

FRANCHISE DISCLOSURE DOCUMENT

100 M FRANCHISE LLC
A Delaware Limited Liability Company
1000 Brickell Avenue, Suite 420
Miami, Florida 33137
(786) 7876834
www.100montaditos.com



The franchise offered is for the establishment and operation of a modern fast-casual restaurant featuring the décor of a 20th Century Spanish traditional tavern that offers 100 fresh-made varieties of a popular Mediterranean sandwich known as “montaditos” that are best enjoyed over a beer or glass of wine with a group of friends, and also offers an extensive selection of beers, wines and other beverages.

We offer 2 franchise programs:

A single 100 Montaditos restaurant. The total investment necessary to begin operation of a 100 Montaditos franchise is \$452,136 to \$696,500. This includes \$30,000 that must be paid to the franchisor or affiliate. The franchise fee for multiple unit developers is \$30,000 for each unit you agree to develop.

Multiple 100 Montaditos restaurants. The estimated total investment necessary to begin operation of multiple 100 Montaditos franchises ranges from \$467,136 to \$831,500 (but can be more if you choose to develop more than 10 units). The initial development fee is \$15,000 per 100 Montaditos restaurant authorized for development and is payable and earned when the Development Agreement is signed, whether or not you later open the franchise. If you do open a franchised restaurant, the development fee of \$15,000 for the unit is credited against the franchise fee.

This Disclosure Document summarizes certain provisions of your franchise agreement and other information in plain English. Read this Disclosure Document and all accompanying agreements carefully. You must receive this Disclosure Document at least 14 calendar-days before you sign a binding agreement with, or make any payment to, the franchisor or an affiliate in connection with the proposed franchise sale. **Note, however, that no 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 Mr. Mauricio Paschold, 1000 Brickell Avenue, Suite 420, Miami, Florida 33137, (786) 7876834.

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.

Date of Issuance: September 26, 2011

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 THE DISCLOSURE DOCUMENT.

Call the state franchise administrator 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:

1. THE FRANCHISE AGREEMENT AND AREA DEVELOPMENT AGREEMENT REQUIRE THAT MOST DISPUTES BE LITIGATED IN MIAMI-DADE COUNTY, FLORIDA. OUT OF STATE LITIGATION MAY FORCE YOU TO ACCEPT A LESS FAVORABLE SETTLEMENT FOR DISPUTES. IT MAY ALSO COST YOU MORE TO LITIGATE WITH US IN FLORIDA THAN IN YOUR HOME STATE.
2. THE FRANCHISE AGREEMENT AND AREA DEVELOPMENT AGREEMENT STATE THAT FLORIDA LAW GOVERNS THE AGREEMENTS, AND FLORIDA LAW MAY NOT PROVIDE THE SAME PROTECTIONS AND BENEFITS AS YOUR STATE'S LAW. YOU MAY WANT TO COMPARE THESE LAWS.
3. YOU WILL NOT BE GRANTED AN EXCLUSIVE TERRITORY.
4. THE FRANCHISOR WAS FORMED IN DECEMBER, 2009 AND HAS NO OPERATING HISTORY OR RECORD OF PERFORMANCE. ITS OPENING BALANCE SHEET SHOWS CAPITAL OF \$1,000. A PROSPECTIVE FRANCHISEE SHOULD TAKE THESE FACTORS INTO CONSIDERATION WHEN DECIDING WHETHER TO PURCHASE A FRANCHISE.
5. THE FRANCHISOR HAS TERMINATION RIGHTS PRIOR TO THE OPENING OF THE FRANCHISED RESTAURANT. A PROSPECTIVE FRANCHISEE SHOULD CONSULT WITH ITS ATTORNEY AS TO THE EFFECT OF SUCH TERMINATION ON FRANCHISEES' OTHER OBLIGATIONS, INCLUDING ANY LEASE OR PURCHASE OBLIGATIONS RELATING TO A PROPOSED LOCATION FOR THE FRANCHISED RESTAURANT.
6. THERE MAY BE OTHER RISKS CONCERNING THIS FRANCHISE.

The Effective Date for this Franchise Disclosure Document for your state is listed on the next page.

STATE EFFECTIVE DATES

The states listed below may require registration or filing of this Disclosure Document. If this offering is registered in any of these states, the effective date of the registration may differ from the date of issuance of this Disclosure Document as stated below. Some of these states may require different or additional disclosures or revisions to the agreement. The effective date of this Disclosure Document for any state that is not included in this list is as shown on the cover of this Disclosure Document. (See the State Addenda to this Disclosure Document for certain states.)

