to conduct any and all training, classes, courses, meetings, and conferences, online, telephonically, or otherwise, or to cancel or delay any and all such training, classes, courses, meetings, and conferences.

6.4 **Grand Opening Training**. To facilitate the opening of the Roberto's Taco Shop, Franchisor may, but is not obligated to, send at least one (1) of its representatives to the Roberto's Taco Shop to provide opening training for Franchisee and Franchisee's employees. Franchisor will determine, in its discretion, the number of representatives to be sent and the time to be spent in training. Franchisor shall bear all expenses of Franchisor's representative(s) with respect to the training at the Roberto's Taco Shop.

6.5 **Additional Training**.

A. If at any time after completion of the Initial Training, Franchisee requests additional training for Franchisee or any of its employees or employs new management employees requiring training, Franchisee shall: (i) reimburse Franchisor for its travel and lodging expenses plus all other expenses incurred by Franchisor in providing the training, if Franchisee chooses to have Franchisor conduct the training at the Roberto's Taco Shop, or (ii) bear all of the expenses incurred by Franchisee and/or its management employees in receiving the training, if Franchisee chooses to have Franchisor conduct the training at a Franchisor owned shop or other location designated by Franchisor.

B. Franchisor currently requires Franchisee and its designated manager(s) to attend and successfully complete 10 hours of additional training in administration each year. Franchisor may charge Franchisee up to $150 per hour, per trainee, for such additional ongoing/refresher training. Franchisee is responsible for all compensation, travel and living expenses for Franchisee and its manager(s) during such training.

6.6 **Operations Manual**. At such time as it is developed, Franchisor will lend Franchisee one (1) copy of Franchisor's Operations Manual (the "Manual") during the term of this Agreement. The Manual is anticipated to codify existing mandatory and suggested specifications, standards and operating procedures currently prescribed by Franchisor. Franchisee acknowledges that Franchisor may from time to time revise its Systems as well as the contents of the Manual, and Franchisee agrees to comply with each new or changed standard and specification upon notice from Franchisor. Any required specifications, standards, and/or operating procedures exist to protect Franchisor's interests in the System and the Marks and to create a uniform customer experience, and not for the purpose of establishing any control or duty to take control over those day-to-day operational matters that are reserved to Franchisee. The Manual shall remain the sole property of Franchisor and shall be kept confidential by Franchisee both during the term of this Agreement and subsequent to the termination, expiration, or non-renewal of this Agreement. In the event of any dispute as to the contents of the Manual, the terms of the master copy of the Manual maintained at Franchisor's principal office shall be controlling.

6.7 **Continuing Services**. Franchisor shall provide such continuing advisory assistance and information to Franchisee in the development and operation of the Roberto's Taco Shop as Franchisor deems advisable. Such assistance may be provided, in Franchisor's discretion, by Franchisor's directives, System bulletins, meetings and seminars, telephone, computer, e-mail, fax, personal visits, newsletters or manuals. Franchisor may provide regular consultation and advice to Franchisee in response to inquiries from Franchisee regarding administrative and operating issues that Franchisee brings to Franchisor's attention. Franchisor may make recommendations that it deems appropriate to assist Franchisee's efforts. However, Franchisee alone will establish all requirements, consistent with Franchisor's policies, regarding (i) employment policies, hiring, firing, training, wage and hour requirements, record keeping, supervision, and discipline of employees; (ii) the individuals to whom Franchisee will offer and sell its products and services; and (iii) the suppliers from whom Franchisee obtains any products or services used in or at the Roberto's Taco Shop for which Franchisor has not established Approved Suppliers. The rendering of any consultation, advise, assistance, consent, approval or services by Franchisor, as set forth in this Agreement, does not constitute any assurance or guaranty that such consultation, advice, assistance, consent, approval or services will result in any level of success of Franchisee's business. Any Franchisor services set forth in this Agreement may be provided by Franchisor and/or representative(s) or designee(s) of Franchisor.

6.8 **Approved Lists**. Franchisor shall provide and from time to time, add to, alter or delete, at Franchisor's discretion, lists of specifications, approved distributors and suppliers, approved services, products, materials and supplies, and training that may benefit Franchisee in the operation of the Roberto's Taco Shop.

6.9 **Pricing.** Franchisor has developed an image that is based in part on consistent and reasonable prices for products and services offered by the System. To promote a consistent consumer experience, and to maximize the value of limited advertising expenditures, and subject to applicable law, Franchisor may require fixed minimum or maximum prices for any products or services offered by the System and Franchisee. Franchisee is obligated to use the pricing required by Franchisor, unless Franchisor consents to changes in local pricing offered by Franchisee in order to (i) allow Franchisee to respond to unique, local, marketing conditions, competition, or expenses; or (ii) comply with changes or interpretations in State or Federal anti-trust laws. Consistent with State or Federal law, Franchisor reserves the right to change or eliminate its pricing program in the future, or to move from a required to recommended pricing structure. Franchisee acknowledges and agrees that any maximum, minimum or other prices Franchisor prescribes or suggests may or may not optimize the revenues or profitability of the Roberto's Taco Shop and Franchisee irrevocably waives any and all claims arising from or related to Franchisor's prescription or suggestion of the Roberto's Taco Shop's retail prices.

6.10 **Marketing Fund.** Franchisor may, in its sole discretion and depending on the quantity of franchised outlets, their locale, and the cost of effective media, institute, maintain and administer a national marketing fund for such advertising or public relations programs as Franchisor, in its discretion, may deem necessary or appropriate to advertise and promote the Roberto's Taco Shops pursuant to Paragraph 9.2 of this Agreement.

6.11 **Grand Opening Advertising Assistance.** Franchisor shall consult and advise Franchisee on the advertising, marketing and promotion for the Grand Opening of the Roberto's Taco Shop pursuant to Paragraph 9.3 of this Agreement.

6.12 **Franchisor Services.** The rendering of any consultation, advise, assistance, consent, approval or services by Franchisor, as set forth in this Agreement, does not constitute any assurance or guaranty that such consultation, advice, assistance, consent, approval or services will result in any level of success of Franchisee's business. Any Franchisor services set forth in this Agreement may be provided by Franchisor and/or representative(s) or designee(s) of Franchisor.

6.13 **Notice of Completion of Pre-Opening Obligations**. After Franchisor has completed its pre-opening obligations to Franchisee under this Agreement, Franchisor may require Franchisee to sign and deliver to Franchisor confirmation that Franchisor has performed its pre-opening obligations in a form that Franchisor reasonably requests ("Notice of Completion"). If Franchisor asks Franchisee to provide Franchisor with such Notice of Completion, Franchisee must sign and deliver it to Franchisor within five (5) days after Franchisor's request. The term "pre-opening obligations" means the obligations Franchisor has provided to Franchisee under this Agreement that must be performed before the date that the Franchised Business starts its operations. If Franchisee reasonably believes that Franchisor has not completed its pre-opening obligations to Franchisee, Franchisee must provide Franchisor with a notice in writing, withing that same five (5) day period, specifying those pre-opening obligations that have not been performed ("Remaining Obligations"). Within five (5) days following our completion of the Remaining Obligations, Franchisee must execute and deliver to Franchisor the Notice of Completion notwithstanding that Franchisor's performance of such obligations was concluded after the time of performance required by this Agreement. In the event Franchisee fails to timely sign and deliver to Franchisor a Notice of Completion (or notice of Remaining Obligations) Franchisee will be deemed to have confirmed that all of Franchisor's pre-opening obligations have been met.

7. FACILITY STANDARDS, LEASE AND CONSTRUCTION

7.1 **Facility Specifications.** Franchisee's Roberto's Taco Shop shall meet the following conditions:

A. The Roberto's Taco Shop shall be laid out, designed, constructed or improved, equipped and furnished in accordance with Franchisor's standards and specifications. Equipment, furnishings, fixtures, decor and signs for the Roberto's Taco Shop shall be purchased from suppliers approved by Franchisor. Although Franchisor may set a specification or require use of an approved supplier in its sole discretion, Franchisor makes no representations or warranties about the specification, or about the goods or services provided by such supplier. Franchisor is not liable for any damages, injuries or losses caused by or due to the actions, services or products supplied to Franchisee from any third-party supplier approved by Franchisor. Franchisee acknowledges that it is responsible for supervising the build-out of the Roberto's Taco Shop and the installation of equipment, fixtures and signage. Franchisee may remodel or alter the Roberto's Taco Shop, or change its equipment, furniture or fixtures, only with Franchisor's consent. Franchisee must obtain necessary permits, licenses and other legal or architectural requirements. The Roberto's Taco Shop shall contain or display only signage that Franchisor has specifically approved or designed, and shall use only the type and style of menu board designated or approved by Franchisor.

B. The Roberto's Taco Shop shall be maintained in accordance with standards and specifications established by Franchisor or prescribed after inspection of the Roberto's Taco Shop. Franchisee shall promptly repair or replace defective or obsolete equipment, signage, fixtures or any other item of the interior or exterior that is in need of repair, refurbishing or redecorating in accordance with such standards established (and updated from time to time) by Franchisor or as may be required by Franchisee's lease.

C. Franchisee agrees that during the term of this Agreement, Franchisor may place in the Roberto's Taco Shop information relating to Roberto's Taco Shop franchise opportunities. The location(s) of said information shall be specified by Franchisor in its discretion.

D. The Roberto's Taco Shop shall contain signage prominently identifying Franchisee by name as an independently owned and operated franchisee of Franchisor.

7.2 **Lease**.

A. Unless Franchisor purchases, builds-out, and sublets a company-owned unit to Franchisee, Franchisee is solely responsible for purchasing or leasing a suitable site for the Roberto's Taco Shop. Franchisee must submit the purchase agreement or lease for the Roberto's Taco Shop to Franchisor for its written consent before Franchisee executes the purchase agreement or lease for the Authorized Location. Franchisor will not withhold consent arbitrarily; however, any lease must contain substantially the following provisions: (1) "The leased premises will be used only for the operation of a Roberto's Taco Shop Franchise;" (2) "The employees of Franchisor will have the right to enter the leased premises to make any modifications necessary to protect the System and proprietary marks thereof;" (3) "Lessee agrees that Lessor may, upon request of Franchisor disclose to said Franchisor all reports, information or data in lessor's possession with respect to sales made in, upon or from the leased premises;" and (4) a conditional assignment clause to be contained in a lease rider in a form approved by Franchisor, which shall provide that Franchisor (or its designee) may, upon termination, expiration, non-renewal or proposed assignment of this Agreement, at Franchisor's sole option, take an assignment of Franchisee's interest thereunder, without the consent of the lessor or property owner, without liability for accrued obligations, payment of additional consideration or increase in rent, and at any time thereafter, reassign the lease to a new franchisee. Franchisor's execution of this Agreement is conditioned upon the above-referenced lease rider, which shall be signed by Franchisee and attached and made part of the lease for the Roberto's Taco Shop.

B. Franchisee may not terminate, renew or in any way alter or amend the lease for the Roberto's Taco Shop during the term thereof, or any renewal term thereof, without Franchisor's written consent, except as otherwise provided in this Agreement. Franchisee may not sublicense or assign rights granted in this Agreement except in accordance with Article 14**.**

C. Franchisee's execution of a lease for the Roberto's Taco Shop shall constitute: (1) acceptance by Franchisee of such site and location and the terms of such lease; and (2) a waiver of any claim or right against Franchisor relating to the choice of such site and location or the terms of such lease.

D. Franchisee shall provide Franchisor with a copy of Franchisee's fully executed lease with all exhibits and attachments thereto for the Roberto's Taco Shop promptly after execution.

E. Franchisee acknowledges that it has been advised to have any lease reviewed by Franchisee's own legal counsel.

7.3 **Unit Development.** Franchisee agrees that after obtaining possession of the Authorized Location, Franchisee will complete promptly the following actions, at Franchisee's sole expense:

A. Obtain any standard plans and/or specifications for the Roberto's Taco Shop from Franchisor;

B. Employ a qualified licensed architect, as required by state or local codes to prepare, in accordance with Franchisor's specifications and standards all requisite drawings, designs, plans and specifications for the Roberto's Taco Shop location;

C. Submit to Franchisor all requisite drawings, designs, plans and specifications, including signage, prepared by such architect;

D. Obtain approval of such requisite drawings, designs, plans and specifications, including signage, from the Franchisor, lessor and local authorities prior to commencement of construction of the Roberto's Taco Shop.

E. Obtain all permits and certifications required for lawful construction and operation of the Roberto's Taco Shop, including, without limitation, zoning, building, access, sign, fire and health requirements;

F. Construct the Roberto's Taco Shop under the supervision of a licensed general contractor in full and strict accordance with all legal requirements and with the plans and specifications approved by Franchisor, lessor and local authorities;

G. Obtain or require the contractor to obtain payment and performance bonds;

H. Obtain all customary contractor's sworn statements and partial and final waivers of lien for construction, remodeling, decorating and installation services for the Roberto's Taco Shop;

I. Obtain or have the contractor obtain Builder's Risk Insurance naming Franchisor as a loss payee;

J. Complete the construction or remodeling of the Roberto's Taco Shop in full and strict compliance with plans and specifications approved by Franchisor, landlord for the site, and with all applicable ordinances, building codes and permit requirements;

K. Purchase or lease, in accordance with Franchisor's standards and specifications, all equipment, furniture, fixtures, inventory, supplies and signs required for the Roberto's Taco Shop;

L. Hire and train the initial operating personnel according to Franchisor's standards and specifications;

M. Complete development of and have the Roberto's Taco Shop open for business not later than twelve (12) months after the date that Franchisor accepts this Agreement; and

N. Not later than 90 days after the Roberto's Taco Shop opens for business, furnish to Franchisor an itemized breakdown of the costs incurred by Franchisee in developing the Roberto's Taco Shop, including design, construction, equipment, furniture, fixtures, signage, inventory and supplies.

7.4 **Franchisee's Responsibility.** Notwithstanding the foregoing, Franchisee acknowledges and agrees that although Franchisor may provide Franchisee with various standard or sample plans and specifications with respect to constructing and equipping a Roberto's Taco Shop. Franchisor is not acting as a general contractor or providing construction advice. Franchisee must hire its own licensed general contractor and architect to comply with local ordinance's and codes, and Franchisee alone is responsible for the build out of the Authorized Location, it is Franchisee's sole responsibility to construct and equip the Roberto's Taco Shop in compliance with all applicable federal, state and local laws and regulations, including, without limitation, all building codes, fire and safety codes, environmental laws, Occupational Safety and Health Administration laws, health laws, sanitation laws, Americans with Disabilities Act and all other requirements that may be prescribed by any federal, state or local governmental agency. Franchisor makes no representations or warranties that any of the standard or sample plans and specifications provided to Franchisee comply with such laws and regulations. Franchisee agrees to indemnify, defend and hold harmless Franchisor with respect to any standard or sample plans and specifications provided by Franchisor and with respect to the constructing and equipping of Franchisee's Roberto's Taco Shop.

8. FACILITY IMAGE AND OPERATING STANDARDS.

8.1 **Compliance**. Franchisee acknowledges and agrees that every detail regarding the appearance and operation of the Roberto's Taco Shop is important to Franchisee, the System and other Roberto's Taco Shop franchisees in order to maintain high and uniform operating standards, to increase demand for the products and services sold by all franchisees, and to protect Franchisor's reputation and goodwill, and, accordingly, Franchisee agrees to comply strictly at all times with the requirements of this Agreement and Franchisor's standards and specifications (whether contained in the Operations Manual or any other written or oral communication to Franchisee by Franchisor) relating to the appearance or operation of the Roberto's Taco Shop. Franchisee further agrees to promptly implement any changes in operational and facility requirements when prescribed by Franchisor, even if additional investment or expenditures are required. Franchisee acknowledges that other Roberto's Taco Shops may operate under different forms of agreement with Franchisor, and that the rights and obligations of the parties to other agreements may differ from those hereunder.

8.2 **Franchisor's Right to Inspection**. To determine whether Franchisee is complying with this Agreement and Franchisor's standards and specifications, Franchisor reserves the right to supervise, determine and approve the standards of appearance, quality and service pertinent to the Roberto's Taco Shop including, without limitation, the right at any reasonable time and without prior notice to Franchisee to: (1) inspect and examine the business premises, equipment, facilities and operation of the Roberto's Taco Shop; (2) interview Franchisee and Franchisee's employees; (3) interview Franchisee's customers, suppliers and any other person with whom Franchisee does business; (4) confer with members and staff of government agencies with authority over Franchisee about matters relevant to the Roberto's Taco Shop; and (5) use "mystery shoppers," who may pose as customers and evaluate Franchisee and Franchisee's operations.

8.3 **Franchisor's Notice of Deficiency.** If at any time in Franchisor's sole judgment, Franchisee fails to comply with this Agreement or Franchisor's standards and specifications, Franchisor shall notify Franchisee specifying both the time period and the action to be taken by Franchisee to correct such non-compliance. If Franchisee fails or refuses to correct the non-compliance within the required period of time, Franchisor shall have the right, in addition to all other remedies, to take such corrective action as is, in the sole determination of Franchisor, necessary and appropriate to bring the Roberto's Taco Shop in compliance with Franchisor's specifications, standards, methods, policies and procedures, and Franchisee shall pay the entire cost thereof to Franchisor on demand.

8.4 **Adherence to Good Business Practices**. Franchisee shall adhere to good business practices, observing high standards of honesty, integrity, fair dealing and ethical business conduct in all business dealings with customers, employees, vendors and Franchisor.

8.5 **Personnel.** Franchisee agrees to employ in the operation of the Roberto's Taco Shop only persons of high character and ability who maintain and exhibit traits of enthusiasm, cleanliness, neatness, friendliness, honesty and loyalty, it being recognized by Franchisee that such persons are necessary in order to promote and maintain customer satisfaction and the goodwill of Roberto's Taco Shops. Franchisee agrees to staff the Roberto's Taco Shop at all times with a sufficient number of qualified, competent personnel who have been trained in accordance with Franchisor's standards and who shall wear Franchisor's approved uniforms during working hours. Franchisee must have a least one employee who is fluent in speaking English on every shift at the Restaurant. Franchisee must also have a shift leader ("shift lead"), who has completed at least two hours of applicable leadership training provided by Franchisor at its headquarters, on every shift at the Restaurant. All employees Franchisee hires or employs at the Roberto's Taco Shop will be Franchisee's employees and Franchisee's employees alone, and will not, for any purpose, be deemed to be Franchisor's employees or subject to Franchisor's direct or indirect control, most particularly with respect to any mandated or other insurance coverage, taxes or contributions, or requirements regarding withholdings, levied or fixed by any governmental authority. Franchisee will file its own tax, regulatory and payroll reports, and be responsible for all employee benefits and workers compensation insurance payments for its employees and operations. Franchisor will not have the power to hire or fire Franchisee's employees. Franchisor's authority under this Agreement to train and approve Franchisee's supervisorial or managerial personnel for qualification to perform certain functions at the Roberto's Taco Shop does not directly or indirectly vest Franchisor with the power to hire, fire or control any of Franchisee's personnel. Franchisee will be solely responsible for all hiring and employment decisions and functions relating to the Roberto's Taco Shop, including those related to hiring, firing, training, establishing remuneration, compliance with wage and hour requirements, personnel policies, benefits, recordkeeping, supervision and discipline of employees, regardless of whether Franchisee has received advice from Franchisor on these subjects or not. Franchisee shall engage in no discriminatory employment practices and shall in every way comply with all applicable laws, rules and regulations of federal, state and local governmental agencies, including, without limitation, all wage-hour, civil rights, immigration, employee safety and related employment and payroll related laws. Franchisee shall make all necessary filings with, and to pay all taxes and fees due to, the Internal Revenue Service and all other federal, state and local governmental agencies or entities to which filings and payments are required. Any guidance Franchisor may give Franchisee regarding employment policies should be considered merely examples. Franchisee will be responsible for establishing and implementing its own employment policies, and should do so in consultation with local legal counsel experienced in employment law.

8.6 **Products and Services to be Offered for Sale.**

A. Franchisee acknowledges that the presentation of a uniform image to the public and the offering of uniform product lines is an essential element of a successful franchise system. In order to insure consistency, quality and uniformity throughout the System, Franchisee agrees (1) to sell or offer for sale only items, products and services that have been expressly approved for sale by Franchisor; (2) to sell or offer for sale all menu items, products and services required by Franchisor; (3) not to deviate from Franchisor's methods, standards and specifications regarding, without limitation, ingredients, methods of preparation and service, and weight, quality and dimensions of products served; and (4) to discontinue selling and offering for sale any menu items, products or services that Franchisor may, in its discretion, disapprove at any time. Franchisor shall assist Franchisee in obtaining items, products and services that conform to Franchisor's quality standards and specifications. Franchisor shall supply Franchisee with a list of suppliers from which Franchisee is required to purchase items, products or services for the Roberto's Taco Shop. Franchisor may change this list from time to time, and upon notification to Franchisee, Franchisee shall only purchase items, products or services from approved suppliers as specified on the changed list. All of the packaging materials, paper and plastic products used in the operation of the Roberto's Taco Shop that are available imprinted must be imprinted with the Marks and other insignias as prescribed by Franchisor from time to time. Franchisee agrees to keep the Roberto's Taco Shop well stocked and be able at all times during business hours to provide customers with all menu items specified by Franchisor. Franchisor shall determine at its discretion whether Franchisee is adequately stocked.

B. In order to maintain consistency of product, quality, taste and identity of Roberto's brand, authentic Mexican cuisine, Franchisee agrees that all products, except those products specifically approved in writing by Franchisor, must be purchased exclusively from approved suppliers.

C. If Franchisee proposes to offer for sale any items, products or services that have not been approved by Franchisor, Franchisee shall first notify Franchisor in writing and submit sufficient information, specifications and samples concerning such product and/or supplier and/or service for a determination by the Franchisor whether such product or supplier or service complies with the Franchisor's specifications and standards and/or whether such supplier meets the Franchisor's approved supplier criteria. Franchisor shall, within ninety (90) days, notify Franchisee whether or not such proposed product and/or supplier or service is approved, as determined in Franchisor's discretion. Franchisor reserves the right to charge Franchisee reasonable costs in connection with Franchisor's review, evaluation and approval of alternative suppliers. These charges may include reimbursement for travel, accommodations, meal expenses, and personnel wages. Franchisor may from time to time prescribe procedures for the submission of requests for approved products and/or suppliers or services and obligations that approved suppliers must assume (which may be incorporated in a written agreement to be executed by approved suppliers). Franchisor reserves the right to revoke its approval of a previously authorized supplier, product or service when Franchisor determines in its discretion that such supplier, product or service is not meeting the specifications and standards established by Franchisor. If Franchisor modifies its list of approved products, and/or suppliers and/or services, Franchisee shall not, after receipt in writing of such modification, reorder any product or utilize any supplier, product or service that is no longer approved.

D. Franchisee acknowledges and agrees that the offer or sale of any products or services not approved by Franchisor shall constitute a material breach of this Agreement.

E. Franchisee acknowledges and agrees that Franchisor may become an approved supplier for all taco and taco products, logo items, menu boards, in shop signage and artwork, that Franchisor may derive income from the sale of such items, and that the price charged by Franchisor may reflect an ordinary and reasonable profit consistent with a business of the kind that produces and/or supplies such items.

8.7 **Compliance with Laws.**

A. Franchisee agrees to comply with all federal, state and local laws, rules, and regulations and shall as soon as practicable, but in any event prior to the opening for business of the Roberto's Taco Shop, obtain all municipal and state permits, certificates or licenses necessary to operate the Roberto's Taco Shop and shall file and publish, if required by applicable law, a certificate of doing business (whether under a fictitious name or otherwise). Franchisee shall make all such permits, licenses and certificates available for inspection by representatives of Franchisor prior to the opening for business of the Roberto's Taco Shop and thereafter at all times during Franchisee's business hours. Franchisee shall operate and maintain the Roberto's Taco Shop in strict compliance with all building codes, fire and safety codes, environmental laws, Occupational Safety and Health Administration laws, health laws, sanitation laws, Americans with Disabilities Act and any other requirements that may be prescribed by any federal, state or local governmental agency. Franchisee agrees to provide immediately Franchisor with a copy of any notice received by Franchisee from any state, local or governmental agency pertaining to compliance with any codes or requirements, or the failure to comply with any codes or requirements, at the Roberto's Taco Shop. Franchisee must at all times be current in its knowledge and understanding of all laws as they relate to the operation of the Roberto's Taco Shop. Franchisee hereby certifies and represents that Franchisee, and any of its affiliates, any of its partners, members, shareholders or other equity owners, and their respective employees, officers, directors representatives or agents, are not acting, directly or indirectly, for or on behalf of any person, group, entity or nation named by any Executive Order or the United States Treasury Department as a terrorist, "Specially Designated National and Blocked Person," or other banned or blocked person, entity, nation or transaction pursuant to any law, order, rule or regulation that is enforced or administered by the Office of Foreign Assets Control. Franchisee hereby agrees to defend, indemnify and hold harmless Franchisor from and against any and all claims, damages, losses, risks, liabilities and expenses (including attorneys' fees and costs) arising from or related to any breach of the certifications set forth in this paragraph

B. Franchisee shall manage the Roberto's Taco Shop and its staff in compliance with all laws, the Operations Manual and any other written or oral communication to Franchisee as prescribed by Franchisor. Franchisee agrees to abide by all employment laws, including, without limitation, Title VII of the Civil Rights Act, Family and Medical Leave Act, Americans With Disabilities Act, Consolidated Omnibus Budget Reconciliation Act, Fair Labor Standards Act, all state wage and hour laws, Internal Revenue Code and the immigration laws. Franchisor may from time to time provide information or training to assist Franchisee in gaining knowledge about applicable laws, but this does not in any way relieve Franchisee of its full responsibility and sole obligation to comply with such laws.

C. Franchisee shall honor all credit, charge, courtesy and cash cards that Franchisor approves in writing. Franchisee is required to use the credit card processing company designated by Franchisor. To the extent Franchisee stores, processes, transmits or otherwise accesses or possesses cardholder data in connection with the sale of products and services at the Roberto's Taco Shop, Franchisee is required to maintain the security of cardholder data and adhere to the then-current credit card security standards which can be found at www.pcisecuritystandards.org for the protection of cardholder data throughout the Term of this Agreement. Franchisee is responsible for the security of cardholder data in its possession or control and the possession or control of any of its employees that Franchisee engages to process credit cards. At Franchisor's request, Franchisee agrees to provide appropriate documentation to Franchisor to demonstrate compliance by Franchisee and all its employees with the "Payment Card Industry Data Security Standard" ("PCI DSS") requirements. In the event of a breach or intrusion of or otherwise unauthorized access to cardholder data, Franchisee must immediately notify Franchisor in the manner required in the PCI DSS requirements and provide an approved third-party full access to conduct a thorough security review following a security intrusion. In the event of termination or expiration of this Agreement, Franchisee and its respective successors and permitted assigns shall ensure compliance with PCI DSS requirements even after expiration of this Agreement.

8.8 **Operational Efforts and Hours**. Franchisee shall apply Franchisee's best, full-time efforts to the development, management and operation of the Roberto's Taco Shop and shall at all times, faithfully, honestly and diligently perform Franchisee's obligations as outlined in this Agreement. Franchisee shall at all times be responsible for the direct, day-to-day, full time supervision responsibilities of the Roberto's Taco Shop. If not previously trained, Franchisee must attend and successfully complete Franchisor's training program. Franchisee agrees to keep the Roberto's Taco Shop open and operating for 24 hours a day, 7 days a week, or as otherwise deemed appropriate by Franchisor in writing.

8.9 **Good Standing**. Franchisee will be considered in "Good Standing" if Franchisee is not in default of any obligation to Franchisor or any of Franchisor's affiliates, whether arising under this Agreement or any other agreement between Franchisee and Franchisor (or any of Franchisor's affiliates), the Manual or other System requirements.

