

## FRANCHISE DISCLOSURE DOCUMENT

### **Costa Vida Management, LLC**

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A Costa Vida franchise permits you to promote and operate a Costa Vida Fresh Mexican Grill restaurant, which will specialize in the retail sale of burritos, salads, enchiladas, tacos, quesadillas, tropical beverages, desserts, and other menu items and merchandise related to the Costa Vida concept, as we may periodically authorize.

The total investment necessary to begin operation of a Costa Vida Restaurant is from \$518,000 to \$955,500. This includes from \$295,500 to \$355,500 that must be paid to the Franchisor or our Affiliate for the initial franchise fee, initial equipment, décor and furniture package, initial supplies and initial marketing collateral. These sums do not include real estate, land or property acquisition or lease costs or deposits, or related costs. These sums are not your total investment in your franchise. For a detailed explanation of your total investment, you should consult **Items 5, 6, and 7** of this Disclosure Document. If you sign an area development agreement to develop a number of Costa Vida Fresh Mexican Grill Restaurants, you will have to pay a development fee, the amount of which will vary, depending on the factors described in **Item 5** of this Disclosure Document.

This disclosure document summarizes certain provisions of your franchise agreement and other information in plain English. Read this disclosure document and all accompanying agreements carefully. You must receive this disclosure document at least 14 calendar-days before you sign a binding agreement with, or make any payment to,

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the franchisor or an affiliate in connection with the proposed franchise sale. **Note, however, that no governmental agency has verified the information contained in this document.**

You may wish to receive your disclosure document in another format, including paper, which may be more convenient for you. To discuss the availability of disclosures in different formats, contact us at the address and telephone number listed above.

The terms of your contract will govern your franchise relationship. Do not 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 an accountant.

Buying a franchise is a complex investment. The information in this disclosure document can help you make up your mind. More information on franchising, such as “A Consumer’s Guide to Buying a Franchise,” which can help you understand how to use this disclosure document, is available from the Federal Trade Commission. You can contact the FTC at 1-877-FTC-HELP or by writing to the FTC at 600 Pennsylvania Avenue, NW, Washington, D.C. 20580. You can also visit the FTC’s home page at [www.ftc.gov](http://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.

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## STATE COVER PAGE

Your state may have a franchise law that requires a franchisor to register or file with a state franchise administrator before offering or selling in your state. REGISTRATION OF A FRANCHISE BY A STATE DOES NOT MEAN THAT THE STATE RECOMMENDS THE FRANCHISE OR HAS VERIFIED THE INFORMATION IN THIS DISCLOSURE DOCUMENT.

Call the state administrators listed in Exhibit A for information about the franchisor, or about franchising in your state.

MANY FRANCHISE AGREEMENTS DO NOT ALLOW YOU TO RENEW UNCONDITIONALLY AFTER THE INITIAL TERM EXPIRES. YOU MAY HAVE TO SIGN A NEW AGREEMENT WITH DIFFERENT TERMS AND CONDITIONS IN ORDER TO CONTINUE TO OPERATE YOUR BUSINESS. BEFORE YOU BUY, CONSIDER WHAT RIGHTS YOU HAVE TO RENEW YOUR FRANCHISE, IF ANY, AND WHAT TERMS YOU MIGHT HAVE TO ACCEPT IN ORDER TO RENEW.

PLEASE CONSIDER THE FOLLOWING RISK FACTORS BEFORE YOU BUY THIS FRANCHISE:

### RISK FACTORS:

THE FRANCHISE AGREEMENT AND AREA DEVELOPMENT AGREEMENT STATE THAT UTAH LAW GOVERNS THE AGREEMENT, EXCEPT FOR APPLICABLE FRANCHISE LAWS OF OTHER STATES. UTAH LAW MAY NOT PROVIDE THE SAME PROTECTIONS AND BENEFITS AS LOCAL LAW. YOU MAY WANT TO COMPARE THESE LAWS.

FRANCHISES ARE GRANTED FOR A SPECIFIC LOCATION AND ARE ONLY EXCLUSIVE TO THE EXTENT OF THE PRE-DEFINED PROTECTED AREA. THE FRANCHISOR RETAINS THE RIGHT, AND GRANTS OTHERS THE RIGHT, TO SELL PRODUCTS AND SERVICES AND RETAINS THE RIGHT, AND GRANTS OTHERS THE RIGHT, TO OWN AND OPERATE RESTAURANTS OR OTHER CONCEPTS UNDER ITS TRADEMARKS AND SERVICE MARKS ON ANY TERMS AND CONDITIONS AND AT ANY LOCATION WHICH IT DEEMS APPROPRIATE. THESE ACTIVITIES MAY COMPETE WITH YOU.

BY ENTERING INTO THE FRANCHISE AGREEMENT AND THE AREA DEVELOPMENT AGREEMENT, YOU MAY BE HELD IN BREACH OF THE FRANCHISE AGREEMENT FOR ACTS OR FAILURES TO ACT OF THIRD PARTIES OVER WHOM YOU EXERCISE NO LEGAL CONTROL.

FRANCHISE OWNERS MUST SIGN A PERSONAL GUARANTY MAKING SUCH INDIVIDUALS JOINTLY AND SEVERALLY LIABLE FOR ALL OBLIGATIONS OF THE FRANCHISE. THIS REQUIREMENT PLACES THE PERSONAL ASSETS OF THE FRANCHISE OWNER(S) AT RISK. YOU MAY WANT TO CONSIDER THIS WHEN MAKING A DECISION TO PURCHASE THIS FRANCHISE.

THERE MAY BE OTHER RISKS CONCERNING THIS FRANCHISE.

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