California	Effective Date: _____
Connecticut	Effective Date: _____
Florida	Effective Date: <u>October 21, 2011</u>
Hawaii	Effective Date: _____
Illinois	Effective Date: _____
Indiana	Effective Date: _____
Kentucky	Effective Date: _____
Maine	Effective Date: _____
Maryland	Effective Date: _____
Michigan	Effective Date: _____
Minnesota	Effective Date: _____
Nebraska	Effective Date: _____
New York	Effective Date: <u>February 16th 2012</u>
North Carolina	Effective Date: _____
North Dakota	Effective Date: _____
Rhode Island	Effective Date: _____
South Carolina	Effective Date: _____
South Dakota	Effective Date: _____
Texas	Effective Date: _____
Utah	Effective Date: _____
Virginia	Effective Date: _____
Washington	Effective Date: _____
Wisconsin	Effective Date: _____

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- A. LIST OF STATE ADMINISTRATORS
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ITEM 1. THE FRANCHISOR, AND ANY PARENTS, PREDECESSORS AND AFFILIATES

To simplify the language in this Disclosure Document, the words “we,” “our,” “us” and “100 Montaditos” refer to 100 M Franchise LLC, the franchisor of this business. “You” and “your” refer to the person who buys the franchise, whether you are a corporation, limited liability company or other business entity. If you are a corporation, limited liability company or other business entity, certain provisions of this disclosure also apply to your owners and will be noted.

The Franchisor

We were formed in Delaware on December 21, 2009 to offer 100 Montaditos franchises. Our principal business address is 1000 Brickell Avenue, Suite 420, Miami, Florida 33137. We do business under our corporate name and under the name 100 Montaditos. We have offered franchises since 2010.

We franchise the right to operate a modern fast-casual restaurant featuring the décor of a 20th Century Spanish traditional tavern that offers 100 fresh-made varieties of a popular Mediterranean sandwich known as “montaditos” that are best enjoyed over a beer or glass of wine with a group of friends and also offers beer, wine and other beverages. The franchise or franchised restaurant does business under the trade name, 100 Montaditos, and also uses our other related service marks, trademarks or logos (our “Marks”). The franchised restaurant typically requires between 2,400 to 3,000 square feet and is usually located within a high traffic area. The franchise operates using our standards, methods, procedures and specifications, called our “System.”

We do not operate a business of the type being franchised. We are not involved in any other business activities.

We also offer development rights to develop and operate multiple franchises. The number of franchises which can be developed is predetermined and must be located in a “Development Territory.” Each location must be operating within a set time frame.

Our Parents, Predecessors and Affiliates

We do not have any predecessors. We are a subsidiary of 100 M Holding, Inc., (our “parent company”). Our parent company was incorporated in Delaware on January 21, 2010 and is located at 1000 Brickell Avenue, Suite 420, Miami, Florida 33137. Our parent company does not own or operate a business of the type being franchised. Our parent company has not offered and does not currently offer franchises in this or any other line of business. Our parent company is a subsidiary of 100 M International S.L. 100 M International S.L. was formed in Seville, Spain on July 27, 2009 and is located at Avda. De Europa 19. Edificio Urbis 2. Third Floor, Office ABC 28224, Pozuelo de Alarcón, Madrid, Spain. 100 M International S.L. does not own or operate a business of the type being franchised. 100 M International S.L. has not offered and does not currently offer franchises in this or any other line of business. Euromontadito S.L. is a sister company of 100 M International S.L. and offers franchises under the service mark “Cerveceria 100 Montaditos” in Spain as of 2001 and has 130 franchised units operating in Spain, one franchised unit in France and one franchised unit in Portugal as of the date of this Disclosure Document. Euromontadito S.L. (“Euromontadito”) was formed in Seville, Spain on October 9, 2001 and is

located at Avda. De Europa 19. Edificio Urbis 2. Third Floor, Office ABC 28224, Pozuelo de Alarcón, Madrid, Spain.

We do not have any other affiliates.