8.10 **Media Inquiries and Crisis Situations**. Franchisee shall immediately notify Franchisor upon the occurrence of any situation that may have a material impact on Franchisee, Franchisor, the Roberto's Taco Shop, or which could have a deleterious effect on the Brand, Marks, or System. Franchisee shall also notify Franchisor immediately when Franchisee receives any media inquiries concerning the Roberto's Taco Shop or its location, including, but not limited to, the business operation and incidents and occurrences related to a customer or employee, and Franchisee shall direct all media inquiries to Franchisor. Neither Franchisee, Franchisee's employees nor anyone on Franchisee's behalf may comment to any broadcast medium about the System, except as directed by Franchisor. Franchisee shall follow all of Franchisor's policies, procedures, and instructions in every such situation, including, without limitation, managing public relations and communications, as directed by the Franchisor or as specified in the Manuals, whether or not Franchisee has retained outside counsel or a public relations firm to assist with such matters. Franchisor acknowledges that in certain cases Franchisee may be approached by media during, for example, an incident involving a fire or other disasters, and such impromptu comments are not intended to be prevented by this Section. Franchisee agrees that it will behave in a professional and courteous manner in any such impromptu interviews and will not discuss the System, but only the incident. Franchisee shall notify Franchisor at the first possible opportunity following the interview. Franchisee may not disseminate any press release unless it has been reviewed and approved in advance in writing by Franchisor.

9. ADVERTISING AND MARKETING

9.1 **General**. All advertising and promotion by Franchisee shall be clear and factual and not misleading and shall conform to the highest standards of ethical advertising and to advertising and promotion policies prescribed from time to time by Franchisor. Franchisee shall not use any advertising or promotional materials that have not been approved by Franchisor (approval is not required as to the prices advertised) in writing. Franchisee shall not enter into any agreement with any advertising agency without the prior written approval of Franchisor, which may be withheld in Franchisor's discretion. Franchisee shall not advertise or use in advertising or in any other form of promotion the Marks of Franchisor without the Franchisor's written approval or without appropriate "©" or "®" copyright and registration marks or the designations "™" or "℠" where applicable. Franchisor may provide Franchisee with graphic designs, layouts and written copy for advertisements. Franchisee will be responsible to pay production costs for each item such as camera-ready ad slicks and typesetting of specific ads for the Roberto's Taco Shop address. Franchisee is prohibited from advertising the Roberto's Taco Shop in any manner on the Internet, World Wide Web or through any other electronic means without the prior written consent from Franchisor.

9.2 **Marketing Fund**.

A. Franchisor has established and administers an advertising**,** publicity and marketing fund (the "Marketing Fund") to promote Roberto's Taco Shops and the brand. Franchisee will be required to pay a monthly Marketing Fund Fee (as defined in Section 5.3) to Franchisor in an amount up to $500 per month, as determined by Franchisor in its sole discretion, which amount will be contributed to the Marketing Fund. Upon thirty (30) days' notice to Franchisee, the Marketing Fund Fee may be increased or decreased at Franchisor's sole discretion. Franchisor will cause all Roberto Taco Shops owned by it to make contributions to the Marketing Fund based on the contribution rate generally in effect at the time such Roberto Taco Shops most recently came under Franchisor's ownership. Franchisee understands that, due to differing forms of franchise agreements or otherwise, some Roberto Taco Shop franchisees may have different marketing funds and/or other obligations than in this Agreement.

B. Franchisor has sole discretion over all matters relating to the Marketing Fund, and all related matters (consistent with its purposes and the provisions of this Agreement). The Marketing Fund may be used for (among other things) product development; signage; creation, production and distribution of marketing, advertising, public relations and other materials in any medium, including the

Internet; administration expenses; legal fees incurred by or spent defending the Marketing Fund, brand/image campaigns; media; national, regional and other marketing programs; activities to promote current and/or future Roberto's Taco Shops and the brand; agency and consulting services; research, any expenses approved by Franchisor and associated with franchisee advisory groups (if any); and all or portions of the salaries, benefits or expenses of people Franchisor employs who work on Marketing Fund matters (except that such salaries, benefits or expenses will be charged pro rata based on the time they spend on Marketing Fund matters.) Among other things, Marketing Fund Fees may be used for website development/operation and to pay Internet, Intranet, URL, 800 or similar number, and other charges, fees and/or expenses. A brief statement regarding the availability of Roberto's Taco Shop franchises may be included in advertising and other items produced using the Marketing Fund. Franchisor shall have no obligation in administering the Marketing Fund to make expenditures for Franchisee which are equivalent or proportionate to any payments by Franchisee, or to ensure that any particular franchisee or any particular Roberto's Taco Shop benefits directly or pro rata from advertising or promotion conducted under the Marketing Fund.

C. Franchisor and/or any Franchisor-Related Persons/Entities can provide goods, services, materials, etc. (including administrative services and/or "in-house advertising agency" services) and be compensated and/or reimbursed for the same by the Marketing Fund, provided that any such compensation must be reasonable in amount. Franchisor can arrange for goods, services, materials, etc. (including administrative services) to be provided by independent persons/companies and all related costs, fees, etc. will be paid by the Marketing Fund.

D. The Marketing Fund will be accounted for separately and may be used to pay all administrative and other costs of the Marketing Fund related to its activities and purposes and/or as authorized by the relevant Franchise Agreements. All taxes of any kind incurred in connection with or related to the Marketing Fund, its activities, contributions to the Marketing Fund and/or any other Fund aspect, whether imposed on Franchisor, the Marketing Fund or any other related party, will be the sole responsibility of the Marketing Fund. Franchisor will prepare financial statements for the Marketing Fund annually, which will be furnished to Franchisee upon written request. Such statements may be audited and any related accounting/auditing costs will be paid by the Marketing Fund. Funds in the Marketing Fund must be expended, prior to termination of the Marketing Fund, only for the purposes authorized by the relevant Franchise Agreement(s). No profit, gain or other benefit will directly accrue to Franchisor from the Marketing Fund. All interest earned on monies contributed to, or held in, the Marketing Fund will be remitted to the Marketing Fund and will be subject to the restrictions of the relevant Franchise Agreement(s).

E. Subject to the express requirements of this Agreement that contributions made by Franchisee will only be spent as authorized herein, Franchisee agrees that Franchisor may deny access to, and the benefits of, any and all programs and/or materials created by the Marketing Fund to any Roberto's Taco Shop Franchisee who is not in Good Standing.

9.3 **No Warranty**. Franchisor does not warrant or represent that any of the advertising or promotional activities, materials or campaigns will be successful or will achieve any particular result.

9.4 **Local Advertising**. Local advertising is at the discretion of the Franchisee; provided, however, that (i) Franchisee agrees to spend a minimum of two percent (2%) of Franchisee's monthly Gross Sales for local advertising and promotional activities, and (ii) Franchisee agrees to participate at Franchisee's cost in all promotions designated by Franchisor for the market in which the Roberto's Taco Shop is located and shall be responsible for displaying all in-shop materials and the cost of products being promoted. Franchisor will provide report forms that Franchisee must complete each month and send to Franchisor to demonstrate that Franchisee has fulfilled its monthly requirement for local advertising expenditures. Franchisee agrees to submit copies of all local advertising and promotional activities material to Franchisor in advance and obtain written approval from Franchisor before using the advertising and promotional activities material. Franchisor will not place, run or pay for any advertising, marketing or promotion used in association with local advertising.

9.5 **Grand Opening Advertising.** Franchisee agrees to spend, within ninety (90) days of the opening of the Roberto's Taco Shop for "Grand Opening" advertising, marketing and promotion a minimum of Five Thousand Dollars ($5,000). The Grand Opening shall be in the form, and using the advertising and promotional campaign and materials, reasonably designated or approved by Franchisor.

9.6 **Advertising Cooperative**. Franchisee may choose to join an advertising cooperative comprised of franchisees in a certain market area. A cooperative may require its members to make contributions to the cooperative in such amounts as are determined by a majority of its members with each Roberto's Taco Shop (whether owned by a franchisee or by Franchisor) counting as one member, but with no party (whether a franchisee or Franchisor) having the right to more than twenty-five percent (25%) of all member votes for such advertising cooperative. The by-laws of any advertising cooperative must be approved by Franchisor, and must provide for a representative of the Franchisor to be a member of the cooperative and any committee responsible for advertising and sales promotion decisions.

9.7 **Franchisee Advertising Council**. Franchisor reserves the right, if necessary and in Franchisor's sole judgment, to establish a Franchisee Advertising Council. The Franchisee Advertising Council will be composed of an elected body of franchisees for the purpose of providing the Franchisor with input on advertising and marketing issues. The Franchisee Advertising Council will operate under its own by-laws and will be purely advisory in nature and will have no operational or decision-making authority.

9.8 **Social Media Activities.** Franchisor has the right to establish, maintain, modify or discontinue all internet activities pertaining to the System, including through the use of a page or profile on a social media website such as Facebook, Instagram, TikTok, Twitter or Snapchat. Franchisee may have an online presence through social media pages approved by Franchisor. If Franchisee wishes to create a social media page or profile for its Franchised Business, then it must first obtain Franchisor's prior written consent (which Franchisor may withhold in its business judgment). If Franchisor approves Franchisee's request to create a social media page or profile, then Franchisee acknowledges and understands that any content posted to any such approved page or profile must strictly comply with Franchisor's System standards and social media policy as set forth in its Operations Manual. To ensure brand uniformity, Franchisee must comply with the standards Franchisor develops for the System, in the manner Franchisor directs in the Operations Manual or otherwise, with regard to Franchisor's authorization to use, and use of, blogs, common social networks (including "Facebook"), professional networks (including "LinkedIn"), live blogging tools (including "Twitter"), virtual worlds, file, audio and video sharing sites and other similar social networking media or tools (collectively, "Social Media") that in any way references the Marks or involves the System or your Business. Franchisee agrees to immediately remove any content that Franchisor, in its business judgment, deems to be in violation of Franchisor's System standards or social media policy. Franchisee also agrees, upon Franchisor's request, to provide Franchisor with the login ID and passwords for each social media page and profile that Franchisee creates to promote its Franchised Business. Franchisee further agrees that Franchisor shall have the right to use such login credentials to remove any content that Franchisor requested that Franchisee delete but which Franchisee failed to remove.

10. FINANCIAL REPORTS, AUDITS, POS/COMPUTER SYSTEMS, AND INSURANCE REQUIREMENTS

10.1 **Records and Reports.** Franchisee shall maintain and preserve for four (4) years or such period as may be required by law (whichever is greater) from the date of their preparation such financial information relating to the Roberto's Taco Shop as Franchisor may periodically require, including without limitation, Franchisee's sales and use tax returns, register tapes and reports, sales reports, purchase records, and full, complete and accurate books, records and accounts prepared in accordance with generally accepted accounting principles and in the form and manner prescribed by Franchisor. Franchisee must submit its monthly Gross Sales reports required by Franchisor no later than the fourth (4th) day of each month for the Gross Sales from the immediately preceding month. Franchisee shall utilize a certified public accountant designated by Franchisor in maintaining all the financial records pertaining to the Roberto's Taco Shop and in preparing its financial reports to Franchisor. Franchisee shall provide Franchisor with monthly and annual balance sheets and income statements prepared in accordance with generally accepted accounting principles. If requested by Franchisor, monthly financial statements shall be delivered to Franchisor within twenty-one (21) days following the end of each month, and the year-end financial statements shall be delivered to Franchisor within sixty (60) days after the end of Franchisee's fiscal year. Each report and financial statement submitted by Franchisee shall be verified as correct and signed by Franchisee. Franchisee shall immediately report to Franchisor any events or developments that may have a material adverse impact on the operation of the Roberto's Taco Shop or Franchisee's performance under this Agreement. In addition, Franchisee shall submit to Franchisor copies of all sales tax and income tax returns at the same time as the original is filed with the taxing authority. Franchisee agrees that its financial records shall be accurate and up to date at all times. Franchisee agrees to promptly furnish any and all financial information relating to the Roberto's Taco Shop to Franchisor on request.

10.2 **Right to Conduct Audit or Review**. Franchisor shall have the right, in its sole determination, to require a review by such representative(s) as Franchisor shall choose, of all information pertaining to the Roberto's Taco Shop including, without limitation financial records, books, tax returns, papers, and point-of-sale system of Franchisee at any time during normal business hours without prior notice for the purpose of accurately tracking unit and System-wide sales, sales increases or decreases, effectiveness of advertising and promotions, and for other reasonable business purposes. Such review will take place at the Roberto's Taco Shop and/or Franchisor's headquarters, and Franchisee agrees to provide all information pertaining to the Roberto's Taco Shop requested by Franchisor during its review. If the review is done because of a failure by Franchisee to furnish reports, supporting records or other required information or to furnish the reports and information on a timely basis, Franchisee shall reimburse Franchisor for all costs of the audit or review including, without limitation, travel, lodging, wage expense and reasonable accounting and legal expense. The foregoing remedies shall be in addition to any other remedies Franchisor may have under this Agreement or applicable law. Franchisor shall have the right to conduct an audit and/or review of all information pertaining to the Franchised Business upon termination or expiration of this Agreement.

10.3 **Computer System, Equipment and Software.**

A. Franchisee must acquire a desktop or laptop computer for use in the operation of the Roberto's Taco Shop. Franchisee shall install and use the electronic data processing and communications hardware and software, including voicemail, business management software, a color printer, and a point-of-sale ("POS") reporting system, as Franchisor may designate (collectively, the "Computer System") and pay any fees associated therewith. Franchisee agrees to maintain broadband connection to the required Computer System and to any other specified points of connection according to Franchisor's standards and specifications. Franchisee must upgrade and maintain the computer hardware and software and the POS System at the Roberto's Taco Shop as required by Franchisor from time to time, and pay any fees associated with such upgrades. Franchisor reserves the right, at its sole discretion, to apply such upgrades or changes automatically and without notice in the event that Franchisee fails to promptly take action to operate the Roberto's Taco Shop to required standards.

B. Franchisor will be permitted to access or poll Franchisee's sales and operational activities through the POS System. Franchisee agrees to pay to the designated approved supplier of the POS System software any and all licensing fees. Additionally, Franchisee agrees to pay annual POS software support and maintenance costs, if any, directly to the approved supplier.

C. Franchisee agrees to execute any and all agreements and forms with Franchisor and/or the vendor(s) who supplies services in connection with the POS and/or Computer Systems, as may be requested from time to time, provided that all such agreements shall be in substantially the same forms as presented to other Roberto's Taco Shop franchisees participating in such program. Additionally, Franchisee agrees to use the "robertostacoshop.com" business email address assigned to it by Franchisor for all business-related emails and for communicating with Franchisor.

D. Data, including names, addresses, contact information, and credit card or payment information of customers of the Restaurant will be captured on the required software, and will become the joint property of Franchisee and Franchisor during the Term of this Agreement. Franchisor may use such information to communicate directly to the customers of the Restaurant, and to provide updates, information, newsletters, and special offers to the customers. Upon expiration or termination of this Agreement, Franchisee shall have no further access or rights to the customer information and Franchisor shall be the sole owner of such information.

E. Franchisor will have independent access to information Franchisee generates and stores in the Computer System, including full and unrestricted administrative access to the business, tax, and accounting information. Franchisee will provide Franchisor with any passwords necessary to access the business information for the Restaurant that is stored on the required software and online.

F. Franchisee and Franchisor acknowledge and agree that changes to technology are dynamic and not predictable within the term of this Agreement. In order to provide for inevitable but unpredictable changes to technological needs and opportunities, Franchisee agrees that Franchisor shall have the right to establish, in writing, reasonable new standards for the implementation of technology in the System; and Franchisee agrees that it shall abide by those reasonable new standards established by Franchisor as if this Section 10.3 was periodically revised by Franchisor for that purpose.

G. Franchisee is solely responsible for protecting itself from disruptions, Internet access failures, Internet content failures, and cyber-attacks by hackers and other unauthorized intruders, and Franchisee waives any and all claims Franchisee may have against Franchisor as the direct or indirect result of such disruptions, failures, or attacks.

H. Franchisee agrees to take all reasonable and prudent steps necessary to ensure that its and its customers' data is protected at all times from unauthorized access or use by a third party or misuse, damage or destruction by any person.

I. Franchisee must comply with all laws and regulations relating to privacy and data protection, and must comply with any privacy policies or data protection and breach response policies Franchisor periodically may establish. Franchisee must notify Franchisor immediately of any suspected data breach at or in connection with the Roberto's Taco Shop.

10.4 **Insurance.**

A. Prior to the opening for business of the Roberto's Taco Shop and throughout the entire term of this Agreement, Franchisee will keep in force at Franchisee's own expense and by advance payment of the premium, the following insurance coverage:

(1) Workers' Compensation and Employer's Liability Insurance, as well as such other insurance with statutory limits, as required by law in the jurisdiction where the Restaurant is located;

(2) Comprehensive General Liability Insurance, Occurrence form, including a per location aggregate, with the following coverages: owners and contractors protective liability broad form property damage, contractual liability, personal and advertising injury; and products/completed operations liability; medical payments and fire damage liability; insuring franchisor and franchisee against all claims, suits, obligations, liabilities and damages, including attorneys' fees, based upon or arising out of actual or alleged personal injuries or property damage resulting from or occurring in the course of, or on or about or otherwise relating to the Roberto's Taco Shop, including general aggregate coverage in the following limits:

Required Coverage	Minimum Limits of Coverage
General Aggregate	$4,000,000
General Liability	$2,000,000
Liability Umbrella	$2,000,000
Personal and Injury	$2,000,000
Damage to Rented Premises	$300,000
Medical Expense (any one person)	$5,000

(3) Employer Practices Liability Insurance (EPLI) or (BOP) with a minimum limit of $1,000,000;

(4) "ALL RISK" or special property coverage of not less than current replacement cost of the Roberto's Taco Shop's glass, equipment, fixtures and leasehold improvements sufficient in the amount to restore the Roberto's Taco Shop to full operations;

(5) Business interruption insurance with coverage for at least twelve (12) months for actual losses, with a minimum limit of $2,000,000 (for purposes of this Agreement, "Gross Sales shall include any proceeds received by Franchisee in connection with a "business interruption" insurance claim);

(6) If Franchisee has company-owned vehicles, automobile liability insurance for owned and non-owned automobiles including personal injury, wrongful death, and property damage with single limit coverage of at least One Million Dollars ($1,000,000);

(7) Cyber Liability Insurance with a minimum coverage amount of $100,000; and

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

B. Franchisee must use an insurance broker designated by Franchisor to procure the required insurance coverages as set forth herein. Your insurance policy or policies must be written by an insurance company licensed in the state in which you operate your Roberto's Taco Shop. The insurance company must have at least an "A" Rating Classification as indicated in A.M. Best's Key Rating Guide.

C. Franchisor reserves the right from time to time to upgrade the insurance requirements as to policy limits, deductibles, scope of coverage, rating of carriers, etc. Within sixty (60) days of receipt of notice from Franchisor, Franchisee agrees to revise its coverage, as specified in any notice from Franchisor.

D. Franchisee's obligation to obtain and maintain insurance shall not be limited by reason of any insurance that may be maintained by Franchisor nor relieve Franchisee of liability under the indemnity provisions set forth in this Agreement. Franchisee's insurance procurement obligations under this Section 10.4 are separate and independent of Franchisee's indemnity obligations.

E. Additional Insured Endorsement. All insurance shall name Franchisor as an additional insured, waive any subrogation rights or other rights to assert a claim back against Franchisor and shall contain a clause requiring notice to Franchisor thirty (30) days in advance of any cancellation or material change to any such policy. The "Additional Insured Endorsement" must be approved in writing by Franchisor and name Franchisor and its respective officers, directors, partners, members, affiliates, subsidiaries and employees as additional insureds. Additional insured status shall include, without limitation, coverage for ongoing and completed operations. The additional insured endorsement form shall be ISO CG 20 26 or any other form approved in writing by Franchisor that provides comparable coverage. Additional insured coverage shall not be limited to vicarious liability and shall extend to (and there shall be no endorsement limiting coverage for) the negligent acts, errors or omissions of Franchisor or other additional insureds. Franchisee shall maintain such additional insured status for Franchisor on its general liability policies continuously during the term of this Agreement.

F. The insurance policies described above are minimum requirements and Franchisee may purchase and maintain additional insurance policies or insurance policies with greater coverage limits. Failure to obtain or the lapse of any of the required insurance coverage shall be grounds for the immediate termination of this Agreement pursuant to Paragraph 15.2, and Franchisee agrees that any losses, claims or causes of action arising after the lapse of or termination of insurance coverage will be the sole responsibility of Franchisee and that Franchisee will hold Franchisor harmless from all such losses, claims and/or causes of action. In addition, but not to the exclusion of the foregoing remedy, if Franchisee fails to procure or maintain the required insurance, Franchisor shall have the right and authority, but not the obligation, to procure immediately the insurance and Franchisee shall reimburse Franchisor for the cost of the insurance plus reasonable expenses immediately upon written notice. Franchisee is required to submit to Franchisor a copy of a Certificate of Insurance, with Franchisor as an additional insured, showing compliance with the foregoing requirements at least thirty (30) days before Franchisee commences operation of the Roberto's Taco Shop. Franchisor shall have a security interest in all insurance proceeds to the extent Franchisee has any outstanding obligations to Franchisor.

11. RELATIONSHIP OF THE PARTIES; INDEMNIFICATION

11.1 **Independent Contractor**. The only relationship between Franchisor and Franchisee created by this Agreement is that of independent contractor, that the business conducted by Franchisee is completely separate and apart from any business that may be operated by Franchisor and that nothing in this Agreement shall create a fiduciary relationship between them or constitute either party as agent, legal representative, subsidiary, joint venturer, partner, employee, general contractor, servant or fiduciary of the other party for any purpose whatsoever. Franchisee shall hold itself out to the public as an independent contractor operating the business pursuant to a license from Franchisor, and Franchisee agrees to take such action including exhibiting a notice to that effect in such content, form and place as Franchisor may specify. It is further specifically agreed that Franchisee is not an affiliate of Franchisor and that neither party shall have authority to act for the other in any manner to create any obligations or indebtedness that would be binding upon the other party. Neither party shall be in any way responsible for any acts and/or omissions of the other, its agents, servants or employees and no representation to anyone will be made by either party that would create an implied or apparent agency or other similar relationship by and between the parties.

11.2 **Indemnification**. Franchisee shall indemnify, defend and hold harmless Franchisor, its current and former affiliates, and their respective officers, directors and employees against any and all suits, claims, liabilities, costs and expenses, including, without limitation, attorneys' fees in any way relating to, arising out of or in conjunction with Franchisee's or Franchisee's employees' negligence, actions or inaction in the operation of the franchised business licensed hereunder. Franchisor reserves the right to appoint its own attorney. Franchisee waives and releases all claims against Franchisor for damages to property or injuries to persons arising out of the operation of the Roberto's Taco Shop, including any such claims currently unknown to Franchisee and arising at any time during the term of this Agreement.

12. CONFIDENTIAL INFORMATION

12.1 **Franchisor's Confidential Information**.

A. Franchisee acknowledges and agrees that all information relating to the System and to the development and operation of the Roberto's Taco Shop, including, without limitation, the Operations Manual, Franchisor's training program, customer and supplier lists, recipes, or other information or know-how distinctive to a Roberto's Taco Shop (all of the preceding information is referred to herein as the "Confidential Information") are considered to be proprietary and trade secrets of Franchisor. Franchisee agrees that all Confidential Information is to be held in the strictest of confidence during and after the term of this Agreement and is not to be divulged to anyone directly or indirectly at any time, except to Franchisee's Roberto's Taco Shop employees with a need to know the information in order to operate the Roberto's Taco Shop. Franchisee shall not acquire any interest in the Confidential Information other than the right to utilize it in the Roberto's Taco Shop and agrees not to copy, duplicate, record or otherwise reproduce any Confidential Information, in whole or in part, nor otherwise make them available to any unauthorized person, nor use them in any other business or in any manner not specifically authorized or approved in writing by Franchisor. Franchisee shall adopt and implement all reasonable procedures to prevent unauthorized use, duplication or disclosure of

Franchisor's Confidential Information. If Franchisee or Franchisee's employees learn about an unauthorized use of any trade secret or confidential materials, Franchisee must promptly notify Franchisor. Franchisor is not obligated to take any action, but will respond to the information as it deems appropriate. If Franchisee at any time conducts, owns, consults with, is employed by or otherwise assists a similar or competitive business to that franchised hereunder, the doctrine of "inevitable disclosure" will apply, and it will be presumed that Franchisee is in violation of this covenant; and in such case, it shall be Franchisee's burden to prove that Franchisee is not in violation of this covenant.

B. Franchisee agrees that any new concept, process or improvement in the operation or promotion of the Roberto's Taco Shop developed by or on behalf of Franchisee that relates to or enhances the Roberto's Taco Shop Operating System, or any aspect of Franchisor's business, shall be the sole property of Franchisor, and Franchisee shall promptly notify Franchisor and shall provide Franchisor with all necessary information and execute all necessary documents with respect thereto, without compensation. Franchisee acknowledges that Franchisor may utilize or disclose such information to other Franchisees.

12.2 **No Other Interests.** Franchisee further acknowledges that Franchisor would be unable to protect its Confidential Information against unauthorized use or disclosure and would be unable to encourage a free exchange of ideas and information among Roberto's Taco Shops if Franchisor's Franchisees were permitted to hold an interest in other taco businesses and otherwise to compete with Franchisor. Therefore, during the term of this Agreement, Franchisee must comply with the competitive covenant provisions of Article 13 herein.

12.3 **Injunctive Relief.** Franchisee expressly agrees that the existence of any claims it may have against Franchisor, whether or not arising out of this Agreement, shall not constitute a defense to the enforcement of this Article 12. Franchisee acknowledges and agrees that any failure to comply with the requirements of this Article 12 will cause Franchisor irreparable injury for which no adequate remedy at law is available, and Franchisee accordingly agrees that Franchisor shall be entitled to injunctive relief as specified in Paragraph 16.2 herein to enforce the terms of this Article 12. Franchisee shall pay all costs and expenses, including, without limitation, reasonable attorneys' fees, incurred by Franchisor in connection with the enforcement of this Article 12. The foregoing remedies shall be in addition to any other remedies Franchisor may have under this Agreement or applicable law.

13. COVENANTS NOT TO COMPETE

13.1 **Sole Business Activity and Non-Competition Covenants of Franchisee.** Franchisor and Franchisee agree that Franchisee shall devote its full-time efforts to the franchised business and that, during the term of the Franchise, unless agreed to in writing, in advance by Franchisor, Franchisee shall not actively manage or engage in another business of any kind, but rather, shall devote its best efforts and full-time effort to the management of the Franchise. Further, to prevent a conflict of interest and unfair competition based upon Franchisee's knowledge and use of the System, the Marks, and other Confidential Information, Franchisee, including all officers, directors, holders of beneficial interests of Franchisee, members, general partners, any limited partners and their respective spouses and immediate family members, covenant and agree, pursuant to this Agreement, that Franchisee, shall not without Franchisor's prior written consent, directly or indirectly, as an individual, owner, partner, stockholder, member, employer, employee, consultant, or in any other capacity, participate in or share the earnings or profits of any taco business, related business, taco marketing or consulting business, business offering products of a similar nature to those of Roberto's Taco Shops, or in any business or entity which franchises, licenses or otherwise grants to others the right to operate such aforementioned businesses: (i) during the term of this Agreement and any extensions or renewals, at any location other than the Roberto's Taco Shop, (ii) for two (2) years after the expiration, termination or non-renewal (by Franchisor or by Franchisee for any reason) of this Agreement anywhere within a ten (10) mile radius of any Roberto's Taco Shop whether franchised or owned by Franchisor or any of Franchisor's affiliates, and (iii) for two (2) years after Franchisee has assigned its interest in this Agreement anywhere within a ten (10) mile radius of any Roberto's Taco Shop whether franchised or owned by Franchisor or any of Franchisor's affiliates.

13.2 **Franchisor's Right to Offer or Sale Franchise to Employee of Franchisee.** Franchisee acknowledges that Franchisor has the right to offer to sell or to sell a Roberto's Taco Shop franchise to any employee of Franchisee.

13.3 **Covenants of Affiliates of Franchisee.** Upon Franchisor's request, Franchisee shall require the following persons to execute covenants, in a form satisfactory to Franchisor, similar to those set forth in this Article 13 (including covenants applicable upon the termination of a person's relationship with Franchisee): (1) all managers and field operations supervisors of Franchisee; (2) all officers, directors, members, partners, general partners, limited partners and holders of a beneficial interest of Franchisee; and (3) the spouse of each such person.

