

FRANCHISE DISCLOSURE DOCUMENT



QDOBA RESTAURANT CORPORATION

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

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

The total investment necessary to begin operation of a *Qdoba* restaurant is \$475,500 - \$1,095,000. This includes \$30,000 which must be paid to us or our affiliates. The total investment necessary to begin operation of a non-traditional *Qdoba* restaurant is \$251,500 - \$815,000. This includes \$15,000 which must be paid to us or our affiliates.

We may offer the right to enter into a development agreement to develop a minimum of two (2) Qdoba restaurants pursuant to a development agreement. You must pay a development fee to us in the amount of \$10,000 for each restaurant to be developed (there are no additional fees payable to our affiliates). The total investment necessary under the development agreement, based on a commitment of two (2) Qdoba restaurants, is \$952,000 to \$2,195,000. This includes \$20,000 of development fees that must be paid to us or our affiliates.

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

You may wish to receive your disclosure document in another format that is more convenient for you. To discuss the availability of disclosures in different formats, contact Peter Ortiz, Vice President, Franchise Development, Qdoba Restaurant Corporation, 350 Camino De La Reina, Suite 400, San Diego, California 92108, (614) 397-5811, or Peter.Ortiz@qdoba.com.

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

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

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

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How to Use This Franchise Disclosure Document

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

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

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