General Description of the Market and Competition

A 100 Montaditos franchise offers a variety of a popular Mediterranean sandwich known as “montaditos” and an extensive selection of beers, wines and other beverages to the general public. You may have to compete with other businesses, including franchised operations, national chains and independently owned companies offering montaditos and other similar items to customers. You may also encounter competition from other 100 Montaditos franchises. Changes in local and national economic conditions and population density affect this industry and are generally difficult to predict. You will face other business risks that could have an adverse effect on your business, including pricing policies of competitors, changes to laws or regulations, changes in supply and demand, new technologies and competition that provide related products. Our ability to fulfill our obligations under our Franchise Agreement depends in part on our present and future financial condition. Litigation risks also exist, including future litigation that may not be predicted.

Regulations Specific to the Industry

Most states and local jurisdictions have enacted laws, rules, regulations and ordinances which may apply to the operation of your business, including those that: (a) require a permit, certificate or other license, including state and local liquor licenses; (b) establish general standards, specifications and requirements for the construction, design and maintenance of the business premises; (c) regulate matters affecting the health, safety and welfare of your customers, including general health and sanitation requirements for the storage, and handling of foods and beverages, restrictions on smoking, availability of and requirements for public accommodations, including restrooms; (d) set standards pertaining to employee health and safety; (e) regulate matters affecting requirements for accommodations for disabled persons; (f) set standards and requirements for fire safety and general emergency preparedness; and (g) regulate the proper use, storage and disposal of waste. You must investigate and comply with all applicable laws and regulations. You alone are responsible for complying with all applicable laws and regulations despite any advice or information that we may give you.

Agents for Service of Process

Our agents for service of process are listed on Exhibit B to this Disclosure Document.

ITEM 2. BUSINESS EXPERIENCE

CEO: Juan Gervás

Mr. Gervás is our CEO since September 2011. Since April 2009, Mr. Gervás has been Manager of MGH Group, LLC a holding company located in Miami, Florida; and since November 2006, Mr. Gervás has been President of Vizcaya Consulting Corporation located in Miami, Florida.

President: Carlos Perez Tenorio

Mr. Perez Tenorio is our President and has been since February 2010. In addition, Mr. Perez Tenorio is Chief Executive Officer of Euromontadito and has been since December 2002.

Vice President, Secretary: Vicente Moreno Carrasco

Mr. Moreno Carrasco is our Vice President, Secretary and has been since February 2010. In addition, Mr. Moreno Carrasco is Senior Legal Counsel of Euromontadito S.L. and has been since October 2001.

Director, Market Development: Mauricio Paschold

Mr. Paschold is our Director, Market Development and has been since February 2010. In addition, Mr. Paschold is Director, International Market Development of Euromontadito S.L. and has been since February 2009. From October 2001 to January 2009, Mr. Paschold was Franchise Manager of Fratelli International, Inc., a franchise company in Santiago, Chile.

Training Manager: Alexandra Gierbolini

Ms. Gierbolini is our Training Manager since November 2011. In addition, since September 2011, Ms. Gierbolini has been Corporate Trainer for Subway International in Miami, Florida. From January 2009 to February 2011, Ms. Gierbolini was Operations Excellence Analyst for Burger King Corporation in Miami, Florida; and from September 2001 to December 2009, Ms. Gierbolini was a Professor for Instituto De Banca Y Comercio (EDUK Group) in Puerto Rico.

ITEM 3. LITIGATION

No litigation is required to be disclosed in this ITEM.

ITEM 4. BANKRUPTCY

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

ITEM 5. INITIAL FEES

Franchise Fee

You pay us a \$30,000 lump sum franchise fee when you sign the Franchise Agreement. The franchise fee for developers is \$30,000 for each franchise unit. The franchise fee is uniform.

Refund of the Franchise Fee

We will refund 50% of the franchise fee you paid if we terminate the franchise for failure to perform your pre-opening obligations under the Franchise Agreement. We do not give refunds under other circumstances.

Development Agreement

You are required to sign one Franchise Agreement and pay the franchise fee of \$30,000 for the first franchised restaurant at the same time you sign the Development Agreement. The number of franchised restaurants you must open will be determined before you sign the Development Agreement.