13.4 **Enforcement of Covenants.**

A. Franchisee expressly agrees that the existence of any claims it may have against Franchisor, whether or not arising out of this Agreement, shall not constitute a defense to the enforcement of the covenants in this Article 13. Franchisee acknowledges and agrees that in view of the nature of the System and the business of Franchisor, the restrictions contained in this Article 13 are reasonable and necessary to protect the legitimate interests of the System and Franchisor. Franchisee further acknowledges and agrees that Franchisee's violation of the terms of this Article 13 will cause irreparable injury to Franchisor for which no adequate remedy at law is available, and Franchisee accordingly agrees that Franchisor shall be entitled to preliminary and permanent injunctive relief and damages, as well as, an equitable accounting of all earnings, profits, and other benefits arising from such violation, which remedies shall be cumulative and in addition to any other rights or remedies to which Franchisor shall be entitled. Franchisee agrees to waive any bond that may be required or imposed in connection with the issuance of any preliminary or provisional relief. Franchisee shall pay all costs and expenses, including, without limitation, reasonable attorneys' fees, (and interest on such fees, costs, and expenses) incurred by Franchisor in connection with the enforcement of this Article 13. If Franchisee violates any restriction contained in this Article 13, and it is necessary for Franchisor to seek equitable relief, the restrictions contained herein shall remain in effect until two (2) years after such relief is granted. If Franchisee contests the enforcement of Article 13 and enforcement is delayed pending litigation, and if Franchisor prevails, the period of non-competition shall be extended for an additional period equal to the period of time that enforcement of this Article 13 is delayed.

B. Franchisee agrees that the provisions of this covenant not to compete are reasonable. If, however, any court should find this Article 13 or any portion of this Article 13 to be unenforceable and/or unreasonable, the court is authorized and directed to reduce the scope or duration (or both) of the provision(s) in issue to the extent necessary to render it enforceable and/or reasonable and to enforce the provision so revised.

C. Franchisor shall have the right, in Franchisor's discretion, to reduce the scope of any covenant not to compete set forth in this Agreement, or any portion thereof, without Franchisee's consent, effective immediately upon receipt by Franchisee of written notice thereof, and Franchisee shall comply with any covenant as so modified.

14. TRANSFER OF INTEREST

14.1 **Franchisor's Approval Required.** All rights and interests of Franchisee arising from this Agreement are personal to Franchisee and except as otherwise provided in this Article 14, Franchisee shall not, without Franchisor's prior written consent, voluntarily or involuntarily, by operation of law or otherwise, sell, assign, transfer, pledge or encumber its interest in this Agreement, in the license granted hereby, in the assets of the Roberto's Taco Shop, any of its rights hereunder, or in the lease for the premises at which the Roberto's Taco Shop is located, and any purported sale, assignment, transfer, pledge or encumbrances shall be null and void. If Franchisee is a corporation, limited liability, partnership, or an individual or group of individuals, any assignment (or new issuance), directly or indirectly, occurring as a result of a single transaction or a series of transactions that alters the Percentage of Ownership Interest reflected in Paragraph 17.9 of this Agreement must promptly be reported to Franchisor and is a "transfer" within the meaning of this Article 14.

14.2 **Right of First Refusal**.

A. No transfer by Franchisee shall be permitted nor be binding on Franchisor unless a written offer has been made to Franchisor of the proposed transfer. Franchisee shall provide Franchisor the following: (i) a purchase agreement or letter of intent signed by the proposed transferee and by Franchisee specifying all the terms and conditions of the offer, (ii) the name, address and telephone number of the proposed assignee, (iii) a copy of the most recent income statement and the income statement from the Roberto's Taco Shop' last fiscal year end, (iv) financial statements of the proposed transferee, and (v) any other information or documents as may be reasonably be requested by Franchisor. Franchisor shall have thirty (30) days from receipt of all of the above information to accept the offer, by written notice to Franchisee, upon the same terms and conditions offered by the proposed transferee.

B. In the event that Franchisor does not exercise its right of first refusal and the offer changes in any way, or another offer is made to Franchisee, this new offer must also be presented to Franchisor. Franchisor has thirty (30) days to accept the new offer, by written notice to Franchisee, upon the same terms and conditions offered by the proposed transferee. Any offer that Franchisor does not match must be transacted within ninety (90) days from the date that Franchisor informs Franchisee of its intent not to exercise its right of first refusal. If the transaction does not take place within ninety (90) days, Franchisor has the right to re-evaluate and match the offer if it elects to do so by notice to Franchisee.

14.3 **Conditions for Approval of Transfer.** If the required offer has been made and the offer has not been accepted by Franchisor within the acceptance period, Franchisor shall not unreasonably withhold its approval of the transfer, provided that the prospective transferee, in Franchisor's reasonable judgment, is of good moral character and reputation, has no conflicting interests, has a good credit rating and sufficient and competent business experience, aptitude and financial resources acceptable to Franchisor's then current standards for franchisees, will devote best efforts to management of the Roberto's Taco Shop, and further provided that the Franchisor shall require that the following conditions be met prior to or concurrently with the effective date of the transfer:

A. The transferee shall be approved in writing by Franchisor;

B. The transfer is upon terms and conditions that are not more favorable to the transferee than the terms and conditions offered to Franchisor;

C. Franchisee shall have satisfied all outstanding obligations, monetary or otherwise, of Franchisee to Franchisor and its affiliates;

D. Franchisee shall have substantially complied with all of the terms and conditions of this Agreement and any amendments hereof, and is not in default of any provision of this Agreement;

E. Franchisee, including all its shareholders, members or partners shall execute and deliver to Franchisor a general release, in a form prescribed by Franchisor, of all claims against Franchisor and its affiliates, officers, directors, shareholders, members, and their employees in their corporate and individual capacities;

F. If required by lease, the lessor of the premises of the Roberto's Taco Shop has consented to Franchisee's transfer or sublease of said premises, a copy of which consent shall be provided to Franchisor (which lease shall continue to have the riders or addenda protecting Franchisor's interest, as set forth in Paragraph 7.2);

G. At the time the proposed transfer is first presented to Franchisor for approval or disapproval, Franchisee shall pay Franchisor a transfer fee of Five Thousand Dollars ($5,000), which will be used to defray expenses incurred by Franchisor in connection with the transfer, including without limitation, legal and accounting fees, overhead, credit and other investigation charges and evaluation of the transferee and terms of the transfer; and a new franchisee training fee of Five Thousand Dollars ($5,000), which will be used to help defray the expenses incurred by Franchisor in providing training to the new franchisee. The $5,000 transfer fee, less any administrative costs incurred by Franchisor to review the proposed transfer and evaluate the prospective transferee, is refundable if the proposed transfer is not approved by Franchisor. The new franchisee training fee is refundable prior to the commencement of training; after any training has commenced, the new franchisee training fee is not refundable;

H. Franchisee, including all its shareholders, members or partners shall execute an indemnity agreement regarding Franchisee's operations prior to the transfer and a confidentiality and non-competition covenant in favor of Franchisor and transferee in accordance with the provisions of Articles 12 and 13 herein, effective the date of the assignment;

I. Franchisee shall enter into an agreement with Franchisor agreeing to subordinate any obligations which transferee owes to Franchisee to the obligations which transferee owes to Franchisor, including, without limitation, any royalties/flat rate fees and any advertising and marketing fees;

J. Franchisee and transferee may not create a security interest in any of the assets of the Roberto's Taco Shop to be executed by the prospective transferee, unless the secured party agrees that in the event of a default by Franchisee under any documents related to the security interest, Franchisor shall have the right and option to be substituted as obligor to the secured party and to cure any default of Franchisee;

K. Prior to the closing of the sale to the transferee, the transferee, and other individual(s) who will be management employees of the Roberto’s Taco Shop must attend and satisfactorily complete Franchisor’s initial training program (as specified in Paragraph 6.3 of this Agreement) at a time and place designated by Franchisor, at the prospective transferee’s sole cost and expense;

L. The transferee shall execute, for a term ending on the expiration date of this Agreement, Franchisor's then current standard form franchise agreement, which may materially differ from the terms of this Agreement; provided; however, that transferee shall not be required to pay an Initial Franchise Fee and that the Roberto’s Taco Shop provided for in this Agreement shall remain the same;

M. The transferee, including all current and future shareholders, members or partners that will become the new Franchisee shall personally guarantee performance of the Franchise Agreement in a form prescribed by Franchisor;

N. The transferee, at its expense, shall upgrade, refurbish and repair the Roberto’s Taco Shop as Franchisor may prescribe to conform to then-current standards and specifications of the System and shall complete the upgrade, refurbish and repair within a time specified by Franchisor; and

O. If transferee is a corporation or limited liability company, transferee shall have:

(1) All stock certificates representing shares in the corporation or evidence of ownership in the limited liability company, whichever is applicable, clearly indicating that they are subject to the terms of this Agreement;

(2) No new common or preferred voting shares in the corporation or similar interests in the limited liability company, whichever is applicable, can be issued to any person, trust, foundation, corporation or other entity without Franchisor’s prior written approval;

(3) All shareholders, officers, directors and any beneficial owners of the transferee corporation, or all members or beneficial owners of the transferee limited liability company, whichever is applicable, must personally guarantee the corporation’s or limited liability company’s performance of its obligations under the Franchise Agreement.

(4) Transferee shall provide Franchisor with a copy of the fully-executed legal documents that reflect the formation of the business entity, including evidence of distribution of ownership.

(5) Regardless of the foregoing, nothing contained herein shall be construed to permit Franchisee to disclose any Confidential Information to a prospective transferee without the express written consent of Franchisor.

14.4 **Transfer to Franchisee’s Corporation**. If Franchisee is an individual or partnership, and desires to assign and transfer its rights, assets and obligations under this Agreement to a corporation or limited liability company that is wholly-owned by Franchisee and formed for the convenience of ownership, it may if the following conditions are met:

A. Franchisee obtains Franchisor's prior written consent on Franchisor's form and execute Franchisor's form of general release in favor of Franchisor;

B. Franchisee's corporation or limited liability company is newly organized and its activities are confined exclusively to acting as a Roberto's Taco Shop Franchisee under this Agreement;

C. Franchisee is in full compliance with this Agreement;

D. Franchisee is current in meeting all financial obligations to Franchisor and its affiliates;

E. Franchisee shall own and control all of the equity and voting power of all issued and outstanding stock of the transferee corporation or all of the equity and voting power of the limited liability company and, if Franchisee is more than one individual, each individual shall have the same proportionate ownership interest in the corporation or limited liability company as he or she had in Franchisee prior to the transfer;

F. Franchisee actively manages the corporation or limited liability company and continues to devote his best efforts to the development and operation of the license and the business of the Roberto's Taco Shop;

G. Franchisee executes a written assignment to said transferee corporation or limited liability company, and Franchisee and all shareholders of the transferee corporation or all members of the limited liability company, execute a document in a form prescribed by Franchisor in which they agree to remain jointly and severally liable for full payment and performance and all obligations under this Agreement;

H. Franchisee submits to Franchisor a copy of Franchisee's Articles of Incorporation, partnership documents, operating agreement, bylaws, or a copy of those fully-executed legal documents that reflect the formation of such entity, including evidence of distribution of ownership. Franchisee must also provide Franchisor with a certificate of good standing from the state where Franchisee's entity is formed;

I. No new common or preferred voting shares in said corporation, or any similar interests in said limited liability company, whichever is applicable, are issued to any person, partner, partnership, trust, foundation, corporation, limited liability company or other entity of any kind without Franchisor's prior written consent, which consent will not be unreasonably withheld, and then only upon disclosure of the terms and conditions contained herein being made to the prospective new holders of the stock or membership interests, whichever is applicable; and

J. The corporate or limited liability company name of Franchisee's business entity may not include the word "Roberto's" or any of the Marks licensed under this Agreement.

K. If all of the above conditions are met and transfer to said corporation or limited liability company is approved by Franchisor, the Five Thousand Dollar ($5,000) transfer fee shall be waived in this transaction only, and the Five Thousand Dollar ($5,000) new franchisee training fee shall be waived only if no new management personnel of Franchisee requires the completion of the initial training provided by Franchisor.

14.5 **Death or Disability of Franchisee**. In the event of the death or disability of Franchisee, if an individual, or of a stockholder of a corporate Franchisee, or of a partner of a Franchisee which is a partnership, or a member of a Franchisee which is a limited liability company, the transfer of Franchisee's or the deceased stockholder's, partner's or member's interest in this Agreement to his or her heirs, trust, personal representative or conservators, as applicable, must occur within six (6) months of the death or disability, but, shall not be deemed a transfer by Franchisee (provided that the responsible management employees or agents of Franchisee have been satisfactorily trained at Franchisor's Initial Training) nor obligate Franchisee to pay any transfer fee (provided, however, the $5,000 new franchisee training fee shall be payable if there is to be new management of the Roberto's Taco Shop who have not previously received the initial training provided by Franchisor) nor give rise to Franchisor's right of first refusal, although such refusal right or obligation to pay shall apply to any proposed transfer by such heirs, trust, personal representative or conservators; provided however, if Franchisor determines (I) there is no imminent transfer to a qualified successor or (ii) there is no heir or other principal person capable of operating the Roberto's Taco Shop, Franchisor shall have the right, but not the obligation, to immediately appoint a manager and commence operating the Roberto's Taco Shop on behalf of Franchisee. Franchisee shall be obligated to, and shall pay to Franchisor all reasonable costs and expenses for such management assistance, including without limitation, the manager's salary, room and board, travel expenses and all other related expenses of the Franchisor appointed manager. Operation of the Roberto's Taco Shop during any such period shall be for and on behalf of Franchisee, provided that Franchisor shall only have a duty to utilize reasonable efforts and shall not be liable to Franchisee or its owners for any debts, loses or obligations incurred by the Roberto's Taco Shop, or to any creditor of Franchisee for any supplies, inventory, equipment, furniture, fixtures or services purchased by the Roberto's Taco Shop during any period in which it is managed by a Franchisor appointed manager. Franchisor may, in its sole discretion, extend the six (6) month period of time for completing a transfer contemplated by this Section.

14.6 **Relocation**. Except in cases when Franchisee is in default of its lease, if the Roberto's Taco Shop location is lost through condemnation, loss of lease, fire or other casualty, Franchisee may identify a new Authorized Location within the same Designated Market Area in which the Roberto's Taco Shop was located, subject to consent of Franchisor. Franchisee must apply for Franchisor's consent to relocate at the new Roberto's Taco Shop location and execute a general release in favor of Franchisor, both in the form prescribed by Franchisor. Franchisor will consent to or reject Franchisee's relocation application in accordance with its then-current relocation and closure policy. If the Roberto's Taco Shop is temporarily closed pending relocation, Franchisee may not assign any interest in the franchise to another party or entity until such time as the Roberto's Taco Shop is once again in operation, as determined by Franchisor. Any such relocation shall be at Franchisee's sole expense and Franchisor shall have the right to charge Franchisee for any costs incurred by Franchisor, and a reasonable fee for its services, in connection with any such relocation.

14.7 **Transfer by Franchisor**. Franchisor shall have the right to transfer or assign all or any part of its rights or obligations herein to any person or legal entity, directly or indirectly, by merger, assignment, pledge or other means.

15. DEFAULT AND TERMINATION OF AGREEMENT

15.1 **Termination of Franchise by Franchisee**. If Franchisee is in substantial compliance with this Agreement and Franchisor materially breaches this Agreement and fails to cure or remedy such breach within ninety (90) days after written notice thereof delivered from Franchisee, Franchisee may terminate this Agreement. Such termination will be effective thirty (30) days after delivery to Franchisor of notice that such breach has not been cured or remedied and Franchisee elects to terminate this Agreement. A termination by Franchisee for any other reasons shall be deemed a termination by Franchisee without cause.

15.2 **Termination of Franchise by Franchisor**. Franchisor shall have the right to terminate this Agreement for "good cause" upon delivering notice of termination to Franchisee. For purposes of this Agreement, "good cause" shall include, without limitation: (1) a material breach of this Agreement or any other agreement between Franchisee and Franchisor or any of Franchisor's affiliates, (2) intentional, repeated or continuous breach of any provision of this Agreement or any other agreement between Franchisee and Franchisor or any of Franchisor's affiliates, and (3) the breaches set forth below:

(1) **Immediate Termination**. Franchisee shall be deemed to be in default and Franchisor may terminate this Agreement and all rights granted hereunder, without affording Franchisee any opportunity to cure the default, effective immediately upon receipt of notice by Franchisee, and such termination shall be for good cause where the grounds for termination are:

(a) Franchisee has made any material misrepresentation or omission in applying for the franchise or in executing or performing under this Agreement or any other agreement between Franchisee and Franchisor or any of Franchisor's affiliates;

(b) Franchisee becomes insolvent by reason of Franchisee's inability to pay debts as they become due, or makes an assignment for the benefit of creditors or makes an admission of Franchisee's inability to pay obligations as they become due;

(c) Franchisee files a petition in bankruptcy, or an involuntary petition in bankruptcy is filed against Franchisee or a receiver is appointed for Franchisee's business, or a final judgment remains unsatisfied or of record for 30 days or longer; or if Franchisee is a corporation, limited liability company or partnership, Franchisee is dissolved;

(d) Franchisee voluntarily abandons or discontinues to actively operate the Roberto's Taco Shop for two (2) business days or more in any twelve (12) month period, and it is readily apparent that Franchisee has closed or abandoned the Restaurant and has discontinued operations;

(e) Franchisee or any of its principal officers, directors, partners or managing members is convicted of or pleads no contest to a felony or other crime or offense that adversely affect the reputation of the System or the goodwill associated with the Marks;

(f) Franchisee makes an unauthorized direct or indirect transfer or attempted or purported transfer of this Agreement, or makes an unauthorized direct or indirect transfer or attempted or purported transfer of an ownership interest in the Franchise, or fails or refuses to transfer the Franchise or the interest in the Franchise of a deceased or disabled controlling owner thereof as required;

(g) Franchisee falsifies any financial reports or records required to be provided by Franchisee to Franchisor under this Agreement;

(h) Franchisee's disclosure, utilization, or duplication of any portion of the System, the Operations Manual or other proprietary or Confidential Information relating to the Roberto's Taco Shop that is contrary to the provisions of this Agreement;

(i) Franchisee violates any health or safety law, ordinance or regulation or operates the Roberto's Taco Shop in a manner that presents a health or safety hazard to its customers or to the public;

(j) Franchisee fails to obtain lawful possession of an acceptable location and to open for business as a Roberto's Taco Shop within twelve (12) months of the Effective Date of this Agreement;

(k) Franchisee defaults under the lease agreement or otherwise loses the right to possess the premises at the location at which the Roberto's Taco Shop is located;

(l) Franchisee fails to comply with the covenants not to compete as required in Article 13 herein; or

(m) Franchisee, after curing a default pursuant to Paragraph 15.2(2) herein, commits the same act of default again within any twelve (12) consecutive month period whether or not such default is cured after notice thereof is delivered to Franchisee, or if Franchisee received three (3) or more default notices from Franchisor within any twelve (12) consecutive monthly period whether or not such defaults were related to the same problem or were cured after notice thereof was delivered to Franchisee.

(2) **<u>Termination with Notice</u>**. In addition to the provisions of Paragraph 15.2(1), if Franchisee shall be in default under the terms of this Agreement and the default shall not be cured or remedied (to Franchisor's satisfaction) within thirty (30) days after receipt of written notice from Franchisor (and 10 days prior notice in the event of a default described in Subparagraphs (f), (g) and (h) below), in addition to all other remedies available to Franchisor at law or in equity, Franchisor may immediately terminate this Agreement. If any such default is not cured within the specified cure period, this Agreement shall terminate without further notice to Franchisee effective immediately upon expiration of the cure period. Franchisee shall be in default, and each of the following shall constitute good cause for termination under this Agreement:

(a) Failure, refusal or neglect by Franchisee to obtain Franchisor's prior written approval or consent any time such approval or consent is required by this Agreement;

(b) The commission by Franchisee of any act or practice that impairs or imminently threatens to impair the goodwill associated with the Marks, as determined by Franchisor;

(c) Franchisee's failure to comply with any provision of this Agreement that does not otherwise provide for immediate termination, or Franchisee's bad faith in carrying out the terms of this Agreement;

(d) Failure by Franchisee to maintain books and financial records for the Roberto's Taco Shop suitable for proper financial audit or failure by Franchisee to permit Franchisor to carry out its rights to conduct an inspection or audit as provided in this Agreement or failure by Franchisee to submit as required by this Agreement all reports, records and information of the Roberto's Taco Shop;

(e) Franchisee and, if Franchisee has elected not to directly supervise "on-premises" the day-to-day shop operations, Franchisee's management employees fail to complete, to Franchisor's satisfaction, the initial training program as provided in this Agreement.

(f) Franchisee fails to pay when due any amount owing to Franchisor or its affiliates under this Agreement or any other agreement, or is unable to obtain adequate financing to cover all costs of developing, opening and operating the Roberto's Taco Shop;

(g) Franchisee fails to pay when due any amounts owing to any person or entity in connection with the construction, leasing, financing, operation or supply of the Roberto's Taco Shop;

(h) Franchisee closes any bank account without completing all of the following forthwith after such closing: (i) immediately notifying Franchisor thereof in writing, (ii) immediately establishing another bank account, and (iii) executing and delivering to Franchisor all documents necessary for Franchisor to begin and continue making withdrawals from such bank account by electronic funds transfer as Exhibit 2 to this Agreement permits;

(i) Franchisee fails to maintain or suffers cancellation of any insurance coverage required under this Agreement;

(j) Any transfer or attempted transfer by Franchisee or any partner, member or shareholder in Franchisee of any rights or obligations under this Agreement to any third party without the prior written consent of Franchisor;

(k) Franchisee fails to obtain execution of the confidentiality and non-competition covenants as required in Articles 12 and 13 herein;

(l) Franchisee fails to execute any exhibits, addendum, attachments, or agreements to this Agreement requiring Franchisee's signature;

(m) Franchisee offers in conjunction with the operation of the Roberto's Taco Shop products or services that have not been approved by Franchisor;

(n) If Franchisee, by act or omission, permits a continued violation in connection with the operation of the Roberto's Taco Shop of any law, ordinance, rule or regulation of a governmental agency, in the absence of a good faith dispute over its application or legality and without promptly resorting to an appropriate administrative or judicial forum for relief there from; or

(o) Franchisee fails to comply with any provisions, standards or procedures prescribed by Franchisor in the Operations Manual or otherwise in writing.

(p) Franchisee failures to abide by the pertinent marketing and advertising requirements and procedures and participate in marketing programs for the business as established by Franchisor.

15.3 **Cross-Default.** If there are now, or hereafter shall be, other Franchise Agreements or any other agreements in effect between Franchisee and Franchisor and/or any of Franchisor's affiliates, a default by Franchisee under the terms and conditions of this or any other such agreement, shall at the option of Franchisor, constitute a default under all such agreements.

15.4 **State Laws.** Notwithstanding anything to the contrary in this Article 15, in the event any valid, applicable law or regulation of a competent governmental authority having jurisdiction over this Agreement or the parties hereto shall limit Franchisor's rights of termination hereunder or shall require longer notice periods than those set forth above, this Agreement shall be deemed amended to conform to the requirements of such laws and regulations, but in such event the provisions of the Agreement thus affected shall be amended only to the extent necessary to bring it within the requirements of the law or regulation.

15.5 **Subsequent Defaults.** The description of any default in any notice served by Franchisor hereunder upon Franchisee shall in no way preclude Franchisor from specifying additional or supplemental defaults in any action, arbitration, hearing or suit relating to this Agreement or the termination thereof.

15.6. **Obligations of Franchisee Upon Termination, Expiration or Non-Renewal.** Immediately upon termination, expiration or non-renewal of this Agreement for any reason:

A. All rights, privileges and licenses granted by Franchisor to Franchisee shall immediately cease and be null and void and of no further force and effect, and all such rights, privileges and licenses shall immediately revert to Franchisor;

B. Franchisee shall cease to be an authorized Roberto's Taco Shop franchise owner, and unless Franchisor exercises its rights under Paragraph 15.6.I. shall immediately, at its own expense, remove all signs, obliterate or remove all letterheads, labels or any other item or form of identification that would in any way link or associate Franchisee, its goods and/or services with Franchisor, and shall immediately cease to use, in any manner, the Marks, System and any other copyrighted information or materials or any confidential information Franchisee obtained as a result of the franchise granted to Franchisee;

C. Franchisee shall immediately terminate all advertising and promotional efforts and any other act that would in any way indicate that Franchisee is or was ever an authorized Roberto's Taco Shop franchisee; Franchisee shall also comply as to the terms of the Telephone Listing Agreement attached hereto as Exhibit 4;

D. Franchisee shall cancel any assumed name of Franchisee or equivalent registration that contains any Proprietary Mark, and Franchisee shall furnish Franchisor with evidence satisfactory to Franchisor of compliance with this obligation within five (5) days after termination, expiration or non-renewal of this Agreement;

E. Franchisee agrees not to use any reproduction, counterfeit, copy, or colorable imitation of the Marks that is likely to cause confusion, mistake or deception, or that is likely to dilute Franchisor's rights in and to the Marks, and further agrees not to use any trade dress or designation of origin or description or representation that falsely suggests or represents an association or connection with Franchisor;

F. Franchisee shall pay all sums owing to Franchisor. In the event of termination for any default of Franchisee, such sums shall include all damages, costs and expenses, including reasonable legal fees, incurred by Franchisor as a result of the default;

G. Franchisee shall comply with the covenants set forth in Articles 12 and 13 of this Agreement; and

H. Franchisee shall, at Franchisor's option, assign to Franchisor any interest that Franchisee has in any lease for the premises of the Roberto's Taco Shop;

I. (1) Upon the termination, expiration or non-renewal of this Agreement by Franchisor or Franchisee for any reason, Franchisor shall have the option**,** exercisable by giving written notice thereof within thirty (30) days from the date of such termination, expiration or non-renewal to purchase any and all inventory, equipment, furniture, fixtures, signs, sundries and supplies owned by Franchisee and used in the Roberto's Taco Shop, at the lesser of (i) Franchisee's cost less depreciation computed on a reasonable straight line basis (as determined in accordance with generally accepted accounting principles and consistent with industry standards and customs) or (ii) fair market value of such assets, less (in either case) any outstanding liabilities of the Roberto's Taco Shop. In addition, Franchisor shall have the option to assume Franchisee's lease for the lease location of the Roberto's Taco Shop, or if an assignment is prohibited, a sublease for the full remaining term on the same terms and conditions as Franchisee's lease. No value will be attributed to the value of the Marks or the system or to the assignment of the lease (or sublease) for the premises or the assignment of any other assets used in conjunction with the Roberto's Taco Shop, and Franchisor will not be required to pay any separate consideration for any such assignment or sublease.

(2) If the parties cannot agree on fair market value within thirty (30) days of Franchisor's notice of intent to purchase, fair market value shall be determined by an experienced, professional and impartial third-party appraiser without regard to goodwill or going concern value, designated by Franchisor and acceptable to Franchisee, whose determination shall be final and binding on both parties. The cost of such appraisal shall be borne equally by Franchisor and Franchisee. If the parties cannot agree upon an appraiser one shall be appointed by the American Arbitration Association, upon petition of either party.