Under the terms of the Development Agreement, you must pay a development fee equal to 50% of the sum of the individual franchise fees for each of the franchised restaurants you agree to develop after the first one. The development fee ranges from \$15,000 (to develop one additional franchise for a total of 2 franchises) to \$135,000 (to develop 9 additional franchises for a total of 10 franchises) or higher to develop more than 10 units. As a result, if (for example) you sign a Development Agreement for the development of 2 franchised restaurants, you will sign one Franchise Agreement for the first franchise and pay a franchise fee of \$30,000, plus the development fee will be \$15,000 for the second franchise to be developed under the Development Agreement. If (for example), you sign a Development Agreement for the development of 10 franchises, you will sign one Franchise Agreement for the first franchise and pay a franchise fee of \$30,000, plus the development fee will be the sum of \$15,000 + \$15,000 + \$15,000 + \$15,000 + \$15,000 + \$15,000 + \$15,000 + \$15,000 for each of the nine additional franchises to be developed under the Development Agreement for a total development fee of \$135,000.

In the case of the second and each subsequent franchised restaurant you are required to open under the Development Agreement, in accordance with a set schedule, you will also sign a Franchise Agreement before opening and pay the franchise fee, however, you will receive a credit against the franchise fee equal to the development fee you paid with respect to that franchised restaurant.

The development fee is calculated uniformly, but the amount of the actual fee will vary based on the number of 100 Montaditos restaurants you agree to develop.

Refund of the Development Fee

The development fee is non-refundable under any circumstance, but is credited against the additional franchise fees as described above.

ITEM 6. OTHER FEES

Type of Fee	Amount	Due Date	Remarks
Royalty Fee	7% of gross sales	Monthly	You must pay your royalty fee directly to us. See definition of gross sales ¹ .
Marketing Fund Contribution	Initially, 1% of gross sales	Monthly after notice from us that the marketing fund has been activated	We will notify you of the date by which you must begin paying the monthly marketing fund contribution. You will pay your marketing fund contribution to us. We will give you 30 days notice before increasing required contributions.
Audit Expenses ²	All costs and expenses associated with audit, approximately \$1,500 - \$5,000	Upon demand	Audit costs payable only if the audit shows you have not spent the required percentage of your monthly gross sales on local advertising or if you underreported amounts you owe us by 3% or more.
Late Fees ³	1.5% per month or the highest rate allowed by the state where you are located, whichever is lower	Upon demand	Applies to all overdue fees you owe us. Also applies to any understatement in amounts due revealed by an audit.
Approval of Products or Suppliers ⁴	\$500 - \$1,000	Time of evaluation	Applies to the costs we expend in our evaluation of new suppliers you wish to purchase from or products you wish to purchase.
Insurance Policies	\$1,000 - \$3,500	Upon demand	Amount of unpaid premiums plus our reasonable expenses in obtaining the policies; payable to us only if you fail to maintain required insurance coverage and we elect to obtain coverage for you.
Transfer Fee	\$5,000	At the time of transfer	Payable to us at time of transfer. Does not apply to an assignment under Section 18.3 of the Franchise Agreement.
System Modifications	Approximately \$10,000 to \$30,000 per year	As required	If we make changes to our System, you must adapt your business to conform to the changes. Some examples of changes include new equipment, décor, fixtures, software or new Marks.

Type of Fee	Amount	Due Date	Remarks
Relocation Assistance	Approximately \$1,500 - \$3,000	Time of assistance	If you need our assistance to relocate, you must reimburse our costs to assist you.
Customer Service ⁵	All costs incurred in assisting your customers, approximately \$3,500 - \$7,000	Upon demand	You must reimburse us if we determine it is necessary for us to provide service directly to your customers.
Substitute or New Manager Training/ Additional Training ⁶	Currently, \$500 per week, plus your expenses in attending	Time of training	We provide an initial training program before you begin and ongoing training programs during the term of the franchise. If you have to repeat our training, we may charge you a fee.
Additional Operations Assistance	Currently, \$600 per week plus our expenses	Time of assistance	We provide on-site operations assistance around the beginning of operations and during the term of the franchise. If you request additional assistance beyond what we provide, you may be charged a fee, plus our expenses if we need to travel to accommodate your request.
Cost of Enforcement	All costs including reasonable attorneys' fees	Upon demand	You must reimburse us for all costs in enforcing obligations if we prevail.
Temporary Management Assistance	Currently, \$600 per week, plus our expenses	Each month that it applies	If you breach the Franchise Agreement or following the death or incapacity of an owner of the franchise, we may temporarily manage your franchised restaurant.
Indemnification	All costs including reasonable attorneys' fees	Upon demand	You must defend lawsuits at your cost and hold us harmless against lawsuits arising from your operation of the franchised restaurant. We also provide indemnification to you for any lawsuits or claims arising from your authorized use of the Marks.