(3) Franchisor shall have the right to withhold from the purchase price funds sufficient to pay all outstanding debts and liabilities of Franchisee and the Roberto's Taco Shop and to pay such debts and liabilities from such funds. If such liabilities exceed the purchase price of the inventory, equipment, furniture, fixtures and signs, Franchisor shall apply the purchase price in such a manner as Franchisor, in its own discretion, shall determine. In no event, however, shall Franchisor become liable for any of the debts and liabilities of Franchisee or the Roberto's Taco Shop and Franchisee shall remain responsible for all outstanding debts and liabilities of the Roberto's Taco Shop that remain unsatisfied subsequent to the distribution by Franchisor of the purchase price of the funds. The purchase price shall be paid in cash at the closing of the purchase, which shall take place no later than ninety (90) days after receipt by Franchisee of Franchisor's notice of exercise of this option to purchase the inventory, equipment, furniture, sundries and signs at which time Franchisee shall deliver instruments transferring to Franchisor or its nominee: (1) good and merchantable title to the inventory, equipment, furniture, sundries and signs purchased, free and clear of all liens and encumbrances (other than liens and security interests acceptable to Franchisor), with all sales and other transfer taxes paid by Franchisee; and (2) all licenses and permits which may be assigned or transferred. In the event that Franchisee cannot deliver

clear title to all of the inventory, equipment, furniture, sundries and signs purchased as aforesaid, or in the event there shall be other unresolved issues, the closing of the sale shall be accomplished through an escrow arrangement. Further, Franchisee and Franchisor shall, prior to closing, comply with the applicable Bulk Sales provisions of the Uniform Commercial Code as enacted in the state where the Roberto's Taco Shop is located. If Franchisor exercises this option to purchase the inventory, equipment, furniture, fixtures, sundries and signs pending the closing of such purchase as herein above provided, Franchisor shall have the right to appoint a manager to maintain the operation of the Roberto's Taco Shop, in accordance with the relevant provisions of Article 14 hereof. Alternatively, Franchisor may require Franchisee to close the Roberto's Taco Shop during such time period without removing therefrom any inventory, equipment, furniture, sundries and signs. Franchisee shall maintain in force all insurance policies required by Article 10 hereof until the date of closing.

J. (1) Franchisee shall furnish to Franchisor within thirty (30) days after the effective date of termination, expiration or non-renewal evidence satisfactory to Franchisor of Franchisee's compliance with all obligations under this Paragraph 15.6**;**

(2) Termination, expiration or non-renewal of this Agreement shall not affect, modify or discharge any claims, rights, causes of action or remedies, which Franchisor may have against Franchisee, whether under this Agreement or otherwise, for any reason whatsoever, whether such claims or rights arise before or after termination.

15.7 **Franchisor's Rights and Remedies in Addition to Termination.**

A. If Franchisee shall be in default in the performance of any of its obligations or breach any term or condition of this Agreement, in addition to Franchisor's right to terminate this Agreement, and without limiting any other rights or remedies to which Franchisor may be entitled at law or in equity, Franchisor may, at its election, immediately or at any time thereafter, and without notice to Franchisee cure such default for the account of and on behalf of Franchisee including, without limitation, entering upon and taking possession of the Roberto's Taco Shop and to taking in the name of Franchisee, all other actions necessary to effect the provisions of this Agreement and any such entry or other action shall not be deemed a trespass or other illegal act, and Franchisor shall not be liable in any manner to Franchisee for so doing, and Franchisee shall pay the entire cost thereof to Franchisor on demand, including reasonable compensation to Franchisor for the management of the Roberto's Taco Shop.

B. If this Agreement is terminated by Franchisor with cause or Franchisee unilaterally attempts to terminate this Agreement without cause, then Franchisee may be liable for all unpaid future Royalty Fees, Marketing Fund Contributions, and lost profits, as well as any other direct, actual or consequential damages for the remainder of the Term of this Agreement.

16. RESOLUTION OF DISPUTES

16.1 **Mediation, Mandatory Binding Arbitration, and Waiver of Court Trial**. You and we believe that it is important to resolve any disputes amicably, quickly, cost effectively and professionally and to return to business as soon as possible. You and we have agreed that the provisions of this Article 16 support these mutual objectives and, therefore, agree as follows:

A. **Claim Process**. Any litigation, claim, dispute, suit, action, controversy, or proceeding of any type whatsoever, between or involving Franchisee and any of its affiliates, on the one hand, and

Franchisor and any of its affiliates, on the other hand, arising out of, related to, or referencing this Agreement or its breach in any way, including, without limitation, any claim arising in contract or tort arising out of the relationship created by this Agreement, for equitable relief, or asserting that this Agreement is invalid, illegal, or void, ("Claim") shall be processed in the following manner, Franchisee and Franchisor each expressly waiving all rights to any court proceeding, except as expressly provided below at Section 16.1 C:

(1) First, the Claim will be discussed in a face-to-face meeting held in Las Vegas, Nevada, within thirty (30) days after either Franchisee or Franchisor gives written notice to the other proposing such a meeting. If the parties are unable to agree on a location for the meeting, the meeting shall take place at Franchisor's then-current headquarters.

(2) Second, if the Claim is not resolved from the face-to-face meeting, it shall be submitted to non-binding mediation, in Las Vegas, Nevada. Franchisee and Franchisor will split the costs and each will bear their own expenses of any mediation. Any mediation/arbitration will be conducted by a mediator/arbitrator experienced in franchising and will take place in Las Vegas, Nevada. Any party may be represented by counsel and may, with permission of the mediator, bring persons appropriate to the proceeding. If both Franchisee and Franchisor do not want to participate in mediation, then they may proceed to arbitration as provided below.

(3) Third, the Claim shall be submitted to and finally resolved by binding arbitration before a single arbitrator in Las Vegas, Nevada, and in accordance with the Commercial Arbitration Rules of the American Arbitration Association or its successor. On election by any party, arbitration and/or any other remedy allowed by this Agreement may proceed forward at the same time as mediation. Judgment on any preliminary or final arbitration award will be final and binding and may be entered in any court having jurisdiction. Any dispute arising out of or in connection with this arbitration provision, including any question regarding its existence, validity, scope, or termination shall be referred to and finally resolved by arbitration. Notwithstanding any allocation made by the arbitral body or the arbitrators, Franchisor and Franchisee agree that, subject to the final award, each party will contribute equally to all charges or assessments of an arbitrator's compensation, administrative expenses or fees of the arbitral body and deposits with respect thereto. In the event a party defaults in timely payment, the other party shall have the option of paying the full amount of such charge, assessment or fee and proceeding with the arbitration or of voiding this arbitration agreement and proceeding in a court of law in the seat of the arbitration with the defaulting party hereby submitting to the jurisdiction of said courts and the service of process by courier or ordinary mail at the address where notices are to be sent under this Agreement.

B. **Confidentiality**. The parties to any meeting/mediation/arbitration will sign confidentiality agreements. However, the parties will be permitted to make public disclosures and filings as are required by law and will be permitted to speak to individuals reasonably necessary to prepare for mediation or arbitration, including but not limited to percipient witnesses and expert witnesses.

C. **Intentions of Franchisee and Franchisor**. Franchisee and Franchisor mutually agree (and have expressly had a meeting of the minds) that, notwithstanding any contrary provisions of state, federal or other law, and/or any statements in Franchisor's Franchise Disclosure Document required by a state or the Federal government as a condition to registration or for some other purpose:

(i) all issues relating to the enforcement of arbitration-related provisions of this Agreement will be decided by the arbitrator (including all Claims that any terms were procured by fraud or similar means) and governed only by the Federal Arbitration Act (9 U.S.C. § 1 et seq.) and the federal common law of arbitration and exclusive of state statutes and/or common law;

(ii) all provisions of this Agreement shall be fully enforced, including (but not limited to) those relating to arbitration, waiver of jury trial, limitation of damages, venue, and choice of laws;

(iii) Franchisee and Franchisor intend to rely on federal preemption under the Federal Arbitration Act (9 U.S.C. § 1 et seq.) and, as a result, the provisions of this Agreement will be enforced only according to its terms;

(iv) **Franchisee and Franchisor each knowingly waive all rights to a court or jury trial** (except as expressly provided in this Agreement), understanding that arbitration may be less formal than a court or jury trial, may use different rules of procedure and evidence and that appeal is generally less available, but still strongly preferring mediation and/or arbitration as provided in this Agreement;

(v) in the Claim Process, Franchisee and Franchisor agree that each may bring claims against the other only in the Franchisee's or Franchisor's individual capacity and not as a plaintiff or class member in any class or representative action or any multiple plaintiff or consolidated proceeding. Unless both Franchisee and Franchisor agree, no arbitrator may consolidate more than one person's claims or otherwise preside over any form of representative, class, multiple plaintiff or consolidated proceeding; and

(vi) the terms of this Agreement (including but not limited to this Section 16) shall control with respect to any matters of choice of law. Nothing in this or any related agreement, however, is intended to disclaim the representations Franchisor made in the Franchise Disclosure Document it furnished to Franchisee.

16.2 **Other Proceedings**. Notwithstanding Paragraph 16.1, upon a breach or threatened breach of this Agreement by Franchisee, Franchisor is entitled to injunctive or other extraordinary relief in any court of competent jurisdiction restraining such breach without bond (and if such bond is required by a court of competent jurisdiction, Franchisor and Franchisee agree that the sum of $100 shall be sufficient bond for such purpose) and without regard to adequacy of its legal remedies. Interim equitable relief is available to Franchisor in addition to other remedies or rights Franchisor may have. Franchisor is also entitled to proceed in court in lieu of arbitration to obtain a decree of specific performance requiring that each provision of this Agreement be honored, carried out and enforced as written and to obtain a declaratory judgment or other appropriate relief if there is a controversy over interpretation of this Agreement or the rights and obligations of the parties. Notwithstanding Paragraph 16.1, Franchisor may also proceed in a civil action in court against Franchisee to collect sums of money due Franchisor or to protect or enforce its rights in or under the Marks. Except as provided in Paragraph 16.1, any legal proceeding involving any dispute between the parties to this Agreement must be venued exclusively and solely in federal or state court in Las Vegas, Nevada. Franchisee consents to jurisdiction and venue in any such action.

16.3 **Limitation of Actions**. Franchisor and the Franchisee agree that no action (whether for arbitration, damages, injunctive, equitable or other relief, including, without limitation, rescission) will be maintained by any party to enforce any liability or obligation of the other party, whether arising from this Agreement or otherwise, unless brought before the expiration of the earlier of one (1) year after the date of discovery of the facts resulting in such alleged liability or obligation or two (2) years after the date of the first act or omission giving rise to such alleged liability or obligation, except that where State or Federal law mandates or makes possible by notice or otherwise a shorter period, such shorter period shall apply.

16.4 **Class Action Waiver**. To the extent any party brings any claim for relief, cause of action, or proceeding in court, Franchisee and Franchisor also agree that each may only bring such claims for relief, causes of action, or proceedings against the other in the Franchisee's or Franchisor's individual capacity and not as a plaintiff or class member in any class or representative action or any multiple plaintiff or consolidated proceeding. Unless both Franchisee and Franchisor agree, no court may consolidate more than one person's claims for relief, causes of action, or proceeding, or otherwise preside over any form of representative, class, multiple plaintiff, or consolidated proceeding.

16.5 **Attorneys' Fees and Costs.**

A. If legal action or arbitration is necessary to enforce the terms and conditions of this Agreement, the prevailing party shall be entitled to recover reasonable compensation for preparation, investigation, court costs, arbitration costs (if applicable) and reasonable attorney's fees, as fixed by a court of competent jurisdiction.

B. Separate and distinct from the right of a prevailing party to recover expenses, costs and fees in connection with any legal proceeding or arbitration, the prevailing party shall also be entitled to receive all expenses, costs and reasonable attorney's fees incurred in connection with the enforcement of any arbitration award or judgment entered. Furthermore, the right to recover post-arbitration award and post-judgment expenses, costs and attorney's fees shall be severable and shall survive any award or judgment and shall not be deemed merged into such judgment.

17. MISCELLANEOUS PROVISIONS

17.1 **Severability**. Except as provided in Paragraph 13.4, each article, section, paragraph, term and provision of this Agreement, or any portion thereof, shall be considered severable and if, for any reason, any such portion of this Agreement is held by an arbitrator or by a court of competent jurisdiction to be unenforceable due to any applicable existing or future law or regulation, such portion shall not impair the operation of or have any effect upon, the remaining portions of this Agreement which will remain in full force and effect and bind the parties hereto, although the invalid portion shall be deemed not part of this Agreement from the time so directed by the court. No right or remedy conferred upon or reserved to Franchisor or Franchisee by this Agreement is intended to be, nor shall be deemed, exclusive of any other right or remedy herein or by law or equity provided or permitted, but, each shall be cumulative of every other right or remedy.

17.2 **Waiver and Delay**. Franchisor and Franchisee may, by written instrument, unilaterally waive any obligation or restriction upon the other under this Agreement. No failure, refusal or neglect of Franchisor to exercise any right, power, remedy or option reserved to it under this Agreement, or to insist upon strict compliance by Franchisee with any obligation, condition, specification, standard or operating procedure in this Agreement, shall constitute a waiver of any provision of this Agreement and the right of Franchisor to demand exact compliance with this Agreement, or to declare any subsequent breach or default or nullify the effectiveness of any provision of this Agreement. Subsequent acceptance by Franchisor of any payment(s) due it under this Agreement shall not be deemed to be a waiver by Franchisor of any preceding breach by Franchisee of any terms, covenants or conditions of this Agreement.

17.3 **Rights of Parties Are Cumulative.** The rights of Franchisor and Franchisee under this Agreement are cumulative and no exercise or enforcement by the Franchisor or Franchisee of any right or remedy under this Agreement shall preclude the exercise or enforcement by Franchisor or Franchisee of any other right or remedy under this Agreement or which Franchisor or Franchisee is entitled by law to enforce,

17.4 **Parties Affected**. This Agreement binds the parties and, subject to Article 14, their successors and assigns. No person may acquire from Franchisee any interest in this Agreement except in accordance with Article 14. If Franchisee consists of more than one person or entity, or a combination thereof, the obligations and liabilities to Franchisor of each such person or entity are joint and several. Each shareholder or equity owner of a five percent (5%) or greater interest in Franchisee must sign the guaranty of this Agreement designated by Franchisor (Exhibit 5).

17.5 **Governing Law**. This Agreement and all related Agreements take effect upon their acceptance and execution by Franchisor in the State of Nevada and any matter whatsoever which arises out of or is connected any way with the Agreement or the franchise shall be governed by and interpreted and construed under the laws of Nevada, which laws shall prevail in the event of any conflict of law; provided, however, that if any provision of this Agreement would not be enforceable under the laws of Nevada, then such provisions shall be interpreted and construed under the laws of the state in which the premises of the Roberto's Taco Shop is located.

17.6 **Choice of Forum.**

A. Franchisee acknowledges and agrees that this Agreement is entered into in Nevada, and that any action brought by either party against the other for the purpose of enforcing the terms and provisions of this Agreement (which is not to be arbitrated pursuant hereto or pursuant to law) shall be instituted solely in a state or federal court having subject matter jurisdiction thereof only in Nevada in the judicial district in which Franchisor has its principal place of business and in no other court and that Franchisee irrevocably waives any objection Franchisee may have to the exclusive jurisdiction or the exclusive venue of such court.

B. If Franchisee institutes any arbitration or other legal proceedings in any venue or other court other than those specified, Franchisee shall assume all of Franchisor's costs in connection therewith, including, without limitation, reasonable attorney fees regardless of the outcome of such arbitration or legal proceedings.

17.7 **No Withholding Payments Owed.** Franchisee shall not, on the grounds of alleged non-performance by Franchisor of any of its obligations under this Agreement, withhold payments of the Royalty Fee, Marketing Fund Fee, or any other amounts due the Franchisor or any affiliate of Franchisor.

17.8 **Amendment.** This Agreement may not be amended except in writing signed by Franchisor and Franchisee.

17.9 **Designation of Responsible Parties**. Franchisee represents and warrants to Franchisor that the list below states: (i) the name, mailing address and equity interest of each person holding any shares or other form of ownership, or security interest convertible into an equity interest, in Franchisee, showing percentage of ownership held by each and (ii) the name and mailing address of the individual(s) who will be the principal franchisee-operator(s) (the "Designated Operator(s)") of the business franchised hereunder. The Designated Operator(s) (there may be up to two such individuals but only one address to which Franchisor communicates in regards to the franchise) named has the authority to act for Franchisee in all matters relating to the Roberto's Taco Shop, including voting responsibilities. Only those individuals who are party to this Agreement and have an ownership interest in the franchise entity may be listed as a Designated Operator(s). Franchisee shall promptly notify Franchisor of any change in any such information. Any change in the Designated Operator(s) or in shareholder information is subject to Article 14 and the training requirements of this Agreement:

Franchisee is a ☐ ____________________, organized under the laws of __________________________, or ☐ Franchisee is an individual or group of individuals, and hereby represents and warrants that the information stated below is true and accurate as of the date set forth below:

Shareholder, Partner, Member or Individual Name and Address	Percentage of Ownership Interest
______________________________ ______________________________ ______________________________	____________
______________________________ ______________________________ ______________________________	____________

Designated Operator(s): ____

17.10 **Franchisor's Discretion**. Except as otherwise specifically referenced herein, all acts, decisions, determinations, specifications, prescriptions, authorizations, approvals, consents and similar acts by Franchisor may be taken or exercised in the sole and absolute discretion of Franchisor, regardless of the impact upon Franchisee. Franchisee acknowledges and agrees that when Franchisor exercises its discretion or judgment, its decisions may be for the benefit of Franchisor or the Roberto's Taco Shop franchise network and may not be in the best interest of Franchisee as an individual franchise owner.

17.11 **Titles for Convenience Only.** Paragraph titles used in this Agreement are for convenience only and shall not be deemed to affect the meaning or construction of any of the terms, provisions, covenants or conditions of this Agreement.

17.12 **Gender.** All terms used in any one number or gender shall extend to mean and include any other number and gender as the facts, context or sense of this Agreement or any section may require.

17.13 **Counterparts.** This Agreement may be executed in any number of copies, each of which shall be deemed to be an original, and all of which together shall be deemed to be one and the same instrument.

17.14 **Notices**.

A. All notices which the parties hereto may be required or permitted to give under this Agreement shall be in writing and shall be given by any of the following methods: (1) personally delivered; (2) mailed by certified or registered mail, return receipt requested, postage paid; (3) by reliable overnight delivery service; or (4) by electronic transmission, including email and facsimile.

The addresses for the parties are as follows:

If to Franchisor:

Roberto's Taco Shop, LLC
Attention: Reynaldo Robledo
1919 S. Jones Blvd., Suite E
Las Vegas, NV 89146
Email: reynaldo@robertostacoshop.com

If to Franchisee:

____
____
____
Attention: ____________________
Email: _______________________

B. The above addresses given for notices may be changed at any time by either party by giving ten (10) calendar days prior written notice to the other party, as herein provided. Notices delivered by certified or registered mail shall be deemed to have been given three (3) business days after postmark by United States Postal Service, or the next business day after deposit with reliable overnight delivery service or when delivered by hand. Notices sent by electronic transmission shall be deemed to have been given on the next business day after being sent (as recorded on the device from which the sender sent the email) unless the sender receives an automated message that the email or facsimile has not been delivered.

17.15. **Further Assurances.** The parties to this Agreement agree to execute such other documents and perform such further acts as may be necessary or desirable to carry out the purposes of this Agreement.

17.16 **Time is of the Essence.** Franchisor and Franchisee agree that time is of the essence with respect to all terms and conditions in this Agreement.

17.17 **Consumer Price Index**. Amounts specified as being subject to inflation adjustment may be adjusted by us annually in our Business Judgment in proportion to the changes in the Consumer Price Index (U.S. Average, all items) maintained by the U.S. Department of Labor (or any Successor index) as compared to the previous year. We are not required to adjust any amounts downward. We will notify you of any such percentage increase adjustment.

17.18. **No Recourse Against Nonparty Affiliates.** All claims, obligations, liabilities, or causes of action (whether in contract or in tort, in law or in equity, or granted by statute) that may be based upon, in respect of, arise under, out or by reason of, be connected with, or relate in any manner to this Agreement, or the negotiation, execution, or performance of this Agreement (including any representation or warranty made in, in connection with, or as an inducement to this Agreement, but not including separate undertakings such as guarantees of performance, personal guaranties, or corporate guarantees), may be made only against (and are those solely of) the entities that are expressly identified as parties in the preamble to this Agreement ("Contracting Parties"). No person who is not a Contracting Party, including without limitation any past and present director, officer, employee, incorporator, member, partner, manager, stockholder, affiliate, agent, attorney, or representative of, and any financial advisor or lender to, any of the foregoing ("Nonparty Affiliates"), shall have any liability (whether in contract or in tort, in law or in equity, or granted by statute) for any claims, causes of action, obligations, or liabilities arising under, out of, in connection with, or related in any manner to this Agreement or based on, in respect of, or by reason of this Agreement or its negotiation, execution, performance, or breach; and, to the maximum extent permitted by law, each Contracting Party hereby waives and releases all such liabilities, claims, causes of action, and obligations against any such Nonparty Affiliates, unless such liabilities, claims, causes of action, and obligations arise from deliberately fraudulent acts. Without limiting the foregoing, to the maximum extent permitted by law, (a) each Contracting Party hereby waives and releases any and all rights, claims, demands or causes of action that may otherwise be available at law or in equity, or granted by statute, to avoid or disregard the entity form of a Contracting Party or otherwise impose liability of a Contracting Party on any Nonparty Affiliate, whether granted by statute or based on theories of equity, agency, control, instrumentality, alter ego, domination, sham, single business enterprise, piercing the veil, unfairness, undercapitalization, or otherwise; and (b) each Contracting Party disclaims any reliance upon any Nonparty Affiliates with to the performance of this Agreement or any representation or warranty made in, in connection with, or as an inducement to this Agreement. Nothing herein is intended to prevent a Contracting Party from pursuing any distinct legal rights it may have against a Nonparty Affiliate which arise from a separate document, such as a guaranty of performance, personal guaranty, corporate guaranty or similar agreement. Notwithstanding any other provision of this Agreement which limits the right of prospective third-party beneficiaries, any Nonparty Affiliate may rely on this provision and enforce it against any Contracting Party or other person or entity.

17.19 **Force Majeure**. Whenever a period of time is provided in this Agreement for either party to do or perform any act or thing, except the payment of monies, neither party shall be liable or responsible for any delays due to Force Majeure or other causes beyond the reasonable control of the parties that materially affects a party's ability to perform. In this Agreement, the term "Force Majeure" shall include any of the following: (i) casualty or condemnation; (ii) storm, earthquake, hurricane, tornado, flood or other act of God; (iii) war, insurrection, pandemics, epidemics, quarantine restrictions, civil commotion or act of terrorism; (iv) strikes or lockouts; (v) embargoes, lack of water, materials, power or telephone transmissions specified or reasonably necessary in connection with the production, storage, shipment, or sale of goods and services; or (vi) failure of any applicable governmental authority to issue any approvals, or the suspension, termination or revocation of any material approvals, required for the production, storage, shipment, or sale of goods or services. Any time period for the performance of an obligation shall be extended for the amount of time of the delay. The party whose performance is affected by any of such causes shall give prompt written notice of the circumstances of such event to the other party, but in no event more than five (5) days after the commencement of such event. The notice shall describe the nature of the event and an estimate as to its duration. This clause shall not apply or not result in an extension of the term of this Agreement.

17.20 **Similar Agreements.** Franchisor makes no warranty or representation that anything contained in this Agreement may be construed as requiring that all the Roberto's Taco Shop franchise agreements issued by Franchisor, during any time period, contain terms substantially similar to those contained in this Agreement. Further, Franchisee agrees and acknowledges that Franchisor may, in its reasonable business judgment, due to local business conditions or otherwise, waive or modify comparable provisions of other franchise agreements granted to other Roberto's Taco Shop franchisees in a non-uniform manner, subject to those provisions of this Agreement that require Franchisor to act toward its franchisees on a reasonably non-discriminatory basis.

18. ACKNOWLEDGMENTS

18.1 A. THE SUBMISSION OF THE AGREEMENT DOES NOT CONSTITUTE AN OFFER AND THIS AGREEMENT SHALL BECOME EFFECTIVE ONLY UPON THE EXECUTION HEREOF BY THE FRANCHISOR AND THE FRANCHISEE. THE DATE OF EXECUTION BY THE FRANCHISOR SHALL BE CONSIDERED TO BE THE DATE OF EXECUTION OF THIS AGREEMENT.

B. THIS AGREEMENT SHALL NOT BE BINDING ON THE FRANCHISOR UNLESS AND UNTIL IT SHALL HAVE BEEN ACCEPTED AND SIGNED BY AN AUTHORIZED OFFICER OF THE FRANCHISOR.

18.2 FRANCHISEE ACKNOWLEDGES THAT THE SUCCESS OF THE BUSINESS VENTURE CONTEMPLATED TO BE UNDERTAKEN BY FRANCHISEE UNDER THIS AGREEMENT IS SPECULATIVE, WILL BE OPERATED IN A HIGHLY COMPETITIVE MARKETPLACE AND VOLATILE ECONOMY, AND THAT ITS FINANCIAL RESULTS, INCLUDING ITS ULTIMATE SUCCESS OR FAILURE, WILL DEPEND UPON FRANCHISEE'S MANAGERIAL AND FINANCIAL CAPABILITIES, LOCAL MARKET CONDITIONS AND OTHER FACTORS. FRANCHISEE ACKNOWLEDGES, THEREFORE, THAT FRANCHISOR CANNOT AND DOES NOT GUARANTEE OR REPRESENT THAT THE ROBERTO'S TACO SHOP WILL BE PROFITABLE OR SUCCESSFUL.

18.3 FRANCHISEE ACKNOWLEDGES THAT IT HAS ENTERED INTO THIS AGREEMENT AFTER MAKING AN INDEPENDENT INVESTIGATION OF FRANCHISOR'S OPERATIONS AND THE MARKET AREA IN WHICH FRANCHISEE WILL OPERATE THE ROBERTO'S TACO SHOP, AND NOT UPON ANY REPRESENTATION, FACT, PROMISE OR ASSURANCE MADE BY THE FRANCHISOR OR ANY OF ITS OFFICERS, DIRECTORS, EMPLOYEES, REPRESENTATIVES OR AGENTS AS TO GROSS REVENUES, COSTS, VOLUME, POTENTIAL EARNINGS OR PROFITS THAT FRANCHISEE MIGHT DERIVE FROM THE OPERATION OF A ROBERTO'S TACO SHOP FRANCHISE. FRANCHISEE FURTHER ACKNOWLEDGES THAT THE FRANCHISOR AND ITS OFFICERS, DIRECTORS, EMPLOYEES AND AGENTS HAVE NOT MADE ANY OTHER REPRESENTATION ABOUT THE FRANCHISE WHICH IS NOT EXPRESSLY SET FORTH HEREIN OR IN THE FRANCHISOR'S UNIFORM FRANCHISE OFFERING CIRCULAR, INCLUDING EXHIBITS AND ADDENDUM, TO INDUCE THE FRANCHISEE TO ACCEPT THIS FRANCHISE AND EXECUTE THIS AGREEMENT.

18.4 A. FRANCHISEE REPRESENTS AND ACKNOWLEDGES THAT IT HAS RECEIVED FRANCHISOR'S FRANCHISE DISCLOSURE DOCUMENT AT LEAST FOURTEEN (14) DAYS PRIOR TO THE DATE OF EXECUTION OF THIS AGREEMENT, AND THAT A COPY OF THIS AGREEMENT WITH ALL BLANKS FILLED, INCLUDING EXHIBITS AND ADDENDUM WAS RECEIVED FROM FRANCHISOR AT LEAST SEVEN (7) DAYS PRIOR TO THE DATE ON WHICH THIS AGREEMENT WAS EXECUTED. FRANCHISEE REPRESENTS IT HAS READ THIS AGREEMENT, FRANCHISOR'S UNIFORM FRANCHISE OFFERING CIRCULAR, EXHIBITS, ADDENDUM AND OTHER INFORMATION FRANCHISEE DEEMS RELEVANT IN ITS ENTIRETY, AND HAS BEEN GIVEN THE OPPORTUNITY TO CLARIFY ANY PROVISIONS THAT FRANCHISEE DID NOT UNDERSTAND AND TO CONSULT WITH AN INDEPENDENT LEGAL OR OTHER PROFESSIONAL ADVISOR.

B. FRANCHISEE FURTHER REPRESENTS THAT IT UNDERSTANDS AND ACCEPTS THE TERMS, CONDITIONS, COVENANTS AND OBLIGATIONS OF THIS AGREEMENT AS BEING REASONABLY NECESSARY

TO (1) MAINTAIN THE FRANCHISOR'S HIGH STANDARDS OF QUALITY AND SERVICE; (2) MAINTAIN UNIFORMITY OF THOSE STANDARDS AT ALL ROBERTO'S TACO SHOPS; AND (3) PROTECT AND PRESERVE THE GOODWILL OF THE MARKS, AND THAT FAILURE TO MAINTAIN THE FRANCHISOR'S STANDARDS WILL RESULT IN TERMINATION OF THIS AGREEMENT.

18.5 FRANCHISEE ACKNOWLEDGES THAT THE COVENANTS NOT TO COMPETE SET FORTH IN THIS AGREEMENT ARE FAIR AND REASONABLE, AND WILL NOT IMPOSE ANY UNDUE HARDSHIP ON THE FRANCHISEE, SINCE THE FRANCHISEE HAS OTHER CONSIDERABLE SKILLS, EXPERIENCE AND EDUCATION WHICH AFFORD THE FRANCHISEE THE OPPORTUNITY TO DERIVE INCOME FROM SUCH OTHER ENDEAVORS.

18.6 FRANCHISEE REPRESENTS TO THE FRANCHISOR THAT ALL INFORMATION SET FORTH IN ANY AND ALL APPLICATIONS, FINANCIAL STATEMENTS AND SUBMISSIONS TO THE FRANCHISOR BY THE FRANCHISEE ARE TRUE, COMPLETE AND ACCURATE IN ALL RESPECTS, AND THE FRANCHISEE EXPRESSLY ACKNOWLEDGES THAT THE FRANCHISOR IS RELYING UPON TRUTHFULNESS, COMPLETENESS AND ACCURACY OF SUCH INFORMATION.

18.7 FRANCHISEE ACKNOWLEDGES THAT THE EXECUTION OF THIS AGREEMENT IS THE WHOLLY VOLUNTARY ACT OF THE PERSONS WHO SIGNED THIS AGREEMENT.

18.8 Franchisee acknowledges and agrees that Franchisor may elect to keep only electronic copies of any and all documents and records pertaining to the franchised business, the System, and the franchise relationship between the parties. Each such electronic record will accurately reflect the information in the document and will remain accessible to all persons entitled by law to access the information for the period of time required by law. The electronic record will be in a form capable of being accurately reproduced for later reference if necessary.

19. ENTIRE AGREEMENT

This Agreement, the documents referred to herein, and the exhibits hereto, constitute the entire and only agreement between the parties concerning the granting, awarding and licensing of Franchisee as an authorized Roberto's Taco Shop Franchisee at the Roberto's Taco Shop location, and supersede all prior and contemporaneous agreements. There are no representations, inducements, promises, agreements, arrangements or undertakings, oral or written, between the parties other than those set forth herein. Except for those permitted to be made unilaterally by Franchisor hereunder, no amendment, change or variance from this Agreement shall be binding on either party unless mutually agreed to by the parties and executed by their authorized officers or agents in writing. This Agreement does not alter agreements between Franchisor and Franchisee for other locations. Notwithstanding the foregoing, nothing in this Agreement is intended to disclaim representations Franchisor made to Franchisee in the Franchise Disclosure Document or in any related document that Franchisor heretofore furnished to Franchisee.

20. NO WAIVER OR DISCLAIMER OF RELIANCE IN CERTAIN STATES

20.1 The following provision applies only to franchisees and franchises that are subject to state franchise registration/disclosure laws in California, Hawaii, Illinois, Indiana, Maryland, Michigan, Minnesota, New York, North Dakota, Rhode Island, South Dakota, Virginia, Washington, or Wisconsin:

No statement, questionnaire, or acknowledgment signed or agreed to by Franchisee in connection with the commencement of the franchise relationship shall have the effect of (i) waiving any claims under any applicable state franchise law, including fraud in the inducement, or (ii) disclaiming reliance on any statement made by Franchisor, any franchise seller, or any other person acting on behalf of Franchisor. This provision supersedes any other term of any document executed in connection with the franchise.

IN WITNESS WHEREOF, the parties hereto have executed this Agreement on the Effective Date, as provided on the first page.

SI TIENE PROBLEMA ENTENDIENDO ESTE DOCUMENTO, SE LE SUGIERE QUE ADQUIERA AYUDA LEGAL.

"FRANCHISOR"
Roberto's Taco Shop, LLC
a Nevada limited liability company

By: ______________________________

Print Name: __________________________

Title: _____________________________

"FRANCHISEE"

If Franchisee is an individual:

Signature: __________________________

Print Name: _________________________

Signature: __________________________

Print Name: _________________________

If Franchisee is a corporation or other entity:

____
[Name of Franchisee]

By: ________________________________

Print Name: _________________________

Title: ______________________________

EXHIBIT 1
TO THE ROBERTO'S TACO SHOP FRANCHISE AGREEMENT

AUTHORIZED LOCATION ADDENDUM

This Addendum is made to the Roberto's Taco Shop Franchise Agreement (the "Franchise Agreement") between Roberto's Taco Shop, LLC ("Franchisor"), and ____________________ ("Franchisee"), dated ___________________, 20__.

1. **Preservation of Agreement.** Except as specifically set forth in this Addendum, the Franchise Agreement shall remain in full force and effect in accordance with its terms and conditions. This Addendum is attached to and upon execution becomes an integral part of the Franchise Agreement.

2. **Authorized Location**. The parties hereto agree that the Authorized Location referred to in Paragraph 1.2 of the Franchise Agreement shall be the following: ____.

3. **Equipment Package Lease for the Authorized Location (if applicable)**. The parties hereto agree that the Equipment Package Lease amount referred to in Paragraph 5.7 of the Franchise Agreement shall be $____________.

This Addendum is agreed to and accepted by the parties this ___ day of __________________ 20__.

FRANCHISOR
Roberto's Taco Shop, LLC

By: ________________________________

Print Name: ________________________

Title: _______________________________

FRANCHISEE:

By: ________________________________

Print Name: ________________________

Title: _______________________________

By: ________________________________

Print Name: ________________________

Title: _______________________________

EXHIBIT 2
TO THE ROBERTO'S TACO SHOP FRANCHISE AGREEMENT

ELECTRONIC FUNDS TRANSFER AGREEMENT

This Electronic Funds Transfer Agreement (the "Agreement") is made on this ___ day of ____________________________ 20__ by and between Roberto's Taco Shop, LLC ("Franchisor"), and ______________________________ or their assignee, if a partnership, corporation or limited liability company is later formed ("Franchisee").

Franchisor and Franchisee are parties to a Roberto's Taco Shop Franchise Agreement executed on even date herewith (the "Franchise Agreement") and desire to enter into an Addendum to the Franchise Agreement.

Now, therefore, in consideration of the mutual promises contained herein and as an inducement to Franchisor to execute the Franchise Agreement, the parties agree as follows:

A. Franchisee shall pay any and all fees and other charges in connection with this Addendum and the Franchise Agreement (including, without limitation, the Royalty Fees, contributions to the Marketing Fund, and any other payments due to Franchisor by Franchisee, and any applicable late fees and interest charges) by electronic, computer, wire, automated transfer, ACH debiting, and bank clearing services (collectively "electronic funds transfers" or "EFT"'), and Franchisee shall undertake all action necessary to accomplish such transfers.

B. Upon execution and delivery of this Agreement, Franchisee shall execute and deliver two (2) originals of the "Electronic Debit Authorization" attached as Exhibit 3 to the Franchise Agreement, which authorizes Franchisee's bank or other financial institution to accept debit originations, electronic debit entries, or other EFT, and electronically deposit fees and contributions owing Franchisor directly to Franchisor's bank account(s). Upon Franchisor's request, Franchisee shall deliver to Franchisor all additional information that Franchisor deems necessary (including, without limitation, financial institution of origin and relevant accounts and ABA/transit numbers for any new bank accounts that Franchisee opens after the date of this Addendum) in connection with such EFT.

C. By executing this Addendum, Franchisee authorizes Franchisor to withdraw funds at such days and times as Franchisor shall determine via EFT from Franchisee's bank account for all fees and other charges in connection with the Franchise Agreement and this Addendum, as described in the first sentence of this Paragraph. Franchisee authorizes ACH debits via EFT based on an amount equal to the total monthly amount(s) due Franchisor, as set forth in Section 5 of the Franchise Agreement.

D. Franchisee is responsible for paying all service charges and other fees imposed or otherwise resulting from action by Franchisee's bank in connection with EFT by Franchisor, including, without limitation, any and all service charges and other fees arising in connection with any EFT by Franchisor not being honored or processed by Franchisee's bank for any reason and a Fifty Dollar ($50) charge by Franchisor for processing the EFT. Upon written notice by Franchisor to Franchisee, Franchisee may be required to pay any amount(s) due under the Franchise Agreement and/or this Addendum directly to Franchisor by check or other non-electronic means in lieu of EFT at Franchisor's discretion. It shall be a non-curable event of default under Article 15 of the Franchise Agreement if Franchisee closes any bank account without completing all of the following forthwith after such closing: (1) immediately notifying

Franchisor thereof in writing, (2) immediately establishing another bank account, and (3) executing and delivering to Franchisor all documents necessary for Franchisor to begin and continue making withdrawals from such bank account by EFT as this Addendum permits.

E. Except as specifically set forth in this Addendum, the Franchise Agreement shall remain in full force and effect in accordance with its terms and conditions. This Addendum is attached to and upon execution becomes an integral part of the Franchise Agreement.

F. Wherefore, the parties have set forth their hand and seal on the day and date first above written.

FRANCHISOR

Roberto's Taco Shop, LLC

By: ________________________________

Print Name: ________________________

Title: _______________________________

FRANCHISEE:

By: ________________________________

Print Name: ________________________

Title: _______________________________

By: ________________________________

Print Name: ________________________

Title: _______________________________

EXHIBIT 3
TO THE ROBERTO'S TACO SHOP FRANCHISE AGREEMENT

ELECTRONIC DEBIT AUTHORIZATION

FRANCHISOR: Roberto's Taco Shop, LLC
FRANCHISOR ID NUMBER: ____________________________

The undersigned hereby authorizes Roberto's Taco Shop, LLC (the "Franchisor"), to initiate debit entries to the undersigned's checking account indicated below and the depository named below (the "Depository"), to debit the same to such account.

Depository Name: ____
Branch: ____
City State and Zip Code: ____
____
Transit/ABA No.: ____
Account Number: ____

This authority is to remain in full force and effect until the underlying obligations under the Franchise Agreement have been satisfied in full or released in writing by Franchisor.

This authorization further confirms my understanding of Exhibit 2 to the Franchise Agreement signed by me/us in which I/we expressly agree that this authorization shall apply to any and all Depositories and bank accounts with which I/we open accounts during the term of the Franchisee Agreement and any renewals. Without limiting the generality of the forgoing, I/we understand that if I/we close any bank account, I/we are obligated immediately to: (i) notify Franchisor thereof in writing, (ii) establish another bank account, and (iii) execute and deliver to Franchisor all documents necessary for Franchisor to begin and continue making withdrawals from such bank account/depository by ACH debiting or other electronic means. I/we specifically agree and declare that this Authorization shall be the only written authorization needed from me/us in order to initiate debit entries/ACH debit originations to my/our bank account(s) established with any Depository in the future.

DATE: ____

ID NUMBER: _______________________________________

PRINT NAME(S): SIGNATURE(S):

______________________________ ______________________________

______________________________ ______________________________

EXHIBIT 4
TO THE ROBERTO'S TACO SHOP FRANCHISE AGREEMENT

TELEPHONE LISTING AGREEMENT

This Telephone Listing Agreement (the "Agreement") is made on this ___day of _______________ 20__, by and between Roberto's Taco Shop, LLC ("Franchisor"), and ______________________, or his assignee, if a partnership, corporation or limited liability company is later formed ("Franchisee").

Recitals

WHEREAS, Franchisor is the franchisor of the Roberto's Taco Shop franchise system throughout the United States of America and is the owner of the service marks, trademarks, and trade names related to the operation of the franchised business (collectively, the "Marks"); and

WHEREAS, Franchisee has executed a Roberto's Taco Shop Franchise Agreement dated ___________________ ___, 20__ (the "Franchise Agreement"), under which Franchisee is granted a franchise (the "Franchise") involving certain rights to use the Marks in Franchisee's business telephone listings to promote its Roberto's Taco Shop.

NOW, THEREFORE, in consideration of the Recitals above and the terms below, Franchisor and Franchisee agree:

1. Franchisee is authorized to continue using the Marks until the Franchise Agreement is terminated or expires.

2. Franchisee is authorized to obtain telephone service for the Roberto's Taco Shop. That service is not to be used in conjunction with any other business.

3. Franchisee is authorized to obtain various yellow page, white page, information listings and yellow page advertising under the trade name "Roberto's Taco Shop" or any other Marks that Franchisor may authorize Franchisee to use in conjunction with Franchisee's Roberto's Taco Shop. No additional listings may be used with any telephone number(s) assigned to the Roberto's Taco Shop, without Franchisor's prior written consent.

4. Franchisee must pay all charges for telephone service, white page, yellow page, information listings and yellow page advertisements.

5. On termination or expiration of the Franchise Agreement, Franchisee acknowledges that its right to the use any of the Marks made available by Franchisor to Franchisee for use under the Franchise Agreement will immediately end, and that all telephone numbers appearing under the Marks will immediately become the property of Franchisor, and Franchisee irrevocably releases to Franchisor all rights to and use of all telephone numbers associated with the Marks then listed. Franchisee irrevocably authorizes the telephone company, on notification by Franchisor of termination or expiration of the Franchise, to transfer or assign all of those telephone numbers to Franchisor or to disconnect those telephone numbers and assign them to Franchisor or to transfer calls coming to those disconnected

numbers to any telephone numbers issued by the telephone company to Franchisor, without need for any further document(s) from Franchisee.

6. Franchisee irrevocably releases the telephone company, Franchisor and their respective successors, assigns, directors, officers, employees and agents, from liability of any kind that may result directly from Franchisor's exercise of its rights under this Agreement or from the telephone company's cooperation with Franchisor in effecting the terms of this Agreement.

7. The undersigned agree to the terms of this Agreement.

FRANCHISOR

Roberto's Taco Shop, LLC

By: ________________________________

Print Name: ________________________

Title: _______________________________

Date: ________________________________

FRANCHISEE:

By: ________________________________

Print Name: ________________________

Title: _______________________________

Date: ________________________________

By: ________________________________

Print Name: ________________________

Title: _______________________________

Date: ________________________________

EXHIBIT 5
TO THE ROBERTO'S TACO SHOP FRANCHISE AGREEMENT

GUARANTEE, INDEMNIFICATION AND ACKNOWLEDGEMENT

For value received, and in consideration for, and as an inducement to Roberto's Taco Shop, LLC ("Franchisor") to execute the Roberto's Taco Shop Franchise Agreement (the "Franchise Agreement"), of even date herewith, by and between Franchisor and _______________ or his assignee, if a partnership, corporation or limited liability company is later formed ("Franchisee"), _________________ ("Guarantor(s)"), jointly and severally, hereby unconditionally guarantee to Franchisor and its successors and assigns the full and timely performance by Franchisee of each obligation undertaken by Franchisee under the terms of the Franchise Agreement, including all of Franchisee's monetary obligations arising under or by virtue of the Franchise Agreement.

Upon demand by Franchisor, Guarantor(s) will immediately make each payment required of Franchisee under the Franchise Agreement. Guarantor(s) hereby waive any right to require Franchisor to: (a) proceed against Franchisee for any payment required under the Franchise Agreement; (b) proceed against or exhaust any security from Franchisee; or (c) pursue or exhaust any remedy, including any legal or equitable relief, against Franchisee. Without affecting the obligations of Guarantor(s) under this Guarantee, Indemnification and Acknowledgment, Franchisor may, without notice to Guarantor(s), extend, modify, or release any indebtedness or obligation of Franchisee, or settle, adjust or compromise any claims against Franchisee.

Guarantor(s) waive notice of amendment of the Franchise Agreement and notice of demand for payment by Franchisee, and agree to be bound by any and all such amendments and changes to the Franchise Agreement.

Guarantor(s) hereby agree to defend, indemnify and hold Franchisor harmless against any and all losses, damages, liabilities, costs, and expenses (including, without limitation, reasonable attorney's fees, reasonable costs of investigations, court costs, and arbitration fees and expenses) resulting from, consisting of, or arising out of or in connection with any failure by Franchisee to perform any obligation of Franchisee under the Franchise Agreement, any amendment, or any other agreement executed by Franchisee referred to therein.

Guarantor(s) hereby acknowledge and agree to be individually bound by all covenants contained in the Franchise Agreement and all terms and conditions of the Franchise Agreement requiring Franchisee not to disclose confidential information.

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

The validity of this Guarantee and the obligations of Guarantor(s) hereunder shall in no way be terminated, restricted, diminished, affected or impaired by reason of any action that Franchisor might take or be forced to take against Franchisee, or by reason of any waiver or failure to enforce any of the rights or remedies reserved to Franchisor in the Franchise Agreement or otherwise.

The use of the singular herein shall include the plural. Each term used in this Guarantee, unless otherwise defined herein, shall have the same meaning as when used in the Franchise Agreement.

This Guarantee is to be performed in Henderson, Nevada and shall be governed by and construed in accordance with the laws of the State of Nevada. Guarantor(s) specifically agree that the state and federal courts situated in Henderson, Nevada shall have exclusive jurisdiction over Guarantor(s) and this Guarantee, and further agree that any action relating to this Guarantee may be brought solely in either the Henderson, Nevada Superior court or the United States District Court for the Southern District of Nevada. In connection therewith, each of the undersigned hereby appoints the Secretary of State for the State of Nevada as his agent for service of process to receive summons issued by the court in connection with any such litigation. Notwithstanding the foregoing, Franchisor and Guarantor(s) agree that any dispute under this Guarantee shall be resolved by arbitration pursuant to Article 16 of the Franchise Agreement (except as otherwise provided in Article 16 of the Franchise Agreement).

IN WITNESS WHEREOF, each of the undersigned has signed this Guarantee as of the date of the Franchise Agreement.

SI TIENE PROBLEMA ENTENDIENDO ESTE DOCUMENTO, SE LE SUGIERE QUE ADQUIERA AYUDA LEGAL.

WITNESS:	**GUARANTOR**
____________________________	By: ______________________________
____________________________	Print Name: ______________________
	SS #: _____________________
	DOB: _____________________
	Driver's License No: _____________________

WITNESS:	**GUARANTOR**
____________________________	By: ______________________________
____________________________	Print Name: ______________________
	SS #: _____________________
	DOB: _____________________
	Driver's License No. _____________________

EXHIBIT B
TO THE FRANCHISE DISCLOSURE DOCUMENT

LIST OF STATE ADMINISTRATORS AND AGENTS FOR SERVICE OF PROCESS

LIST OF STATE ADMINISTRATORS AND AGENTS FOR SERVICE OF PROCESS

CALIFORNIA
Commissioner of Financial Protection and Innovation
2101 Arena Boulevard
Sacramento, CA 95834
Tel: (415) 972-8559
Fax: (415) 972-8590
Toll Free: (866) 275-2677
Website: https://dfpi.ca.gov
Email: Ask.DFPI@dfpi.ca.gov

CONNECTICUT
Department of Banking
Securities and Business Investments Division
260 Constitution Plaza
Hartford, Connecticut 06103-1800
Tel: (860) 240-8230

FLORIDA
Tom Kenny, Regulatory Consultant
Department of Agriculture & Consumer Services
Division of Consumer Services
P.O. Box 6700
Tallahassee, Florida 32314
Tel: (850) 488-2221
Fax: (850) 410-3804

HAWAII
(for service of process)
Commissioner of Securities of the State of Hawaii
Department of Commerce and Consumer Affairs
Business Registration Division
Securities Compliance Branch
335 Merchant Street, Room 203
Honolulu, Hawaii 96813

(state agency)
Department of Commerce &
Consumer Affairs
King Kalakaua Building
335 Merchant Street, Rm 203
Honolulu, Hawaii 96813
Tel: (808)586-2722
Fax: (808) 587-7559

ILLINOIS
Franchise Bureau
Illinois Attorney General
500 South Second Street
Springfield, Illinois 62706
(217) 782-4465

INDIANA
(for service of process)
Indiana Secretary of State
201 State House
Indianapolis, Indiana 46204

(state agency)
Securities Commissioner
Indiana Secretary of State
Securities Division, Franchise Section
302 West Washington Street,
Room E-111
Indianapolis, Indiana 46204
Tel: (317) 232-6681

IOWA
Dennis Britson
Director of Regulated Industries Unit
Iowa Securities Bureau
340 Maple
Des Moines, Iowa 50319-0066
Tel: (515) 281-4441
Fax: (515) 281-3059
email: iowasec@iid.state.ia.us

MARYLAND
(for service of process)
Maryland Securities Commissioner
Division of Securities
200 St. Paul Place
Baltimore, Maryland 21202-2020

(state agency)
Office of the Attorney General
Division of Securities
200 St. Paul Place
Baltimore, Maryland 21202-2020
Tel: (410) 576-6360

MICHIGAN
(for service of process)
Michigan Department of Consumer and Industry Services
Bureau of Commercial Services
Corporations Division
PO Box 30054
Lansing, Michigan 48909
Tel: (517) 241-6470

MICHIGAN
(state agency)
Department of the Attorney General
Consumer Protection Division
Antitrust and Franchise Section
670 Law Building
Lansing, MI 48913
Tel: (517) 373-7117

MINNESOTA
Minnesota Commissioner of Commerce
Department of Commerce
85 7th Place East, Suite 280
St. Paul, MN 55101-2198
Tel: (651) 539-1600

NEBRASKA
Gene Schenkelberg, Securities Analyst
Department of Banking & Finance
1200 N. Street, Suite 311
P.O. Box 95006
Lincoln, Nebraska 68509
Tel: (402) 417-3445

NEVADA
(Agent for Service of Process)
E-Resident Agent, Inc.
2235 E. Flamingo Rd, Suite 201 G
Las Vegas, Nevada 89119

NEW YORK
(Agent for Service of Process)
Secretary of State
99 Washington Avenue
Albany, NY 12231

NEW YORK
(Administrator)
NYS Department of Law
Investor Protection Bureau
28 Liberty St., 21St Floor
New York, NY 10005
Tel: (212) 416-8222

NORTH DAKOTA
(for service of process)
North Dakota Securities Commissioner
North Dakota Securities Department
600 East Boulevard, 5th Floor
Bismarck, North Dakota 58505-0510

(state agency)
North Dakota Securities Department
600 East Boulevard, 5th Floor
Bismarck, North Dakota 58505-0510
Tel: (701) 328-2910

OREGON
Director, Department of Consumer &
Business Services
Division of Finance & Corporate Securities
Labor and Industries Building
Salem, Oregon 97310
Tel: (503) 378-4140
Fax: (503) 947-7862
Email: dcbs.dfcsmail@state.or.us

RHODE ISLAND
Director
Securities Division
Department of Business Regulation,
Building 69, First Floor
John O. Pastore Center
1511 Pontiac Avenue,
Cranston, Rhode Island 02920
Tel: (401) 462 9582

SOUTH DAKOTA
Director, Department of Labor and Regulation
Division of Insurance
Securities Regulation
124 South Euclid, Suite 104
Pierre, South Dakota 57501
Tel: (605) 773-3563

TEXAS
Statutory Document Section
Secretary of State
1719 Brazos
Austin, Texas 78701
Attn: Dorothy Wilson
Tel: (512) 475-1769

UTAH
Director, Division of Consumer Protection
Utah Dept. of Commerce
160 East Three Hundred South
SM Box 146704
Salt Lake City, Utah 84114-6704
Tel: (801) 530-6601
Fax: (801) 530-6001

VIRGINIA
(for service of process)
Clerk of the State Corporation Commission
1300 East Main Street, 1st Floor
Richmond, Virginia 23219

(state agency)
Director
State Corporation Commission
Division of Securities and Retail Franchising
1300 East Main Street, 9th Floor
Richmond, Virginia 23219
Tel: (804) 371-9051

WASHINGTON
(for service of process)
Administrator
Department of Financial Institutions
Securities Division
150 Israel Road SW
Tumwater, Washington 98501

(state agency)
Administrator
Department of Financial Institutions
Securities Division
P.O. Box 41200
Olympia, Washington 98504-1200
Tel: (360) 902-8760
Fax: (360) 902-0524

WISCONSIN
Commissioner of Securities
Department of Financial Institutions
P.O. Box 1768
Madison, Wisconsin 53701-1768
Tel: (608) 266-2801

EXHIBIT C
TO THE FRANCHISE DISCLOSURE DOCUMENT

FINANCIAL STATEMENTS

UNAUDITED FINANCIAL STATEMENTS FOR THE PERIOD ENDED APRIL 30, 2024

THESE FINANCIAL STATEMENTS ARE PREPARED WITHOUT AN AUDIT. PROSPECTIVE FRANCHISEES OR SELLERS OF FRANCHISES SHOULD BE ADVISED THAT NO CERTIFIED PUBLIC ACCOUNTANT HAD AUDITED THESE FIGURES OR EXPRESSED HIS/HER OPINION WITH REGARD TO THE CONTENT OR FORM.