We may require that all fees payable to us be paid through an electronic depository transfer account.

All of the fees noted above are uniform. No other fees or payments are to be paid to us or an affiliate, nor do we impose or collect any other fees or payments for any other third party. All fees are generally non-refundable. We may defer the payment of the marketing fund contribution for a time, but you will be required to begin making that payment upon notice from us to you.

NOTES

¹ “Gross sales” means all revenue from the franchised restaurant. Gross sales do not include sales tax or use tax.

² We assume costs vary depending on factors, including prevailing auditor’s rates in your area, the business activity being audited and how well you keep your books and records. You pay our actual costs only. You should be able to investigate these costs by contacting auditors in your area.

³ Late fees begin from the date payment was due, but not received, or date of underpayment.

⁴ Costs vary depending on the availability of product samples for testing, shipping costs or travel costs to review the product, the type of product under review, whether the product or supplier has been rated and other similar factors. You pay our actual costs only.

⁵ Costs vary depending on factors, including nature of the complaint, expertise needed and the time involved. You pay our actual costs only.

⁶ We provide training programs to an individual you select to be the designated manager of the franchise. Your designated manager’s assistance is required. We do not charge fees for these programs, but if you replace your designated manager and your manager changes are excessive or due to poor hiring practices, we may charge you a fee.

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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
Franchise Fee ¹	\$ 30,000	Cashier's Check	At Signing of Franchise Agreement	Us
Real Estate/Rent ²	6,000 - 50,000	As Arranged	Before Beginning Operations	Lessor
Utility Deposits ³	0 - 500	As Arranged	Before Beginning Operations	Utilities
Leasehold Improvements ⁴	138,000 - 250,000	As Arranged	Before Beginning Operations	Contractor, Suppliers
Insurance ⁵	1,000 - 3,500	As Arranged	Before Beginning Operations	Insurance Company
Computer System/POS System ⁶	13,000 - 26,000	As Arranged	Before Beginning Operations	Suppliers
Office Equipment & Supplies ⁷	1,500 - 2,000	As Arranged	Before Beginning Operations	Suppliers
Training ⁸	15,000 - 25,000	As Arranged	During Training	Airlines, Hotels & Restaurants
Signage ⁹	3,000 - 8,000	As Arranged	Before Beginning Operations	Suppliers
Furniture, Fixtures & Equipment ¹⁰	196,636 - 227,000	As Arranged	Before Beginning Operations	Suppliers
Initial Inventory ¹¹	10,000 - 15,000	As Arranged	Before Beginning Operations	Approved Suppliers Suppliers
Grand Opening ¹²	6,500 - 10,000	As Arranged	First 3 Months of Operation	Advertising Suppliers
Licenses & Permits ¹³	4,500 - 12,000	As Arranged	Before Beginning Operations	Licensing Authorities
Legal & Accounting ¹⁴	2,000 - 2,500	As Arranged	Before Beginning Operations	Attorney, Accountant
Additional Funds ¹⁵ (3 months)	25,000 - 35,000	As Arranged	As Necessary	Employees, Utilities, Lessor & Suppliers
TOTAL¹⁶	\$ 452,136 - \$ 696,500			

NOTES

¹ Franchise Fee. The franchise fee and its refund policy are described in greater detail in ITEM 5. We do not finance any fee.

² Real Estate/Rent. You must lease or otherwise provide a suitable facility for the operation of the franchised restaurant. Typically, the facility will range in size from 2,400 to 3,000 square feet. It is difficult to estimate lease acquisition costs because of the wide variation in these costs between various locations. Lease costs will vary based upon square footage, cost per square foot and required maintenance costs. The low estimate is based on an assumption that you will have to pay a security deposit equal to 1 month's rent and is based on leasing a facility of 2,400 square feet. The high estimate is based on an assumption that you will have to pay a security deposit equal to 3 months' rent to lease the facility and is based on leasing a facility of 3,000 square feet at a higher cost per square foot. Most lessors will retain the security deposit if you cancel the lease before you occupy the premises and may seek additional damages for breach of the lease unless you retain a cancellation right in the lease. You should clearly understand your lease obligations and cancellation rights before you sign the lease. The estimated range of costs in this category only includes your costs to enter into a lease agreement for the facility. Estimated rental costs for 3 months are included with the category, "Additional Funds," (see Note 15 below).

³ Utility Deposits. If you are a new customer of your local utilities, you will generally have to pay deposits to obtain services, including electric, telephone, gas and water. The amount of the deposit and whether the deposit is refundable will vary depending on the local utilities. You should contact your local utilities for more information.

⁴ Leasehold Improvements. To adapt a newly acquired facility for operation of the franchised restaurant, it must be renovated. The cost of the leasehold improvements will vary depending on factors, including the size, condition and location of the facility, local wage rates and the cost of materials. The low estimate assumes that your landlord will provide a partial build-out allowance. The amounts you pay for leasehold improvements are typically non-refundable. You should inquire about the refund policy of the contractor at or before the time of hiring.

⁵ Insurance. You must purchase the following types and amounts of insurance:

- (1) "Special Form" property insurance coverage for assets of the franchised restaurant;
- (2) workers' compensation insurance and employer liability coverage with a minimum limit of \$1,000,000 or higher if your state law requires;
- (3) commercial general liability insurance with a minimum liability coverage of \$1,000,000 per occurrence and \$2,000,000 in the aggregate, or higher if your state law requires;
- (4) business interruption insurance;
- (5) automobile liability insurance of at least \$1,000,000 or higher if your state law requires;
- (6) umbrella excess liability insurance with a minimum liability coverage of \$2,000,000;

- (7) liquor liability insurance with a minimum liability coverage of \$1,000,000 per occurrence and \$2,000,000 in the aggregate, or higher if your state law requires; and
- (8) insurance coverage for contractual indemnity.

Factors that may affect your cost of insurance include the size and location of the franchised restaurant, value of the leasehold improvements, equipment, inventory, number of employees and other factors. The amounts you pay for insurance are typically non-refundable. You should inquire about the cancellation and refund policy of the insurance carrier or agent at or before the time of purchase.

⁶ Computer System/POS System. You must purchase a computer system and a POS system that conforms to our specifications. Estimated costs include shipping and installation. Factors that may affect your cost of a computer system and a pos system include local market conditions, competition among suppliers and other factors. We do not know if the amounts you pay for a computer system and a pos system are refundable. Factors determining whether the amounts you pay for a computer system and a pos system are refundable typically include the condition of the items at time of return, level of use and length of time of possession. You should inquire about the return and refund policy of the supplier at or before the time of purchase.

⁷ Office Equipment & Supplies. You must purchase general office supplies including stationery, business cards and typical office equipment. Factors that may affect your cost of office equipment and supplies include local market conditions, competition among suppliers and other factors. We do not know if the amounts you pay for office equipment and supplies are refundable. Factors determining whether the amounts you pay for office equipment and supplies are refundable typically include the condition of the items at time of return, level of use and length of time of possession. You should inquire about the return and refund policy of the supplier at or before the time of purchase.

⁸ Training. The cost of initial training is included in the franchise fee, but you are responsible for transportation and expenses for meals and lodging while attending training. The total cost will vary depending on the number of people attending, how far you travel and the type of accommodations you choose. These expenses are typically non-refundable. Before making airline ticket, hotel, rental car or other reservations, you should inquire about the refund policy in the event you need to cancel any reservation.

⁹ Signage. This range includes the cost of all signage used in the franchised restaurant. The signage requirements and costs will vary based upon the size and location of the franchised restaurant, local zoning requirements, landlord requirements and local wage rates for installation. The amounts you pay for signage are typically non-refundable. You should inquire about the return and refund policy of the suppliers at or before the time of purchase.

¹⁰ Furniture, Fixtures & Equipment. You must purchase and/or lease and install furniture, fixtures and equipment and décor necessary to operate your franchised restaurant. The cost of the furniture, fixtures and equipment will vary according to local market conditions, the size of the facility, suppliers and other related factors. We do not know if the amounts you pay for furniture, fixtures or equipment are refundable. Factors determining whether furniture, fixtures and equipment are refundable typically include the

condition of the items, level of use, length of time of possession and other variables. You should inquire about the return and refund policy of the suppliers at or before the time of purchasing or leasing.

¹¹ Initial Inventory. You must purchase an initial inventory of supplies, food and beverages and other expendables for use in the operation of the franchised restaurant. Initial Inventory costs vary based upon the location of the franchised restaurant, time of season, suppliers and other related factors. We do not know if the amounts you pay for an initial inventory may be refundable. Factors determining whether inventory items are refundable typically include the condition of the items at time of return, level of use, and length of time of possession and other factors. You should inquire about the return and refund policy of the suppliers at or before the time of purchasing.