Roberto's Taco Shop, LLC
Balance Sheet
As of April 30, 2024

		Apr 30, 24
ASSETS		
Current Assets		
Checking/Savings		
Bank of America		1,996.20
Bank of George		71,501.82
Lexicon Bank		-164,337.50
Wells Fargo		5,398.65
Total Checking/Savings		-85,440.83
Accounts Receivable		
Accounts Receivable		184,460.99
Total Accounts Receivable		184,460.99
Other Current Assets		
Due from Federico Ortiz		35,000.00
Due from Jessica De La Rosa		124,831.32
Inventory Asset		13,345.20
prepaid expenses		234,401.18
Undeposited Funds		49,399.56
Total Other Current Assets		456,977.26
Total Current Assets		555,997.42
Fixed Assets		
754 TRADEMARK ADJ - DRR TRUST		921,677.00
Accumulated Depreciation		-10,992,953.64
Due from RTS		14,000.00
Equipment		
Roberto's # 03	60,470.29	
Roberto's # 04	6,988.20	
Roberto's # 05	102,904.84	
Roberto's # 10	126,905.61	
Roberto's # 12	115,287.77	
Roberto's # 15	226,864.43	
Roberto's # 17	80,284.66	
Roberto's # 18	30,201.57	
Roberto's # 21	17,185.96	
Roberto's # 25	1,500.00	
ROBERTO'S #OTHER	42,631.06	
Roberto's Arville	174,232.10	
Roberto's Black Mountain	159,630.71	
Roberto's Blue Diamond	2,330.06	
Roberto's Cactus	88,966.80	
Roberto's Carson	198,026.05	
Roberto's Commerce	127,639.30	
Roberto's Damonte	132,386.80	
Roberto's Diamond Plaza	222,003.88	
Roberto's E. Russell	71,146.00	

Roberto's Taco Shop, LLC
Balance Sheet
As of April 30, 2024

	Apr 30, 24
Roberto's East & Horizon	177,867.00
Roberto's Easter & Sunset	-0.05
Roberto's Eastern and Karen	139,709.00
Roberto's Ft. Apache	196,196.19
Roberto's Gibson	54,398.66
Roberto's Losee	69,237.15
Roberto's MLK	109,929.00
Roberto's Montecito	19,086.32
Roberto's N. Decatur	49,113.37
Roberto's N. Lamb	211,039.05
Roberto's N. Nellis (Paco)	11,702.20
Roberto's N. Rancho (Jose)	24,736.00
Roberto's N. Simmons	78,464.90
Roberto's Office	31,874.38
Roberto's Pahrump	227,565.55
Roberto's Paradise	155,744.98
Roberto's S. Boulder Hwy	198,243.59
Roberto's S. Ft. Apache	14,673.00
Roberto's S. Hualapai	144,467.03
Roberto's S. Jones & Robin	180,259.97
Roberto's S. Las Vegas Blvd	98,678.48
Roberto's S. Pecos	61,635.00
Roberto's S. Rainbow (Manual)	51,081.92
Roberto's S. Virginia	187,737.65
Roberto's Sam's Town	81,042.59
Roberto's Sparks	177,176.43
Roberto's UNLV	124,484.36
Roberto's W. Azure	148,793.65
Roberto's W. Charleston	98,064.12
Roberto's W. Charleston & Decat	123,139.25
Roberto's W. Cheyene	54,634.66
Roberto's W. Craig & MLK	86,796.96
Roberto's W. Horizon	94,611.76
Roberto's W. Springs & Durango	100,711.98
Roberto's W. Sunset	176,389.78
Roberto's Washington	44,392.28
Roberto's Windmill	220,436.72
Robertos Anthem	3,775.00
Total Equipment	6,015,475.97
Goodwll	
Robertos Montecito	169,683.00
Robertos S LV Blvd	32,000.00
Total Goodwll	201,683.00
LOAN COSTS	5,538.00
RTS Properties, LLC	4,083,007.79
Security Deposits	21,955.53
Tenant Improvements	

Roberto's Taco Shop, LLC
Balance Sheet
As of April 30, 2024

	Apr 30, 24
Roberto's # 03	19,235.00
Roberto's # 05	161,747.77
Roberto's # 10	272,028.45
Roberto's # 12	165,600.00
Roberto's # 15	479,764.71
Roberto's # 17	78,579.00
Roberto's Arville	80,137.09
Roberto's Black Mountain	150,788.37
Roberto's Cactus	170,810.00
Roberto's Carson	341,606.53
Roberto's Commerce	355,595.00
Roberto's Diamond Plaza	189,599.15
Roberto's E. Russell	15,000.00
Roberto's Eastern & Sunset	0.05
Roberto's Eastern and Karen	287,543.00
Roberto's Ft. Apache	179,890.00
Roberto's Gibson	6,900.00
Roberto's Losee	13,020.00
Roberto's MLK	194,556.00
Roberto's N. Decatur	21,800.00
Roberto's N. Lamb	446,853.48
Roberto's N. Simmons	36,965.00
Roberto's Office	41,171.99
Roberto's Pahrump	198,655.00
Roberto's Paradise	221,700.00
Roberto's S. Boulder Hwy	200,939.15
Roberto's S. Hualapai	38,401.80
Roberto's S. Jones	102,083.88
Roberto's S. Las Vegas Blvd	81,687.00
Roberto's S. Pecos	149,525.00
Roberto's S. Rainbow (Manuel)	2,440.48
Roberto's S. Virginia St	296,683.22
Roberto's Sam Town	44,650.00
Roberto's Sparks	214,275.32
Roberto's Steamboat Parkway	232,809.16
Roberto's UNLV	54,444.55
Roberto's W. Azure	214,066.38
Roberto's W. Charleston & Decat	20,975.00
Roberto's W. Cheyene	17,800.00
Roberto's W. Craig & MLK	70,225.00
Roberto's W. Horizon	336,256.24
Roberto's W. Sunset	209,138.53
Roberto's W. Warm Spring	21,378.00
Roberto's W/Charleston (Olivo	43,850.00
Roberto's Windmill	195,062.60
Total Tenant Improvements	6,676,236.90
Total Fixed Assets	6,946,620.55

Roberto's Taco Shop, LLC
Balance Sheet
As of April 30, 2024

	Apr 30, 24
Other Assets	
INVESTMENT IN RTS, LLC	712,000.00
Total Other Assets	712,000.00
TOTAL ASSETS	8,214,617.97

Roberto's Taco Shop, LLC
Balance Sheet
As of April 30, 2024

	Apr 30, 24
LIABILITIES & EQUITY	
Liabilities	
Current Liabilities	
Other Current Liabilities	
Loans Payable	
Distributions	1,047,000.00
DRR Restaurant Group	200,000.00
G-Bank Equip- Loan Jessica De L	124,831.32
G-Bank Equip- Loan Rob- Dia	151,789.13
G-Bank Equip- Loan Rob-N.Lamb	170,032.61
Lexicon Equip- Loan Rob-10	32,815.85
Total Loans Payable	1,726,468.91
Total Other Current Liabilities	1,726,468.91
Total Current Liabilities	1,726,468.91
Total Liabilities	1,726,468.91
Equity	
Members Draw	
Dolores R. Robledo Family Trust	-5,955,638.59
Dolores Robledo	-3,768,927.11
Roberto Robledo Pinal Family Tr	-9,036,146.92
Total Members Draw	-18,760,712.62
Members Equity	23,914,025.69
Opening Balance Equity	989,403.09
Net Income	345,432.90
Total Equity	6,488,149.06
TOTAL LIABILITIES & EQUITY	8,214,617.97

Roberto's Taco Shop, LLC
Profit & Loss
January through April 2024

	Jan - Apr 24	
Ordinary Income/Expense		
Income		
Income		
60th Anniversary	57,000.00	
Advantage IT Service	23,300.00	
Advertising	44,200.00	
Bottling Group LLC	75,000.00	
Fiesta Products, Inc.	19,137.64	
Lease Rent	1,400,766.25	
Misc-	50.00	
Other	11,672.70	
Royalties	2,029,743.38	
Total Income		3,660,869.97
Interest		
Bank of America 6324	5,324.97	
Total Interest		5,324.97
Total Income		3,666,194.94
Cost of Goods Sold		
Cost of Goods Sold		11,398.31
Total COGS		11,398.31
Gross Profit		3,654,796.63
Expense		
60th Anniversary		
Meal	1,325.13	
60th Anniversary - Other	334,361.91	
Total 60th Anniversary		335,687.04
Advertising and Promotion		
60th Anniversary	50,794.96	
Commission	27,933.75	
Media Placement	259,756.86	
Print	5,462.66	
Production	1,950.00	
TV Menu Boards	-5,006.47	
Total Advertising and Promotion		340,891.76
Automobile Expense		427.53
Bad Debt		0.00
Bank Service Charges		64.60
Computer and Internet Expenses		23,624.99
Distributions		313,701.00

Roberto's Taco Shop, LLC
Profit & Loss
January through April 2024

		Jan - Apr 24
Insurance Expense		
Automobile	12,277.00	
General Liability Insurance	3,256.80	
Workman Comp	834.00	
Total Insurance Expense		16,367.80
Interest Expense		
Interest B/G Blue Dia-	5,512.41	
Interest B/G N.Lamb	2,760.86	
Interest B/G San Diego	0.00	
Interest Lexicon Bank Equipment	2,070.33	
Lexicon Line of Credit	5,249.99	
Total Interest Expense		15,593.59
Loans		
Bank Fees	400.00	
Total Loans		400.00
Meals and Entertainment		25,113.41
Meals Office		2,102.86
Miscellaneous Expense		10,312.80
Office Cleaning		2,560.00
Office Supplies		2,306.59
Payroll Expenses		
401 K Employee Loan Payback	180.72	
401K Employee Contribution	10,218.45	
401K Employer Match	7,302.41	
Employee Whitholdings	19,522.51	
Employer Liabilities	12,494.18	
Health Insurance	9,729.44	
Net Payroll	81,175.21	
Roth 401K Employee Con- Maria	712.76	
Roth 401K Employee Con- Rey	9,218.00	
Total Payroll Expenses		150,553.68
Postage and Delivery		1,379.34
Professional Fees		
Accounting	37,096.65	
Attorney's Fees	21,619.51	
Consulting Fees	117,635.75	
Real Estate Consulant	11,144.00	
Reynaldo Robledo	27,000.00	
Total Professional Fees		214,495.91

Roberto's Taco Shop, LLC
Profit & Loss
January through April 2024

	Jan - Apr 24
Rent Expense	
Association Dues	1,675.78
Hotel rental	419.84
Lease Rents	1,811,167.46
Total Rent Expense	1,813,263.08
Repairs and Maintenance	
Electrical Repair	1,340.33
Maintenance	800.00
Total Repairs and Maintenance	2,140.33
Supply	
Restaurant	5,612.79
Total Supply	5,612.79
Taxes	
Property	-26,339.63
Total Taxes	-26,339.63
Telephone Expense	
Internet	459.86
Telephone Expense - Other	6,670.57
Total Telephone Expense	7,130.43
Travel Expense	
Airlines	7,567.11
Car Rental & Parking	1,764.45
Gas	2,846.42
Total Travel Expense	12,177.98
Utilities	
Gas & Electric	2,996.37
Sewer Fees	-558.51
Trash Disposal	235.40
Water	493.27
Total Utilities	3,166.53
Total Expense	3,272,734.41
Net Ordinary Income	382,062.22

Roberto's Taco Shop, LLC
Profit & Loss
January through April 2024

	Jan - Apr 24
Other Income/Expense	
Other Expense	
Charitable Contributions	32,250.00
Political Contributions	4,379.32
Total Other Expense	36,629.32
Net Other Income	-36,629.32
Net Income	345,432.90

RTS Properties, LLC
Balance Sheet
As of April 30, 2024

		Apr 30, 24
ASSETS		
Current Assets		
Checking/Savings		
Lexicon Bank		112,367.95
Virtus		
Virtus suspense account	1,026.48	
Virtus - Other	10,223.45	
Total Virtus		11,249.93
Wells Fargo Bank		7,499.78
Total Checking/Savings		131,117.66
Total Current Assets		131,117.66
Fixed Assets		
10430 Bermuda Rd, Las Vegas, NV		1,100,704.00
1541 S. Hwy 372 Pahrump NV 8904		850,000.00
2744 El Cajon Blvd San Diego, C		1,560,942.00
4455 S. Virginia St, Reno, NV		1,309,340.89
675-683 N. McCarran Blvd		4,293,907.57
7790 S. Jones Blvd Las Vegas, N		893,388.60
801 N. Virginia St. Reno, NV		851,868.82
Accumulated Depreciation		-890,723.00
Equipment		
4455 S. Virginia St (Reno 2)	7,358.85	
801 N. Virginia St (Reno 1)	57,546.95	
Total Equipment		64,905.80
Goodwill		
S. Jones	78,361.00	
Total Goodwill		78,361.00
Loan costs		30,335.46
Roberto's #15		
Building	205,875.00	
Land	68,625.00	
Total Roberto's #15		274,500.00
Tenants Improvment		
4455 S. Virginia St.	239,064.37	
801 N. Virginia St	28,620.00	
Total Tenants Improvment		267,684.37
Vacant land - Eastern		39,619.79
Total Fixed Assets		10,724,835.30
TOTAL ASSETS		**10,855,952.96**

RTS Properties, LLC
Balance Sheet
As of April 30, 2024

	Apr 30, 24
LIABILITIES & EQUITY	
Liabilities	
Current Liabilities	
Other Current Liabilities	
Due to Roberto's	14,000.00
Security deposit	5,700.00
Total Other Current Liabilities	19,700.00
Total Current Liabilities	19,700.00
Long Term Liabilities	
Lexicon 1541 S Highway 372	326,104.84
Lexicon 2744 El Cajon Blvd San	518,232.67
Lexicon 4455 S. Virginia	1,196,459.08
Lexicon 675 N. McCarran Blvd	2,393,202.09
Total Long Term Liabilities	4,433,998.68
Total Liabilities	4,453,698.68
Equity	
Capital Investment	4,795,007.79
Opening Balance Equity	74,923.20
Retained Earnings	1,399,173.70
Net Income	133,149.59
Total Equity	6,402,254.28
TOTAL LIABILITIES & EQUITY	**10,855,952.96**

RTS Properties, LLC
Profit & Loss
January through April 2024

		Jan - Apr 24
Ordinary Income/Expense		
Income		
Income		
Lease Rent	165,269.64	
Reno Property RTS	49,000.00	
Total Income		214,269.64
Total Income		214,269.64
Gross Profit		214,269.64
Expense		
Insurance Expense		
Commercial Policy	0.00	
Total Insurance Expense		0.00
Interest Expense		
Interest 1541 S Highway 372	11,826.94	
Interest 4455 S. Viraginia	22,584.82	
Interest 675 N McCarran Blvd	46,108.29	
Total Interest Expense		80,520.05
Repairs and Maintenance		600.00
Taxes		
Property Taxes	0.00	
Total Taxes		0.00
Total Expense		81,120.05
Net Ordinary Income		133,149.59
Net Income		**133,149.59**

ROBERTO'S TACO SHOP, LLC
AND SUBSIDIARY

FINANCIAL STATEMENTS

DECEMBER 31, 2023, 2022 AND 2021

VELEZ HARDY
CPAs and Advisors

ROBERTO'S TACO SHOP, LLC AND SUBSIDIARY
FINANCIAL STATEMENTS
DECEMBER 31, 2023, 2022 AND 2021

Table of Contents

Independent Auditor's Report

To the Members
Roberto's Taco Shop, LLC and subsidiary

Opinion
We have audited the accompanying consolidated financial statements of Roberto's Taco Shop, LLC and subsidiary, which comprise the consolidated balance sheets as of December 31, 2023, 2022, and 2021, and the related consolidated statements of income and members' equity, and cash flows for the years then ended, and the related notes to the consolidated financial statements.

In our opinion, the consolidated financial statements referred to above present fairly, in all material respects, the financial position of Roberto's Taco Shop, LLC and subsidiary as of December 31, 2023, 2022, and 2021, and the results of their operations and their cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

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

Responsibilities of Management for the Financial Statements
Management is responsible for the preparation and fair presentation of the consolidated financial statements in accordance with accounting principles generally accepted in the United States of America, and for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of 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 Roberto's Taco Shop, LLC and subsidiary's ability to continue as a going concern within one year after the date that the consolidated financial statements are available to be issued.

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

In performing an audit in accordance with generally accepted auditing standards, 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 Roberto’s Taco Shop, LLC and subsidiary’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 Roberto’s Taco Shop, LLC and subsidiary’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.

Velez & Hardy

April 24, 2024
Las Vegas, NV

ROBERTO'S TACO SHOP, LLC AND SUBSIDIARY
CONSOLIDATED BALANCE SHEETS
DECEMBER 31, 2023, 2022 AND 2021

	2023	2022	2021
ASSETS			
Current Assets:			
Cash	$ 534,350	$ 728,555	$ 471,827
Accounts receivable, net	123,600	17,042	9,200
Inventory	18,754	20,661	12,051
Prepaid expenses	234,401	-	-
Due from related parties	252,361	85,000	-
Total current assets	1,163,466	851,258	493,078
Property and Equipment, net	14,707,824	10,001,879	8,726,645
Other Assets:			
Intangible lease assets, net	13,947,626	15,576,746	-
Goodwill, net	162,722	201,365	252,008
Deposits	27,494	21,956	21,956
Total other assets	14,137,842	15,800,067	273,964
Total Assets	$ 30,009,132	$ 26,653,204	$ 9,493,687
LIABILITIES AND MEMBERS' EQUITY			
Current Liabilities:			
Accounts payable	$ 24,725	$ 17,287	$ 17,287
Long-term debt, current	326,011	37,140	208,182
Lease obligations, current	2,769,553	2,785,672	-
Due to related party	200,000	-	-
Total current liabilities	3,320,289	2,840,099	225,469
Other Liabilities:			
Long-term debt, net of current	4,835,481	1,600,562	691,414
Lease obligations, net of current	11,597,322	13,039,840	-
Deposits	5,700	5,700	5,700
Total other liabilities	16,438,503	14,646,102	697,114
Total Liabilities	19,758,792	17,486,201	922,583
Members' Equity	10,250,340	9,167,003	8,571,104
Total Liabilities and Members' Equity	$ 30,009,132	$ 26,653,204	$ 9,493,687

See accompanying notes to the consolidated financial statements.

ROBERTO'S TACO SHOP, LLC AND SUBSIDIARY
CONSOLIDATED STATEMENTS OF INCOME AND MEMBERS' EQUITY
FOR THE YEARS ENDED DECEMBER 31, 2023, 2022 AND 2021

	2023	2022	2021
Revenue	$ 10,335,324	$ 9,766,938	$ 8,838,832
Operating Expenses:			
Advertising	582,808	342,945	281,542
Amortization	38,643	50,643	50,643
Auto	21,804	12,816	16,234
Bad debt	-	77,772	5,696
Depreciation	878,065	912,237	854,685
Insurance	88,019	99,803	104,905
Office expense and miscellaneous	336,187	211,110	200,548
Professional fees	356,841	391,100	440,660
Rent	3,823,049	3,864,488	3,467,220
Repairs and maintenance	101,236	43,557	33,273
Salaries, wages and related	459,198	350,050	256,233
Taxes and licenses	8,732	2,222	8,652
Travel, meals and entertainment	56,548	52,325	24,785
Utilities	4,272	8,062	6,759
Total operating expenses	6,755,402	6,419,130	5,751,835
Income from Operations	3,579,922	3,347,808	3,086,997
Other Income (Expense):			
Interest income	-	-	880
Interest expense	(88,441)	(86,468)	(102,933)
Loss on disposal of property	(2,546)	-	(7,040)
Total other income (expense)	(90,987)	(86,468)	(109,093)
Net Income	3,488,935	3,261,340	2,977,904
Members' Equity, Beginning of Year	9,167,003	8,571,104	7,341,800
Member Distributions	(2,405,598)	(2,665,441)	(1,748,600)
Members' Equity, End of Year	$ 10,250,340	$ 9,167,003	$ 8,571,104

See accompanying notes to the consolidated financial statements.

ROBERTO'S TACO SHOP, LLC AND SUBSIDIARY
CONSOLIDATED STATEMENTS OF CASH FLOWS
FOR THE YEARS ENDED DECEMBER 31, 2023, 2022 AND 2021

	2023	2022	2021
Cash Flows From Operating Activities:			
Net income	$ 3,488,935	$ 3,261,340	$ 2,977,904
Adjustments to reconcile net income to net cash provided by operating activities:			
Amortization	38,643	50,643	50,643
Amortization of intangible lease assets	2,968,793	2,946,588	-
Bad debt	-	77,772	5,696
Depreciation	878,065	912,237	854,685
Loss on disposition of property	2,546	-	7,040
Changes in operating assets and liabilities:			
(Increase) decrease in:			
Accounts receivable	(106,558)	(85,614)	4,249
Other receivables	-	-	106,800
Inventory	1,907	(8,610)	(2,674)
Prepaid expenses	(234,401)	-	-
Due from related parties	(167,361)	(85,000)	-
Deposits	(5,538)	-	-
Increase (decrease) in:			
Accounts payable	7,438	-	8,849
Lease obligations	(2,798,310)	(2,697,820)	-
Due to related party	200,000	-	-
Net cash provided by operating activities	4,274,159	4,371,536	4,013,192
Cash Flows From Investing Activities:			
Purchase of property and equipment	(1,514,334)	(1,024,972)	(713,261)
Net cash used in investing activities	(1,514,334)	(1,024,972)	(713,261)
Cash Flows From Financing Activities:			
Principal payments on related party debt	-	-	10,872
Principal payments on debt	(548,432)	(424,395)	(1,463,191)
Member distributions	(2,405,598)	(2,665,441)	(1,748,600)
Net cash used in financing activities	(2,954,030)	(3,089,836)	(3,200,919)
Net Change in Cash	(194,205)	256,728	99,012
Cash, Beginning of Year	728,555	471,827	372,815
Cash, End of Year	$ 534,350	$ 728,555	$ 471,827
Supplemental disclosure of cash flow information:			
Cash paid for interest	$ 88,441	$ 86,468	$ 102,933
Supplemental disclosure of non-cash investing and financing activities:			
Acquisition of property and equipment through increase in debt	$ 4,072,223	$ 1,162,500	$ 637,500

See accompanying notes to the consolidated financial statements.

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

This summary of significant accounting policies of the Roberto's Taco Shop, LLC and subsidiary (the Company) is presented to assist in understanding the Company's consolidated financial statements. The consolidated financial statements and notes are representations of the Company's members and management who are responsible for the integrity and objectivity of the consolidated financial statements. These accounting policies conform to accounting principles generally accepted in the United States of America and have been consistently applied in the preparation of the consolidated financial statements.

Nature of the Entity

The consolidated accounts of the Company include the accounts of Roberto's Taco Shop, LLC and its wholly-owned subsidiary RTS Properties, LLC. All significant inter-company accounts have been eliminated in consolidation.

Roberto's Taco Shop, LLC was formed under the laws of the State of Nevada in November 2008 for the purpose of selling franchises that serve fresh, authentic, simple Mexican food at modest prices and portions at locations throughout the United States under the mark "Roberto's Taco Shop".

RTS Properties, LLC was formed under the laws of the State of Nevada in November 2014 for the purpose of holding and leasing real estate.

Basis of Presentation

The accompanying consolidated financial statements are prepared on the accrual basis of accounting, which recognizes income when earned and expenses when incurred.

Use of Estimates in Preparation of Consolidated Financial Statements

The preparation of consolidated financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the consolidated financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

Cash and Cash Equivalents

For the purpose of the statement of cash flows, the Company considers all highly liquid investments available for current use with original maturity of three months or less to be cash equivalents.

The Company maintains its cash in bank deposit accounts which, at times, may exceed federally insured limits. The Company has not experienced any losses in such accounts. Management believes the Company is not exposed to any significant credit risk on cash and cash equivalents.

Accounts Receivable

The Company's receivables are primarily generated from ongoing business relationships with franchisees as a result of franchise agreements.

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Accounts Receivable (Continued)

Accounts receivable are stated at the amount the Company expects to collect from outstanding balances. Management provides for probable uncollectible amounts through a charge to earnings and a credit to a valuation allowance based on its assessment of the current status of individual accounts. Balances that are still outstanding after management has used reasonable collection efforts are written off through a charge to the valuation allowance and a credit to account receivable.

As of December 31, accounts receivable consisted of the following balances:

	2023	2022	2021	2020
Accounts receivable	$ 123,600	$ 17,042	$ 9,200	$ 19,145
Allowance for doubtful accounts	-	-	-	-
Account receivable, net	$ 123,600	$ 17,042	$ 9,200	$ 19,145

Inventory

Inventory consists of promotional items and is stated at the lower of cost (first-in, first-out) or market.

Property and Equipment

The Company capitalizes significant expenditures for property and equipment at cost. Depreciation is calculated using the straight-line method over the estimated useful lives of the related assets. Expenditures for routine maintenance and repairs on property and equipment are charged to expense.

Revenue Recognition

The Company recognizes revenue according to Topic 606.

The Company executes franchise agreements for each franchise which set out the terms of the agreement with the franchisee. Franchise agreements typically require the franchisee to pay an initial, non-refundable fee and continuing fees. Subject to the Company's approval and payment of a renewal fee, a franchisee may generally renew the franchise agreement upon its expiration.

Initial franchise fees were recognized as revenue upon incurring grand opening costs and the completion of initial training. The timing and amount of revenue recognized related to initial franchise fees was not impacted by the adoption of Topic 606.

Continuing fees were recognized monthly, as they were earned. The timing and amount of revenue recognized related to continuing fees was not impacted by the adoption of Topic 606.

Advertising

The Company expenses all advertising costs as incurred. Advertising expense for the years ended December 31, 2023, 2022 and 2021 were $582,808, $342,945 and $281,542, respectively.

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Income Taxes

As a limited liability company, the Company's taxable income or loss is allocated to its members. Therefore, no provision or liability for federal income tax has been included in the accompanying consolidated financial statements.

As defined by Financial Accounting Standards Board Accounting Standards Codification ("ASC") Topic 740, Income Taxes, no provision or liability for materially uncertain tax positions was deemed necessary by management. Therefore, no provision or liability for uncertain tax positions has been included in these consolidated financial statements.

As of December 31, 2023, the tax years that remain subject to potential examination by taxing authorities begin with 2020.

NOTE 2 – RELATED PARTIES

From time to time, the Company engages in loan transactions with related parties. The loans bear no interest and are due on demand. As of December 31, 2023, 2022 and 2021, amounts due from related parties were $252,361, $85,000, and $0, respectively.

During the year ended December 31, 2023, the Company received a $200,000 loan from a member of the Company. The loan bears no interest and is due on demand. As of December 31, 2023, amounts due on this loan were $200,000.

During the years ended December 31, 2023, 2022 and 2021, the Company paid consulting fees to related parties totaling $153,000, $177,000 and $177,000, respectively. These consulting fees are included under the caption "professional fees" on the accompanying consolidated statements of income and members' equity.

NOTE 3 – PROPERTY AND EQUIPMENT

As of December 31, property and equipment consisted of the following:

	2023	2022	2021
Building and land	$ 11,170,540	$ 6,876,632	$ 5,315,690
Furniture and equipment	4,501,898	4,157,729	3,830,966
Improvements	6,340,085	5,509,096	5,209,331
	22,012,523	16,543,457	14,355,987
Less: accumulated depreciation	(7,304,699)	(6,541,578)	(5,629,342)
	$ 14,707,824	$ 10,001,879	$ 8,726,645

Depreciation expense for the years ended December 31, 2023, 2022 and 2021 was $878,065, $912,237, and $854,685, respectively.

NOTE 4 – GOODWILL

Goodwill is attributable to the acquisition of store locations.

As of December 31, the gross carrying amount of goodwill, accumulated amortization, and accumulated impairment loss consisted of the following:

	2023	2022	2021
Goodwill	$ 546,440	$ 546,440	$ 546,440
Less: accumulated amortization	(383,718)	(345,075)	(294,432)
Less: impairment loss	-	-	-
	$ 162,722	$ 201,365	$ 252,008

Amortization expense for the years ended December 31, 2023, 2022 and 2021 was $38,643, $50,643, and $50,643. The Company amortizes goodwill on the straight-line method over ten years unless a shorter useful life is more appropriate.

NOTE 5 - REVENUES

As of December 31, revenue sources were as follows:

	2023	2022	2021
Initial franchise fees	$ 50,000	$ 25,000	$ 25,000
Royalties	5,723,185	5,474,068	4,828,183
Sublease income	4,074,325	3,917,694	3,663,588
Other income	487,814	350,176	322,061
	$ 10,335,324	$ 9,766,938	$ 8,838,832

As of December 31, the timing and recognition of revenue was as follows:

	2023	2022	2021
Services transferred at a point in time	$ 10,285,324	$ 9,741,938	$ 8,813,832
Services transferred over time	50,000	25,000	25,000
	$ 10,335,324	$ 9,766,938	$ 8,838,832

Various economic factors such as supply and demand, laws and policies and labor affect revenues and cash flows. The Company's revenue is derived from sources within the United States.

NOTE 6 – LEASING ARRANGEMENTS

In January 2022, the Company adopted ASU 2016-02, Leases (Topic 842) and subsequent amendments to that guidance, which sets out the principles for the recognition, measurement, and disclosure of leases. The ASU was adopted using the "effective date method" under the modified retrospective approach with the comparatives under ASC 840 option.

The Company leases multiple facilities under noncancelable agreements ranging from $1,800 to $13,640 per month and expiring at various times throughout November 2041.

The maturities of lease liabilities as of December 31, 2023, were as follows:

2024	$ 3,068,162
2025	2,674,586
2026	2,328,626
2027	1,965,087
2028	1,440,712
Thereafter	4,624,792
Total lease payments	16,101,965
Less: Interest	(1,464,052)
	$ 14,637,913

Total rent expense for the years ended December 31, 2023, 2022 and 2021 was $3,823,049, $3,864,488 and $3,467,220.

NOTE 7 – LESSOR ACTIVITIES

The Company subleases most of the operating leases referred to in Note 6 to the owners of each individual franchisee location. The sublease agreements have the same terms as the original operating lease agreement. Revenue received from these leases is included in revenue on the accompanying consolidated statements of income and members' equity. Total sublease revenue for the years ended December 31, 2023, 2022 and 2021 was $4,074,325, $3,917,694 and $3,663,588, respectively.

NOTE 8 – RETIREMENT PLAN

On February 7, 2022, the Company began sponsoring a defined contribution safe-harbor 401(k) retirement plan. All employees are eligible after 90 days of employment. The Company matches up to 6% of participants' deferred compensation. During the years ended December 31, 2023 and 2022, the Company's matching contributions totaled $20,550 and $13,257, respectively. This amount is included on the accompanying consolidated statements of income and members' equity under the caption "Salaries, wages and related".

NOTE 9 - LONG-TERM DEBT

As of December 31, long-term debt consisted of the following:

	2023	2022	2021
Note payable to a financial institution, due in monthly installments of $3,497 with an interest rate of 4.56% and a maturity date July 2026, at which time a balloon payment of the remaining balance is due, secured by business assets.	$ 333,004	$ 485,407	$ 631,359
Note payable to a financial institution, due in monthly installments of $6,788 with an interest rate of 9.50% and a maturity date of December 2025.	147,619	-	-
Note payable to a financial institution, due in monthly installments of $9,091 with an interest rate of 9.50% and a maturity date of October 2025.	182,641	-	-
Note payable to a financial institution, due in monthly installments of $11,184 with an interest rate of 10.25% and a maturity date of July 2024.	75,481	-	-
Note payable to a financial institution, due in monthly installments of $8,709 with an interest rate of 7.14% and a maturity date of December 2028.	1,200,000	-	-
Note payable to a financial institution, due in monthly installments of $17,635 with an interest rate of 7.29% and a maturity date of January 2034.	2,400,000	-	-
Note payable to a financial institution, due in monthly installments of $5,968 with an interest rate of 5.25% and a maturity date of July 2024, at which time a balloon payment of the remaining balance is due, secured by business assets.	-	-	116,882
Note payable to a financial institution, due in monthly installments of$7,374 with an interest rate of 6.75% and a maturity date of July 2027, secured by business assets.	822,748	1,152,296	-

NOTE 9 - LONG-TERM DEBT (Continued)

Note payable to a financial institution, due in monthly installments of $7,843 with an interest rate of 5.50% and a maturity date of November 2022, secured by business assets.	-	-	83,869
Note payable to a financial institution, due in monthly installments of $5,796 with an interest rate of 5.50% and a maturity date of December 2022, secured by business assets.	-	-	67,487
Total long-term debt	5,161,493	1,637,703	899,597
Less: current maturities	(326,011)	(37,140)	(208,182)
	$ 4,835,481	$ 1,600,563	$ 691,415

As of December 31, long-term debt matures as follows:

2024	$ 326,011
2025	262,906
2026	387,873
2027	815,776
2028	70,644
Thereafter	3,298,283
	$ 5,161,493

NOTE 10 – SUBSEQUENT EVENTS

The Company entered into two non-cancelable operating lease agreements for two store locations. These leases begin in April and July 2024 and expire in March and June 2029, respectively. The minimum monthly payments required range from $2,231 to $2,885. These future lease obligations have been included in the table provided in Note 6.

Management of the Company has evaluated subsequent events through April 24, 2024, the date on which the consolidated financial statements were available to be issued. No additional events were identified that would require additional disclosure.

EXHIBIT D
TO THE FRANCHISE DISCLOSURE DOCUMENT

STATEMENT OF PROSPECTIVE FRANCHISEE

NOT FOR USE WITH FRANCHISEES OR FRANCHISES SUBJECT TO STATE FRANCHISE REGISTRATION/ DISCLOSURE LAWS IN CALIFORNIA, HAWAII, ILLINOIS, INDIANA, MARYLAND, MICHIGAN, MINNESOTA, NEW YORK, NORTH DAKOTA, RHODE ISLAND, SOUTH DAKOTA, VIRGINIA, WASHINGTON, AND WISCONSIN. DO NOT COMPLETE AND SIGN THIS QUESTIONNAIRE IF YOU ARE LOCATED, OR YOUR FRANCHISED BUSINESS WILL BE LOCATED IN ONE OF THE ABOVE-MENTIONED STATES.

ROBERTO'S TACO SHOP
STATEMENT OF PROSPECTIVE FRANCHISEE

[Note: Dates and Answers Must Be Completed in the Prospective Franchisee's Own Handwriting.]

Since the Prospective Franchisee (also called "me," "our," "us," "we" and/or "I" in this document) and Roberto's Taco Shop, LLC (also called the "Franchisor", "Roberto's Taco Shop," "you" or "your") both have an interest in making sure that no misunderstandings exist between them, and to verify that no violations of law might have occurred, and understanding that the Franchisor is relying on the statements I/we make in this document, I/we assure the Franchisor as follows:

A. <u>The following dates and information are true and correct</u>:

1. ______________, 20___ The date on which I/we received a Franchise Disclosure Document about a Roberto's Taco Shop Franchise.

   Initials ______________

2. ______________, 20___ The date when I/we received a fully completed copy (other than signatures) of the Franchise Agreement and all other documents I/we later signed.

   Initials ______________

3. ______________, 20___ The earliest date on which I/we signed the Franchise Agreement or <u>any</u> other binding document (not including any Letter or other Acknowledgment of Receipt.)

   Initials ______________

4. ______________, 20___ The earliest date on which I/we delivered cash, check or other consideration to the Franchisor, or any other person or company.

   Initials ______________

B. <u>Representations and Other Matters</u>:

1. No oral, written, visual or other promises, agreements, commitments, representations, understandings, "side deals," options, rights-of-first-refusal or otherwise of any type (collectively, the "representations"), including, <u>but not limited to</u>, any which expanded upon or were inconsistent with the Disclosure Document, the Franchise Agreement, or any other written documents, have been made to or with me/us with respect to <u>any</u> matter (including, <u>but not limited to</u>, advertising, marketing, site location and/or development, operational, marketing or administrative assistance, exclusive rights or exclusive or protected territory or otherwise) nor have I/we relied in any way on any such representations, except as expressly set forth in the Franchise Agreement, or a written Addendum thereto signed by the Prospective Franchisee and the Franchisor, except as follows:

____.

(If none, the Prospective Franchisee should write NONE in his/her/their own handwriting.)

Prospective Franchisee's Initials: ____

2. No oral, written, visual or other claim, guarantee or representation (including, but not limited to, charts, tables, spreadsheets or mathematical calculations to demonstrate actual or possible results based on a combination of variables, such as multiples of price and quantity to reflect gross sales, or otherwise), which stated or suggested any specific level or range of actual or potential sales, costs, income, expenses, profits, cash flow, tax effects or otherwise (or from which such items might be ascertained), from franchised or non-franchised units, was made to me/us by Franchisor, its affiliates or agents/representatives, nor have I/we relied in any way on any such, except for information (if any) expressly set forth in Item 19 of the Franchisor's Disclosure Document (or an exhibit referred to therein), except as follows:

____

Prospective Franchisee's Initials: ___________________________________

3. No contingency, prerequisite, reservation or otherwise exists with respect to any matter (including, but not limited to, the Prospective Franchisee obtaining any financing, the Prospective Franchisee's selection, purchase, lease or otherwise of a location, any operational matters or otherwise) or the Prospective Franchisee fully performing any of the Prospective Franchisee's obligations, nor is the Prospective Franchisee relying on the Franchisor or any other entity to provide or arrange financing of any type, nor have I/we relied in any way on such, except as expressly set forth in the Franchise Agreement or a written Addendum thereto signed by the Prospective Franchisee and the Franchisor, except as follows: ____.

(If none, the Prospective Franchisee should write NONE in his/her/their own handwriting.)

Prospective Franchisee's Initials: ___________________________________

4. The individuals signing for the "Prospective Franchisee" constitute all of the executive officers, partners, shareholders, investors and/or principals of the Prospective Franchisee and each of such individuals has received the Uniform Franchise Disclosure Document and all exhibits and carefully read, discussed, understands and agrees to the Franchise Agreement, Area Development Agreement, each written Addendum and any Personal Guarantees.

Prospective Franchisee's Initials: ___________________________________

5. I/we have had an opportunity to consult with an independent professional advisor, such as an attorney or accountant, prior to signing any binding documents or paying any sums, and the Franchisor has strongly recommended that I/we obtain such independent professional advice. I/we have also been strongly advised by the Franchisor to discuss my/our proposed purchase of, or investment in, a Roberto’s Taco Shop Franchise with existing Franchisees prior to signing any binding documents or paying any sums and I/we have been supplied with a list of existing Roberto’s Taco Shop Franchisees.

Prospective Franchisee's Initials: ___________________________________

6. I confirm that, as advised, I’ve spoken with past and/or existing Roberto’s Taco Shop Franchisees, and that I made the decision as to which, and how many, Roberto’s Taco Shop Franchisees to speak with.

Prospective Franchisee's Initials: ___________________________________

7. I/we understand that: entry into any business venture necessarily involves some unavoidable risk

of loss or failure.

Prospective Franchisee's Initials: ______________________________________

8. I/we understand and agree that the Franchisor does not furnish or endorse, or authorize its salespersons or others to furnish or endorse, any oral, written or other information concerning actual or potential sales, costs, income, expenses, profits, cash flow, tax effects or otherwise (or from which such items might be ascertained), from franchised or non-franchised units, that such information (if any) not expressly set forth in Item 19 of the Franchisor's Disclosure Document (or an exhibit referred to therein) and I/we agree to report any such unauthorized disclosure to the Franchisor.

Prospective Franchisee's Initials: __________________________________

If there are any matters inconsistent with the statements in this document, or if anyone has suggested that I sign this document without all of its statements being true, correct and complete, I/we will (a) **immediately** inform the Franchisor's attorney (858-793-1094) and an officer of the Franchisor and (b) make a written statement regarding such next to my signature below so that the Franchisor may address and resolve any such issue(s) at this time and before either party goes forward.

I/we understand and agree to all of the foregoing and represent and warrant that all of the above statements are true, correct and complete.

Date: ___________________________

PROSPECTIVE FRANCHISEE (Individual)

____
Signature

____
Printed Name

____
Signature

____
Printed Name

PROSPECTIVE FRANCHISEE (Corp., LLC or Partnership) – Must be accompanied by appropriate personal guarantee(s)

____
Legal Name of Entity
a _______________________ _____________
State of incorporation, formation, etc.

By: ___________________________________

Print Name: _____________________________

Its: ___________________________________

EXHIBIT E
TO THE FRANCHISE DISCLOSURE DOCUMENT

FORM OF SUBLEASE

SUBLEASE

THIS SUBLEASE ("Sublease") is made and entered into as of ________________ (the "Effective Date"), by and between **Roberto's Taco Shop, LLC**, a Nevada limited liability company, ("Sublessor") and _________________________, or their assignee, if a partnership, corporation or limited liability company is later formed (collectively, the "Sublessee"), who agree as follows:

RECITALS

A. Sublessor, as Lessee, and ____________________ Lessor ("**Master Landlord**"), entered into that certain written Lease dated ___________________ (the "**Master Lease**"). Pursuant to the provisions of the Master Lease, Sublessor is to build and operate a Mexican restaurant upon the Premises (as hereinafter defined). Sublessee acknowledges having received a copy of the Master Lease. The provisions of the Master Lease, although not attached hereto, are nonetheless incorporated herein by this reference. Words and phrases as used in this Sublease shall have the same meaning as set forth in the Master Lease except as otherwise expressly defined herein.

B. Sublessor now desires to sublease the entirety of the Premises to Sublessee upon the terms and conditions of this Sublease.

C. The parties desire and intend that this Sublease shall be subject to the terms of the Master Lease as set forth herein.

NOW, THEREFORE, it is agreed as follows:

1. PREMISES. Sublessor hereby subleases that certain real property located at ____ (the "**Premises**") to Sublessee, and Sublessee hereby subleases the Premises from the Sublessor for the Term, as defined below, at the Rent, as defined below, and upon all of the terms and conditions set forth herein.

2. BASIC SUBLEASE PROVISIONS. For convenience of the parties, certain basic provisions of this Sublease are set forth herein, which provisions are subject to the remaining terms and conditions of this Sublease and the Master Lease and are to be interpreted in light of such remaining terms and conditions:

2.1 The Premises. The Premises are the entirety of the Premises covered by the Master Lease.

2.2 Base Monthly Rent. Sublessee agrees to pay Base Monthly Rent to Sublessor for the Premises as follows: ____ ____; **plus, a ten percent (10%) administrative fee** will be added to the Base Monthly Rent; such payment shall be made on or before the first of every calendar month. Base Monthly Rent is considered past due if not received within five (5) days of the due date. In the event any payment is not received by Sublessor within five (5) days following its due date, **a late charge equal to ten percent (10%)** of the payment shall be due from Sublessee to Sublessor, in addition to the monthly installment of Base Monthly Rent that is otherwise due, to compensate Sublessor for administrative costs and expenses incurred as a result of the late payment of Base Monthly Rent. This late charge shall be in addition to, and not in lieu of, any other rights and remedies available to Sublessor at law or equity as a result of the late payment of Base Monthly Rent.

2.3 Assumption of Obligations. Sublessee shall assume all obligations of Sublessor, as Lessee, under the Master Lease. In addition to Base Monthly Rent, which is payable by Sublessee as defined in Section 2.2 above, Sublessee shall pay all other amounts payable by Sublessor, as lessee, under the Master Lease. Notwithstanding anything to the contrary, all amounts of Base Monthly Rent and Additional Rent payable in a given month shall be deemed to comprise a single rental obligation of Sublessee to Sublessor, subject to all of Sublessor's remedies for Sublessee's nonpayment or late payment for Base Monthly Rent as defined in this Sublease, at law or in equity.

2.4 Term Commencement Date. From and after the Effective Date through the expiration of the current Term, as defined in Section 2.5, including any option Term, if exercised.

2.5 Term Expiration Date. The Term of this Sublease shall expire simultaneously with the termination, expiration, or non-renewal of the Franchise Agreement associated with the Premises; however, in the event the Master Lease is terminated prior to the expiration or termination of the Franchise Agreement, this Sublease shall terminate the day immediately preceding the date of termination of the Master Lease. As used herein, the word "Term" shall mean the period of time commencing with the Term Commencement Date as set forth in Section 2.4 above and ending on the Term Expiration Date, as set forth in this Section 2.5. In addition, should Sublessee lose the rights to use the Roberto's Trademarks (as defined therein), then Sublessor shall have the right to terminate this Sublease.

3. TRADE NAME. Sublessee expressly acknowledges that the operation of the restaurant at the Premises must be operated under trademarks owned or licensed by Sublessor, including the name "Roberto's", "Roberto's Taco Shop" and associated logo (collectively, the "**Roberto's Trademarks**").

4. MAINTENANCE OF QUALITY STANDARDS. Sublessee agrees that the nature and quality of all services rendered by Sublessee hereunder; all goods sold by Sublessee hereunder; and all related advertising, promotional, and other related uses of the Roberto's Trademarks by Sublessee shall conform to standards set by Sublessor. Sublessee agrees to cooperate with Sublessor in facilitating Sublessor's control of such nature and quality, and to supply Sublessor with specimens of all uses of the Roberto's Trademarks upon request. In no event shall Sublessee use the Roberto's Trademarks, or any of them, in a manner that has not been previously approved by Sublessor.

5. MASTER LEASE.

5.1 Master Lease Controlling. This Sublease shall at all times be subject to and subordinate to the Master Lease. The terms, conditions and other provisions of this Sublease shall be those of the Master Lease except for those provisions of the Master Lease which are directly contradicted by or inconsistent with this Sublease. In the event any provisions of the Master Lease are contradicted by or inconsistent with the provisions of this Sublease, the provisions of the Master Lease shall control over the provisions of this Sublease as and between Sublessor and Sublessee. For purposes of this Sublease, and unless otherwise provided under this Sublease, wherever in the Master Lease the word "Lessor" is used, it shall be used to mean and refer to "Sublessor" herein, and whenever in the Master Lease the word "Lessee" is used, it shall be used to mean and refer to "Sublessee" herein.

5.2 Master Landlord Consent. Sublessee acknowledges the rights and obligations of the parties under this Sublease are subject to Master Landlord's prior approval of this executed Sublease and of Sublessee as a sublessee. Following execution of this Sublease, Sublessor shall request and use its reasonable best efforts to obtain Master Landlord's approval of this Sublease. Sublessee shall pay all costs and fees charged by Master Landlord to Sublessor and/or Sublessee for processing this Sublease. If for any reason Master Landlord consent is not obtained, Sublessor and Sublessee agree to make such modifications to this Sublease as Master Landlord may reasonably request in order to obtain Master Landlord's consent; provided, however, should the requested modifications be unreasonable or if Master Landlord is otherwise unwilling to grant its consent, this Sublease may be terminated by Sublessor and after written notice of such termination, shall be of no further force or effect, and no obligation shall have been incurred by either Sublessor or Sublessee.

5.3 Assumption of Obligations. During the Term of this Sublease, Sublessee does hereby expressly assume and agree to perform and comply with, for the benefit of Sublessor and Master Landlord, each and every obligation of Sublessor under the Master Lease. Sublessee shall obtain and maintain all insurance required under the Master Lease. All such insurance maintained by Sublessee, whether as required under the Master Lease or as set forth in this Sublease, shall name Sublessor and Master Landlord as an additional insured with a separate additional insured endorsement which is reasonably acceptable to Sublessor and Master Landlord, and Sublessee shall provide Sublessor and Master Landlord with copies of all such insurance certificates.

6. CONDITION OF THE PREMISES.

6.1 Representations and Warranties. Sublessee acknowledges that neither Sublessor nor any agent of Sublessor has made any representations or warranties, express or implied, with respect to the Premises, or with respect to the suitability of either for the conduct of Sublessee's business and that Sublessor hereby expressly disclaims the making of any such representations or warranties. Sublessee shall accept the Premises in an "as is" condition upon the Term Commencement Date with no representations and warranties as to the suitability, quality or condition of any of the existing improvements or any fixtures or equipment contained therein or otherwise serving the Premises with no obligation on the part of the Sublessor to undertake any work or pay for any additional improvements with regard to the Premises. Sublessor shall have no liability to Sublessee as a result of any such delay in the Term Commencement Date.

6.2 Equipment. Sublessor agrees that Sublessee shall have the right to use all personal property and equipment located on the Premises in the operation of its business during the Term. Sublessee acknowledges having inspected all personal property and equipment and finds the same to be acceptable and that they are provided to Sublessee in a "as is, where is" condition, without representation or warranty. During the Term, Sublessee shall perform regular maintenance and repair to such personal property and equipment. Upon the termination of this Sublease, Sublessee shall return all personal property and equipment to Sublessor in the same condition as when received by Sublessee, subject only to normal wear and tear.

6.3 Transfer of Vendor Agreements. Sublessor agrees to transfer all vendor, supplier, utility, and tax payments into the name of Sublessee immediately following the Commencement Date of the Sublease.

6.4 Alterations. Sublessee agrees that it will not make any alterations, additions, improvements or changes (collectively "Alterations") in or to the Premises without the prior written consent of Sublessor and with the approval of the Master Landlord, if required, in accordance with the Master Lease. In the event that Sublessor (and Master Landlord, if so required) consents to Sublessee's requested Alterations, Sublessee shall be responsible for the entire cost and expense of such Alterations.

7. NO ASSIGNMENT OR SUBLEASE. Sublessee, as a material part of the consideration to Sublessor under this Sublease, agrees that Sublessee shall not assign this Sublease or sublet the Premises in whole or in part, and shall not permit Sublessee's interest in this Sublease to be vested in any third party by operation of law or otherwise. Sublessee expressly acknowledges and agrees that any such assignment or sublease by Sublessee shall be voidable at Sublessor's election and shall constitute a default by Sublessee under this Sublease.

8. DEFAULT BY SUBLESSEE.

8.1 The occurrence of any of the following shall constitute a default by Sublessee and a breach of this Sublease:

7.1.1 Failing or refusing to pay any amount of Rent or other monetary charge when due in accordance with the provisions of this Sublease or the Master Lease;

7.1.2 Abandoning the Premises by failing or refusing to occupy and operate the Premises; or

7.1.3 Failing or refusing to perform fully and promptly any covenant or condition of the Master Lease.

8.2 In the Event of Default, Sublessor, in addition to any other rights or remedies available to Sublessor at law or in equity, shall have the right to:

7.2.1 Terminate this Sublease and all rights of Sublessee under this Sublease by giving Sublessee written notice that this Sublease is terminated, in which case Sublessor may recover from Sublessee the aggregate sum of:

(i) the worth at the time of award of any unpaid rent that had been earned at the time of termination;

(ii) the worth at the time of award of the amount by which (a) the unpaid rent that would have been earned after termination until the time of award exceeds (b) the amount of the rental loss, if any, as Sublessee affirmatively proves could have been reasonably avoided;

(iii) the worth at the time of award of the amount by which (a) the unpaid rent for the balance of the term after the time of award exceeds (b) the amount of rental loss, if any, as Sublessee affirmatively proves could be reasonably avoided;

(iv) any other amount necessary to compensate Sublessor for all the detriment caused by Sublessee's failure to perform Sublessee's obligations or that, in the ordinary course of things, would be likely to result from Sublessee's failure; and

(v) all other amounts in addition to or in lieu of those previously set out as may be permitted from time to time by applicable law. As used in clauses (i) and (ii) above, the "worth of the time of award" is computed by allowing interest at the rate of ten percent (10%) per annum. As used in clause (iii) above, the "worth of the time of award" is computed by discounting that amount at the discount rate of the Federal Reserve Bank of San Francisco at the time of award plus one percent (1%). As used in this Section, the term "rent" shall include Base Rent and any other payments required by Sublessee under this Sublease.

7.2.2 Continue this Sublease and, from time to time, without terminating this Sublease, recover all rent and other amounts payable as they become due.

8.3 None of the following remedial actions, alone or in combination, shall be construed as an election by Sublessor to terminate this Sublease unless Sublessor has in fact given Sublessee written notice that this Sublease is terminated or unless a court of competent jurisdiction decrees termination of this Sublease: any act by Sublessor to maintain or preserve the Premises; any efforts by Sublessor to relet the Premises. If Sublessor takes any of the previous remedial actions without terminating this Sublease, Sublessor may nevertheless at any later time terminate this Sublease by written notice to Sublessee.

8.4 Sublessor's Cure of Sublessee's Default. Sublessor shall have the right, after expiration of Sublessee's cure period, to take any action necessary or appropriate, including entering the Premises, to cure any default. All costs incurred by Sublessor to cure any such default, including reasonable attorneys' fees, with interest, shall become immediately due and payable by Sublessee upon demand as additional rent. Nothing in this paragraph shall preclude or limit Sublessor from electing to terminate this upon written notice to Sublessee.

9. INDEMNIFICATION AND EXCULPATION OF SUBLESSOR AND MASTER LANDLORD.

9.1 Indemnification by Sublessee. Sublessee expressly understands and agrees that Sublessee assumes all risk of injury or damage to person or property in or upon the Premises during the Term of this Sublease and that Sublessor and Master Landlord shall have no liability for any such damage or injury which may be suffered by Sublessee or third parties, excepting those arising from or relating to Sublessor's and/or Master Landlord's sole negligence or willful misconduct. Sublessee shall indemnify, defend and hold Sublessor and Master Landlord harmless from any and all claims arising from Sublessee's use of the Sublease Premises, for the conduct of Sublessee's business upon the Premises, or from any activity, work or thing done, permitted or suffered by Sublessee in, on or about the Premises, excepting those relating to the sole negligence or willful misconduct of Sublessor or Master Landlord. Sublessee shall further indemnify, defend and hold Sublessor and Master Landlord harmless from any and all claims arising from any breach or default in the performance of any obligation to be performed by Sublessee under the terms of this Sublease, or arising from any act, neglect, fault or omission of Sublessee or of its agents or employees and from and against all costs, attorneys' fees, expenses and liabilities incurred in or about such claim or any action or proceeding brought thereon. In case any action or proceeding shall be brought against Sublessor and/or Master Landlord by reason of any such claim, Sublessee, upon notice from Sublessor and/or Master Landlord, shall defend the same at Sublessee's expense by counsel approved in writing by Sublessor and/or Master Landlord. Sublessee, as a material part of the consideration to Sublessor under this Sublease, hereby assumes all risk of damage to property or injury to person in, upon or about the Premises from any cause whatsoever, in respect thereof against Sublessor and/or Master Landlord. The indemnification obligations of Sublessee hereunder shall survive the termination of the Sublease. Notwithstanding anything to the contrary contained herein, Sublessee shall have no obligation to indemnify Sublessor and/or Master Landlord for Sublessor's and/or Master Landlord's sole negligence or willful misconduct.

9.2 No Liability of Sublessor and/or Master Landlord. Neither Sublessor nor Master Landlord, nor any partner, shareholder, director, officer, agent or employee of Sublessor or Master Landlord shall be liable to Sublessee, or its partners, directors, officers, contractors, agents, employees, invitees or licensees for any loss, injury or damage to Sublessee, except if caused by Sublessor's and/or Master Landlord's sole negligence or willful misconduct, or to any other person, or to its or their property, irrespective of the cause of such injury, damage or loss. Furthermore, neither Sublessor nor Master Landlord, nor any partner, director, officer, agent or employee of Sublessor or Master Landlord shall be liable (i) for any such damage caused by other lessees or persons in, on or about the Premises, or (ii) or any consequential damages of any kind or character suffered by Sublessee or any person claiming by, through or under Sublessee, arising out of any loss of the use of the Premises or of any equipment or facilities located upon the Premises. Sublessee further expressly understands and agrees that Sublessor and Master Landlord shall not be liable for (i) any damage to any property entrusted to employees of Sublessee upon the Premises, (ii) loss or damage to any property by theft of otherwise, (iii) any injury or damage to any persons or property resulting from fire, explosion, falling plaster, steam, gas, electricity, water or rain which may leak from any part of the Premises or from the pipes, appliances or plumbing work therein or from the roof, street or subsurface or from any other place or for any other cause whatsoever. Sublessor and Master Landlord and their agents shall not be liable for interference with the light or other incorporeal hereditaments, nor shall Sublessor or Master Landlord be liable for any latent or patent defects in the Premises. Sublessee shall give prompt notice to Sublessor and Master Landlord in case of fire or accidents in the Premises or of any defects therein.

10. HAZARDOUS MATERIALS.

10.1 Sublessee's Covenants Regarding Hazardous Materials. Sublessee shall maintain and operate the Premises at all times in full compliance with all applicable local, state and federal laws, ordinances and regulations, shall make all disclosures required of Sublessee by any such laws, ordinances and regulations, and shall comply with all orders issued by any governmental authority having jurisdiction over the Premises and take all action required of such governmental authorities to bring the Premises into compliance with all laws, rules and regulations and ordinances relating to hazardous materials which may be used by Sublessee in connection with the Premises.

10.2 Indemnification of Sublessor and Master Landlord. Sublessee shall indemnify, defend (by counsel acceptable to Sublessor and Master Landlord), protect, and hold harmless Sublessor and Master Landlord, and each of Sublessor's and Master Landlord's partners, directors, officers, employees, agents, attorneys, successors, and assigns, from and against any and all claims, liabilities, penalties, fines, judgments, forfeitures, losses (including, without limitation, diminution in the value of the Premises, damages for the loss or restriction on use of rentable or usable space or of any amenity of the Premises), costs, or expenses (including attorneys' fees, consultant fees, and expert fees) for the death of or injury to any person or damage to any property whatsoever, arising from or caused in whole or in part, directly or indirectly, by (A) the presence in, on, under, or about the Premises, or any discharge or release in or from the Premises of any hazardous materials as a result of Sublessee's use, analysis, storage, transportation, disposal, release, threatened release, discharge, or generation of hazardous materials to, in, on, under, about, or from the Premises, or (B) Sublessee's failure to comply with any hazardous materials law. Sublessee's obligations under this Section shall survive the expiration or earlier termination of the Term of this Sublease.

11. TRANSFER BY SUBLESSOR. If Sublessor or Sublessor's successor in interest transfers its interest in this Sublease, Sublessor, or its successor in interest, shall automatically be freed and relieved from all personal liability for the performance of any obligation after the date of such transfer or conveyance. Any funds in which Sublessee has an interest which are in the hands of Sublessor, or its successor in interest, shall be turned over to the transferee.

12. MISCELLANEOUS.

12.1 Amendments. This Sublease may not be amended, modified, altered or supplemented except by means of a written agreement or other instrument executed by Sublessor and Sublessee.

12.2 Headings. The headings set forth herein are for convenience only and shall not be used in interpreting the text of the paragraphs in which they appear.

12.3 Notices. All notices which the parties hereto may be required or permitted to give under this Agreement shall be in writing and shall be given by any of the following methods: (1) personally delivered; (2) mailed by certified or registered mail, return receipt requested, postage paid; (3) by reliable overnight delivery service; or (4) by electronic transmission, including email and facsimile.

The addresses for the parties are as follows:

If to Sublessor:

Roberto's Taco Shop, LLC
1919 S. Jones Blvd., Suite E
Las Vegas, NV 89146
Attention: Reynaldo Robledo
Email: reynaldo@robertostacoshop.com

If to Sublessee:

____
____
____
Attention: ____________________
Email: _______________________

The above addresses given for notices may be changed at any time by either party by giving ten (10) calendar days prior written notice to the other party, as herein provided. Notices delivered by certified or registered mail shall be deemed to have been given three (3) business days after postmark by United States Postal Service, or the next business day after deposit with reliable overnight delivery service or when delivered by hand. Notices sent by electronic transmission shall be deemed to have been given on the next business day after being sent (as recorded on the device from which the sender sent the email) unless the sender receives an automated message that the email or facsimile has not been delivered.

12.4 Successors and Assigns. This Sublease shall be binding upon and inure to the benefit of the successors and assigns of the parties hereto.

12.5 Waiver. No failure on the part of any party hereto to exercise, and no delay in exercising, any right, privilege or remedy hereunder shall operate as a waiver thereof; nor shall any single or partial exercise of any right, privilege or remedy hereunder preclude any other or further exercise thereof or the exercise of any other right, power, privilege or remedy.

12.6 Attorneys' Fees. If either party commences action for the breach hereof or otherwise for enforcement of any remedy hereunder, the prevailing party shall be entitled to recover from the other party such costs and reasonable attorneys' fees as may have been incurred as awarded by the court.

12.7 Entire Agreement. This Sublease sets forth the entire understanding of Sublessor and Sublessee and supersedes all other agreements and understandings among or between Sublessor and Sublessee relating to the subject matter hereof.

12.8 Quiet Enjoyment. So long as Sublessee is not in default under this Sublease, Sublessor agrees that Sublessor shall not disturb Sublessee's occupancy of the Premises except as may otherwise be permitted by this Sublease.

12.9 Master Landlord's Obligations Under Master Lease. Sublessor agrees that at all times during the term of this Sublease, Sublessor shall use commercially reasonable efforts to enforce the obligations of Master Landlord under the Master Lease; provided, however, Sublessee expressly understands and agrees that Sublessor shall have no liability to Sublessee for any default or breach of the Master Lease by Master Landlord or for any other failure of Master Landlord to perform its obligations under the Master Lease.

12.10 Defined Terms. All terms defined herein with an initial capitalized letter shall have the same definition as such term is used in the Master Lease unless otherwise defined in this Sublease.

12.11 Choice of Law. This Sublease shall be interpreted and construed under the laws of the State of Nevada without regard to conflicts in law. If any party commences an action against any of the parties arising out of or in connection with this Sublease, the prevailing party or parties shall be entitled to recover from the losing party or parties' reasonable attorneys' fees and costs of suit.

12.12 Additional Documents. Each of the parties agrees to execute, acknowledge and deliver to the other party and to procure the execution, acknowledgment and delivery to the other party of any additional documents or instruments which either party may reasonably require to fully effectuate and carry out the provisions of this Sublease.

12.13 Counterparts. This Sublease may be executed by the parties simultaneously in one or more counterparts, each of which shall be deemed to be an original, but all of which together shall constitute one and the same instrument. Signatures transmitted electronically or by facsimile will be deemed original signatures.

12.14 Authority. This Sublease has been duly authorized and executed by Sublessor and Sublessee and approved by Landlord and constitutes the legal, valid and binding obligation of Sublessor, Sublessee and Landlord, enforceable in accordance with its terms.

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

SUBLESSOR

ROBERTO'S TACO SHOP, LLC

By: ________________________________

Print Name: ________________________

Title: ______________________________

SUBLESSEE

If Franchisee is an individual:

Signature: ___________________________

Print Name: __________________________

Signature: ___________________________

Print Name: __________________________

If Franchisee is a corporation or other entity:

____
[Name of Franchisee]

By: __________________________________

Print Name: __________________________

Title: ____________________________________

EXHIBIT F
TO THE FRANCHISE DISCLOSURE DOCUMENT

OPERATIONS MANUAL TABLE OF CONTENTS

We are currently working on creating our operations manual and do not have it complete at this time.

EXHIBIT G
TO THE FRANCHISE DISCLOSURE DOCUMENT

FORM OF GENERAL RELEASE

GENERAL RELEASE

(FRANCHISEE”) and **______________________, an individual** (“**GUARANTOR**”) enter into this General Release on __________________, with reference to the following facts:

1. On **______________________, Roberto’s Taco Shop, LLC,** a California limited liability company, (“**FRANCHISOR**”) and FRANCHISEE entered into a Franchise Agreement (the “**Franchise Agreement**”) to operate a Roberto’s Taco Shop Franchised Business located at **____________________________** (the “**Premises**”). GUARANTOR guaranteed FRANCHISEE’s performance under the Franchise Agreement pursuant to a Guarantee and Assumption of Obligations (the “**Guarantee**”). In consideration of FRANCHISOR’S processing and approval of ___________________________________, the Franchise Agreement provides that FRANCHISEE must sign this General Release as a condition to such _____________________. All capitalized terms not otherwise defined in this General Release shall have the same meaning as in the Franchise Agreement and/or the Guarantee.

2. For valuable consideration, the receipt and sufficiency of which is hereby acknowledged, FRANCHISEE and GUARANTOR hereby release and forever discharge FRANCHISOR, its parents and subsidiaries and the directors, officers, employees, attorneys and agents of said corporations, and each of them, from any and all claims, obligations, liabilities, demands, costs, expenses, damages, actions and causes of action, of whatever nature, character or description, known or unknown (collectively “**Damages**”), which arose on or before the date of this General Release, including any Damages with respect to the Franchise Agreement, the Franchised Business, the Premises, and the Guarantee. FRANCHISEE waives any right or benefit which FRANCHISEE or GUARANTOR may have under Section 1542 of the California Civil Code or any equivalent law or statute of any other state. Section 1542 of the California Civil Code 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."

3. This General Release sets forth the entire agreement and understanding of the parties regarding the subject matter of this General Release and any agreement, representation or understanding, express or implied, heretofore made by any party or exchanged between the parties are hereby waived and canceled.

4. This Agreement shall be binding upon each of the parties to this General Release and their respective heirs, executors, administrators, personal representatives, successors and assigns.

[Signatures on Following Page]

IN WITNESS WHEREOF, the undersigned have executed this Agreement as of the day and year set forth above.

FRANCHISEE:

By: ____

Print Name: ______________________________________

Title: ____

GUARANTOR:

____**, an individual**

EXHIBIT H
TO FRANCHISE DISCLOSURE DOCUMENT

LIST OF CURRENT FRANCHISEES AND THEIR OUTLETS

LIST OF CURRENT FRANCHISEES AND THEIR OUTLETS

FRANCHISEE	CONTACT	STREET ADDRESS	CITY	STATE	ZIP	PHONE
Martinez Torres Inc.	Jose Armando Martinez & Ma. Guadalupe Martinez	3665 S. Carson St.	Carson City	NV	89701	760-481-4678
Mirthala Rodriguez	Mirta Rodriguez	4604 E. Sunset Rd.	Henderson	NV	89014	702-898-3333
J&W Martinez Corporation	Juan Martinez and Wendy Rodriguez	10612 S. Eastern Ave. Suite E	Henderson	NV	89052	702-837-6591
Anthem Tacos	Esteban Garcia	2810 Bicentennial Parkway, Ste. 120	Henderson	NV	89052	702-474-9100
Maria Mijangos & Jose Angel Roque de la Torre	Maria Milangos and Jose Angel Roque de la Torre	2230 W. Horizon Ridge Pkwy. Ste. 130	Henderson	NV	89052	702-260-7010
Christian Aguilar Rivas	Jose Guadalupe Rivas Aguilar	114 S. Boulder Hwy.	Henderson	NV	89015	702-558-7820
Torre Fam LLC	Francisco Lopez & Catalina De La Torre	193 N. Gibson Rd, Suite #110	Henderson	NV	89014	702-558-9076
Lopez Corrales Inc.	Israel Lopez and Guadalupe Corrales Mendoza	1530 W. Sunset Rd.	Henderson	NV	89014	702-541-8900
Jose Dominguez & Dolorez Lopez Maldonando	Jose Dominguez and Dolores Lopez Maldonado	3102 N. Las Vegas Blvd.	Las Vegas	NV	89115	702-643-7122
Maria Marina Gonzalez	Marina Ortiz - Gonzalez	6650 W. Vegas Drive #103	Las Vegas	NV	89108	702-631-3600
Maria G. Lopez Gaytan	Maria Guadalupe Lopez Gaytan	8580 W. Lake Mead Blvd.	Las Vegas	NV	89128	702-256-3302
Jose Rodriguez	Jose Rodriguez	6820 W. Flamingo Blvd. Suite D	Las Vegas	NV	89103	702-876-2353
Jose Dominguez & Dolorez Lopez Maldonando	Jose Dominguez and Dolores Lopez Maldonado	1414 N. Eastern Ave.	Las Vegas	NV	89101	702-657-8850
Medgon Enterprises Inc.	Patricia Medina Gonzalez	840 S. Rancho Dr. #8	Las Vegas	NV	89106	702-878-4933
Beatriz Navarro	Beatriz Navarro	907 S. Rainbow Blvd.	Las Vegas	NV	89128	702-258-2699
Maria E. Garcia	Maria Garcia	2875 S. Nellis Blvd. #A2	Las Vegas	NV	89121	702-431-2358
Ortiz Gonzalez Corporation, Inc	Federico Ortiz	5335 S. Decatur Blvd. #D&E	Las Vegas	NV	89118	702-257-7720

FRANCHISEE	CONTACT	STREET ADDRESS	CITY	STATE	ZIP	PHONE
Ortiz Gonzalez Corporation, Inc	Federico Ortiz	10430 Bermuda Road Suite E	Las Vegas	NV	89123	702-407-1220
Rogelio M. Robledo Jr.	Rogelio Robledo	2685 S. Eastern Ave., Suite 400	Las Vegas	NV	89169	702-431-2754
Jose Cruz Renteria & Maria Carmen Renteria	Jose Cruz Renteria and Maria Carmen Renteria	2151 N. Rancho Dr.	Las Vegas	NV	89106	702-870-8236
Jose Cruz Renteria & Maria Carmen Renteria	Jose Cruz Renteria and Maria Carmen Renteria	6475 S. Pecos Rd.	Las Vegas	NV	89120	702-898-2362
Olivio Martinez Torres & Soraida Rodriguez Luna	Olivo Martinez Torres & Soriada Rodriguez Luna	7801 W. Charleston Blvd.	Las Vegas	NV	89117	702-256-9225
Uriel Lopez Dominguez	Uriel Lopez Dominguez	4430 E. Washington Ave.	Las Vegas	NV	89110	702-387-2555
Saul Dominguez & Marian Dominguez	Saul and Maria Dominguez	4275 N. Rancho Dr. #150	Las Vegas	NV	89130	702-395-8463
MEG & E, Inc	Margarito Guerrero	7155 Grand Montecito Pkwy	Las Vegas	NV	89149	702-396-9159
Chairez Lopez Enterprises	Adan Chairez and Ana Magdalena Lopez Vega	4690 W. Cactus Road, Ste A	Las Vegas	NV	89141	702-263-7534
Lopez Corrales Inc.	Israel Lopez and Guadalupe Corrales Mendoza	6355 E. Russell Rd.	Las Vegas	NV	89122	702-436-5189
Lopez De La Torre Inc.	Francisco Lopez & Catalina De La Torre	10030 W. Cheyenne Ave., Ste. 130	Las Vegas	NV	89129	702-228-0134
Chairez Ramirez Corporation	Jose Chairez	8680 W. Warm Spring Rd. #105	Las Vegas	NV	89148	702-739-7773
Lopez De La Torre Fam Corp	Francisco Lopez & Catalina De La Torre	241 N. Nellis Blvd., Suite 101	Las Vegas	NV	89110	702-437-1031
Jose Antonio Martinez & Susana Ruiz	Jose Martinez and Susana Ruiz	6435 S. Rainbow Blvd., Suite 104	Las Vegas	NV	89118	702-979-9775
AAAEA Inc.	Adan Chairez and Ana Magdalena Lopez Vega	7390 S. Las Vegas Blvd., Suite 110	Las Vegas	NV	89141	702-616-0445
Mixzy Salazar & Saul Vazquez	Mitzy Salazar & Saul Vazquez	5117 W. Charleston Blvd.	Las Vegas	NV	89146	702-822-2209
DRR Restaurant Grop, LLC	Rolando Rodriguez and Mayra Nallely Lopez	3400 S Hualapai, #A	Las Vegas	NV	89117	702-233-3365

FRANCHISEE	CONTACT	STREET ADDRESS	CITY	STATE	ZIP	PHONE
Mijangos Roque Corp	Maria Mijangos and Jose Angel Roque de la Torre	2207 E. Windmill Ln.	Las Vegas	NV	89123	702-476-4670
Maria Marina Gonzalez	Marina Ortiz - Gonzalez	7251 Azure Dr.	Las Vegas	NV	89130	702-645-1844
Araceli Dominguez	Araceli Dominguez	4503 Paradise Rd 130	Las Vegas	NV	89169	702-732-2012
Maria E. Garcia	Maria Garcia	5111 Boulder Hwy	Las Vegas	NV	89122	702-547-3915
Jose De Jesus Rivas	Jesus Rivas	72 W. Horizon Ridge Pkwy, B-150	Las Vegas	NV	89012	702-558-4435
Javier Dominguez & Maria Dominguez	Javier and Maria Dominguez	7790 S. Jones Blvd.	Las Vegas	NV	89139	702-735-2813
Vegaalvardo Corporation	Efren Vega & Rosa Alvarado	4700 S. Maryland Pkwy, Suite 130	Las Vegas	NV	89119	775-389-1192
BC Dominguez Inc.	Bairon Dominguez and Catalina Lopez	6440 S. Hualapai Way, Suite 100	Las Vegas	NV	89148	725-600-1524
DRR Restaurant Grop, LLC	Jesus Maldonado & Kenedi Rosas	1122 S. Maryland Pkwy., Suite 110	Las Vegas	NV	89104	702-954-4973
3 Hermanos LLC	Jose Ortiz and Marisol Dominguez	3455 S. Arville St., Suite 103	Las Vegas	NV	89102	702-268-8464
Ruiz Martinez, LLC	Jose Martinez and Susana Ruiz	9260 S. Rainbow Blvd., Suite 100	Las Vegas	NV	89139	725-214-6957
Aguilar Aguilar, LLC	Juan Carlos and Maria Aguilar	4845 S. Fort Apache Road, Suite C-3	Las Vegas	NV	89147	702-221-4233
Martinez Melendez LLC	Jorge Martinez and Alma Melendez	6355 N. Commerce, Ste. 103	N. Las Vegas	NV	89031	702-385-9929
YEEA LLC	Ramon Sesteaga & Cecilia Sestega	6584 N. Decatur Blvd., Suite 130	N. Las Vegas	NV	89131	702-645-2711
Hector M. Lopez Rodriguez & Anahi Gonzalez Vazquez	Hector Lopez Rodriguez and Anahi Gonzalez Vazquez	1380 W. Cheyenne Ave., Suite 103	N. Las Vegas	NV	89030	702-399-9758
RA Ruiz Rodriguez LLC	Robel Rodriquez and Alejandra Ruiz	6320 N. Simmons St. Suite #130	N. Las Vegas	NV	89031	702-515-2513
Jorge Antonio Martinez & Alma Melendez	Jorge A. Martinez and Alma Melendez	1311 W. Craig Road, Suite A	N. Las Vegas	NV	89031	702-633-0373

FRANCHISEE	CONTACT	STREET ADDRESS	CITY	STATE	ZIP	PHONE
NGJ Diaz LLC	Noe M. Diaz and Gloria E. Garcia	5725 Losee Rd., Suite 100	N. Las Vegas	NV	89027	702-399-2599
Melendez Colunga LLC	Anastacio Melendez De La Torre and Arely Odeth Colunga Diaz	1541 E. Highway 372	Pahrump	NV	89048	775-990-4064
Jose Manuel Martinez & Erika Janeth Martinez	Manuel Martinez and Erika Janeth Martinez	4455 S. Virginia St.	Reno	NV	89502	775-432-2965
DRR Restaurant Grop, LLC	Cesar Vazquez and Hilda Rodriguez	801 N. Virginia St	Reno	NV	89501	775-409-3104
Lopez Miguel Inc.	Lucina Lopez & Filiberto Miguel	679 N. McCarran Blvd.	Sparks	NV	89431	775-221-5720

EXHIBIT I
TO FRANCHISE DISCLOSURE DOCUMENT

LIST OF FRANCHISEES WHO CEASED TO DO BUSINESS UNDER THE FRANCHISE AGREEMENT

FRANCHISEES WHO CEASED TO DO BUSINESS UNDER THE FRANCHISE AGREEMENT

Following is the name and contact information of every franchisee who had an outlet terminated, canceled, not renewed, or otherwise voluntarily or involuntarily ceased to do business under the franchise agreement during the most recently completed fiscal year or who has not communicated with the franchisor within 10 weeks of the disclosure document issuance date.

FRANCHISEES WHO TRANSFERRED AN OUTLET IN OUR FISCAL YEAR 2023

FRANCHISEE	CITY	STATE	PHONE NUMBER
Jose Guadelupe Rivas Aguilar	Las Vegas	NV	760-847-8293

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

EXHIBIT J
TO FRANCHISE DISCLOSURE DOCUMENT

STATE-SPECIFIC ADDENDA

ADDITIONAL STATE DISCLOSURES

If the franchise is located in or if franchisee is a resident of any of the following states, then the designated provisions in the Uniform Franchise Disclosure Document ("Disclosure Document") and Franchise Agreement will be amended as follows:

CALIFORNIA

ADDENDUM TO DISCLOSURE DOCUMENT

California Corporations Code, Section 31125 requires the franchisor to give the franchisee a disclosure document, approved by the Department of Financial Protection and Innovation, prior to a solicitation of a proposed material modification of an existing franchise.

Our website, www.robertostacoshop.com, has not been reviewed or approved by the California Department of Financial Protection and Innovation. Any complaints concerning the content of this website may be directed to the California Department of Financial Protection and Innovation at https://dfpi.ca.gov.

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 14 DAYS PRIOR TO EXECUTION OF THE AGREEMENT.

1. The following language is added to the end of Item 3 of the Disclosure Document:

    Neither Roberto's Taco Shop, LLC, nor any person identified in Item 2, or an affiliate or franchise broker offering franchises under our principal trademark 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.A. 78a et seq., suspending or expelling such person from membership in such association or exchange.

2. The following paragraphs are added at the end of Item 17 of the Disclosure Document:

    You must sign a general release if you renew or transfer your franchise. California Corporations Code Section 31512 provides that any condition, stipulation or provision purporting to bind any person acquiring any franchise to waive compliance with any provision of that law or any rule or order thereunder is void.

    California Business and Professions Code Sections 20000 through 20043 provide rights to franchisees 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 provides for termination upon bankruptcy. This provision may not be enforceable under federal bankruptcy law (11 U.S.C.A. Sec. 101 et seq.).

    The Franchise Agreement contains a covenant not to compete which extends beyond the termination of the franchise. This provision may not be enforceable under California law, but we will enforce it to the extent enforceable.

The Franchise Agreement requires binding arbitration. The arbitration will occur in Las Vegas, Nevada, with the costs being borne by the non-prevailing party. The prevailing party shall be entitled to recover reasonable compensation for expenses, costs and fees in connection with arbitration, including reasonable attorney's fees. Prospective franchisees are encouraged to consult private legal counsel to determine the applicability of California and federal laws (such as Business and Professions Code Section 20040.5 Code of Civil Procedure Section 1281, and the Federal Arbitration Act) to any provisions of a franchise agreement restricting venue to a forum outside the State of California.

3. THE REGISTRATION OF THIS FRANCHISE OFFERING BY THE CALIFORNIA DEPARTMENT OF FINANCIAL PROTECTION AND INNOVATION DOES NOT CONSTITUTE APPROVAL, RECOMMENDATION, OR ENDORSEMENT BY THE COMMISSIONER.

4. The highest interest rate allowed in California is 10% annually.

5. You will not receive an exclusive area. You may face competition from other franchisees, from outlets that we own, or from other channels of distribution or competitive brands that we control.

6. Franchisees must sign a personal guaranty, making you and your spouse individually liable for your financial obligations under the agreement if you are married. The guaranty will place your and your spouse's marital and personal assets at risk, perhaps including your house, if your franchise fails.

7. The following language is added to the end of Item 5 of the Disclosure Document:

   The Department has determined that we, the franchisor, have not demonstrated we are adequately capitalized and/or that we must rely on franchise fees to fund our operations. The Commissioner has imposed a fee deferral condition, which requires that we defer the collection of all initial fees from California franchisees until we have completed all of our pre-opening obligations and you are open for business. For California franchisees who sign a development agreement, the payment of the development and initial fees attributable to a specific unit in your development schedule is deferred until that unit is open.

8. No statement, questionnaire, or acknowledgement signed or agreed to by a franchisee in connection with the commencement of the franchise relationship shall have the effect of (i) waiving any claims under applicable state franchise law, including fraud in the inducement, or (ii) disclaiming reliance on any statement made by any franchisor, franchise seller, or other person acting on behalf of the franchisor. This provision supersedes any other term of any document executed in connection with the franchise.

CALIFORNIA

ADDENDUM TO FRANCHISE AGREEMENT

The Franchise Agreement is specifically amended as follows:

The following language is added at the end of Section 5.1 of this Agreement:

The Department has determined that we, the franchisor, have not demonstrated we are adequately capitalized and/or that we must rely on franchise fees to fund our operations. The Commissioner has imposed a fee deferral condition, which requires that we defer the collection of all initial fees from California franchisees until we have completed all of our pre-opening obligations and you are open for business. For California franchisees who sign a development agreement, the payment of the development and initial fees attributable to a specific unit in your development schedule is deferred until that unit is open.

Sections 18.2, 18.3, 18.4, 18.5, 18.6, and 18.7, under the heading "Acknowledgments," are deleted in their entirety.

For franchisees operating outlets located in California, the California Franchise Investment Law and the California Franchise Relations Act will apply regardless of the choice of law or dispute resolution venue stated elsewhere. Any language in the Franchise Agreement or any amendment thereto or any agreement to the contrary is superseded by this condition.

The Franchise Agreement contains a covenant not to compete which extends beyond the termination of the franchise. A contract that restrains a former franchisee from engaging in a lawful trade or business is to that extent void under California Business and Professions Code Section 16600.

IN WITNESS WHEREOF, each of the undersigned hereby acknowledges having read this Amendment, understands and consents to be bound by all of its terms.

ROBERTO'S TACO SHOP, LLC	Franchisee:____________________________
By: ________________________________	By: ________________________________
Title:_______________________________	Title: _______________________________

EXHIBIT K
TO FRANCHISE DISCLOSURE DOCUMENT

STATE EFFECTIVE DATES

State Effective Dates

The following states have franchise laws that require that the Franchise Disclosure Documents 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:

State	Effective Date
California	
Hawaii	
Illinois	
Indiana	
Maryland	
Michigan	
Minnesota	
New York	
North Dakota	
Rhode Island	
South Dakota	
Virginia	
Washington	
Wisconsin	

Other states may require registration, filing, or exemption of a franchise under other laws, such as those that regulate the offer and sale of business opportunities or seller-assisted marketing plans.

EXHIBIT L
TO FRANCHISE DISCLOSURE DOCUMENT

RECEIPTS

ITEM 23. RECEIPT

This Disclosure Document summarizes provisions of the Franchise Agreement and other information in plain language. Read this Disclosure Document and all agreements carefully.

If Roberto's Taco Shop, LLC offers you a franchise, it must provide this Disclosure Document to you 14 calendar days before you sign a binding agreement with, or make a payment to, the franchisor or an affiliate in connection with the proposed franchise sale.

New York and Oklahoma require that we give you this Disclosure Document at the earlier of the first personal meeting or 10 business days before the execution of the franchise agreement, or other agreement, or the payment of any consideration that relates to the franchise relationship.

Michigan, Oregon and Wisconsin require that we give you this Disclosure Document at least 10 business days before the execution of any binding franchise agreement, or other agreement, or the payment of any consideration, whichever comes first.

If Roberto's Taco Shop, LLC does not deliver this Disclosure Document on time or if it contains a false or misleading statement or a material omission, a violation of federal and state law may have occurred and should be reported to The Federal Trade Commission, Washington D.C. 20580 and the appropriate State Agency Identified on Exhibit D.

The franchisor is Roberto's Taco Shop, LLC, located at 1919 S. Jones Blvd., Suite E, Las Vegas, NV 89146. The names, principal business addresses and telephone numbers of each Franchise Seller offering the Franchise is: Reynaldo Robledo, 1919 S. Jones Blvd., Suite E, Las Vegas, NV 89146 /Ph: 1-800-970-5111.

Issuance Date: May 1, 2024. Roberto's Taco Shop, LLC authorizes the agents listed in Exhibit D to receive service of process for it.

I have received a Disclosure Document dated May 1, 2024. This Disclosure Document included the following Exhibits:

EXHIBIT A	FRANCHISE AGREEMENT
EXHIBIT B	LIST OF STATE ADMINISTRATORS AND AGENTS FOR SERVICE OF PROCESS
EXHIBIT C	FINANCIAL STATEMENTS
EXHIBIT D	STATEMENT OF PROSPECTIVE FRANCHISEE
EXHIBIT E	FORM OF SUBLEASE
EXHIBIT F	OPERATIONS MANUAL TABLE OF CONTENTS
EXHIBIT G	FORM OF GENERAL RELEASE
EXHIBIT H	LIST OF CURRENT FRANCHISEES AND THEIR OUTLETS
EXHIBIT I	LIST OF FRANCHISEES WHO CEASED TO DO BUSINESS UNDER THE FRANCHISE AGREEMENT
EXHIBIT J	STATE-SPECIFIC ADDENDA
EXHIBIT K	STATE EFFECTIVE DATES
EXHIBIT L	RECEIPTS

______________________________ ______________________________

(Print Name) (Signature)

____

Date

Please sign this copy of the receipt, date your signature, and return it to Reynaldo Robledo, Roberto's Taco Shop, LLC, 1919 S. Jones Blvd., Suite E, Las Vegas, Nevada 89146 / Fax: (702) 759-0217

ITEM 23. RECEIPT

This Disclosure Document summarizes provisions of the Franchise Agreement and other information in plain language. Read this Disclosure Document and all agreements carefully.

If Roberto's Taco Shop, LLC offers you a franchise, it must provide this Disclosure Document to you 14 calendar days before you sign a binding agreement with, or make a payment to, the franchisor or an affiliate in connection with the proposed franchise sale.

New York and Oklahoma require that we give you this Disclosure Document at the earlier of the first personal meeting or 10 business days before the execution of the franchise agreement, or other agreement, or the payment of any consideration that relates to the franchise relationship.

Michigan, Oregon and Wisconsin require that we give you this Disclosure Document at least 10 business days before the execution of any binding franchise agreement, or other agreement, or the payment of any consideration, whichever comes first.

If Roberto's Taco Shop, LLC does not deliver this Disclosure Document on time or if it contains a false or misleading statement or a material omission, a violation of federal and state law may have occurred and should be reported to The Federal Trade Commission, Washington D.C. 20580 and the appropriate State Agency Identified on Exhibit D.

The franchisor is Roberto's Taco Shop, LLC, located at 1919 S. Jones Blvd., Suite E, Las Vegas, NV 89146. The names, principal business addresses and telephone numbers of each Franchise Seller offering the Franchise is: Reynaldo Robledo, 1919 S. Jones Blvd., Suite E, Las Vegas, NV 89146 /Ph: 1-800-970-5111.

Issuance Date: May 1, 2024. Roberto's Taco Shop, LLC authorizes the agents listed in Exhibit D to receive service of process for it.

I have received a Disclosure Document dated May 1, 2024. This Disclosure Document included the following Exhibits:

EXHIBIT A	FRANCHISE AGREEMENT
EXHIBIT B	LIST OF STATE ADMINISTRATORS AND AGENTS FOR SERVICE OF PROCESS
EXHIBIT C	FINANCIAL STATEMENTS
EXHIBIT D	STATEMENT OF PROSPECTIVE FRANCHISEE
EXHIBIT E	FORM OF SUBLEASE
EXHIBIT F	OPERATIONS MANUAL TABLE OF CONTENTS
EXHIBIT G	FORM OF GENERAL RELEASE
EXHIBIT H	LIST OF CURRENT FRANCHISEES AND THEIR OUTLETS
EXHIBIT I	LIST OF FRANCHISEES WHO CEASED TO DO BUSINESS UNDER THE FRANCHISE AGREEMENT
EXHIBIT J	STATE-SPECIFIC ADDENDA
EXHIBIT K	STATE EFFECTIVE DATES
EXHIBIT L	RECEIPTS

______________________________ ______________________________
(Print Name) (Signature)

____
Date

Keep this copy for your records.