¹² Grand Opening. You must spend a minimum amount we specify on grand opening advertising during the first 3 months of operation. We determine the minimum based on our assessment of your advertising costs in your area and the time of year that you are opening. You may choose to spend more than the minimum amount we specify. If you choose to spend more, the factors that may affect the actual amount you spend include the type of media used, the size of the area you advertise to, local media cost, location of the franchised restaurant, time of year and customer demographics in the surrounding area. The amounts you spend for grand opening advertising are typically non-refundable. You should inquire about the return and refund policy of the suppliers at or before the time of purchasing.

¹³ Licenses & Permits. State and local government agencies typically charge fees for occupancy permits, operating licenses and construction permits. Your actual costs may vary from the estimates based on the requirements of state and local government agencies. These fees are typically non-refundable. You should inquire about the cancellation and refund policy of the agencies at or before the time of payment.

¹⁴ Legal & Accounting. You will need to employ an attorney, an accountant and other consultants to assist you in establishing your franchised restaurant. These fees may vary from location to location depending on the prevailing rates of local attorneys, accountants and consultants. These fees are typically non-refundable. You should inquire about the refund policy of the attorney, accountant or consultant at or before the time of hiring.

¹⁵ Additional Funds. We recommend that you have a minimum amount of money available to cover operating expenses, including rent, utilities and employees' salaries for the first 3 months that the franchised restaurant is open. We cannot guarantee that our recommendation will be sufficient. Additional working capital may be required if sales are low or operating costs are high. These expenses are typically non-refundable.

¹⁶ Total. In compiling this chart, we relied on our and our parent companies' industry knowledge and experience. The amounts shown are estimates only and may vary for many reasons, including the size and condition of your facility, the capabilities of your management team, where you locate your franchised restaurant and your business experience and acumen. You should review these estimates carefully with an accountant or other business advisor before making any decision to buy a franchise. These figures are estimates only and we cannot guarantee that you will not have additional expenses in starting the franchised restaurant.

We do not offer direct or indirect financing to you for any items.

YOUR ESTIMATED INITIAL INVESTMENT - DEVELOPMENT AGREEMENT

The following chart provides an estimate of your initial investment to open your first franchised restaurant.

Type of Expenditure	Amount	Method of Payment	When Due	Who You Have to Pay
Development Fee ¹	\$ 15,000 - 135,000	Cashier's Check	At Signing of Development Agreement	Us
Franchise Fee ²	30,000	Cashier's Check	At Signing of 1 st Franchise Agreement	Us
Other Expenditures ³ for 1 st business	422,136 - 666,500	As Disclosed in Preceding Table	As Disclosed in Preceding Table	As Disclosed in Preceding Table
TOTAL	\$ 467,136 - \$ 831,500			

¹ Development Fee. The low figure is based on the assumption that you enter into a Development Agreement to open 2 franchised restaurants. To develop 2 franchises, you sign a Franchise Agreement and pay a franchise fee for the first franchised restaurant. (See Note 2.) You also sign a Development Agreement and pay a development fee of \$15,000 for the additional franchised restaurant to be developed. The high figure in this category is based on the assumption that you enter into a Development Agreement to open 10 franchised restaurants. To develop 10 franchises, you sign a Franchise Agreement and pay a franchise fee for the first franchised restaurant the same as if you were developing 2. (See Note 2.) You also sign a Development Agreement and pay a development fee of \$135,000 (which is 9 x \$15,000) for the 9 additional franchised restaurants to be developed. We credit the payment of the development fee for an additional franchise to your payment of the franchise fee for the additional franchise at the time when the franchise fee for the additional franchise comes due. (See Note 2.)

² Franchise Fee. If you are entering into a Development Agreement to open additional franchises, the franchise fee for each unit you will develop is \$30,000. At the same time you acquire your development rights to open additional franchises, you sign a Franchise Agreement and pay the franchise fee of \$30,000 for the first franchise and begin site selection for the development of your first franchised restaurant. You also sign a Development Agreement and pay the development fee. (See Note 1.) You do not sign a Franchise Agreement and pay the franchise fee for the additional franchises until you are about to select a site and develop an additional franchise. At the time when you are about to develop an additional franchise, you sign a Franchise Agreement for the operation of the franchise and pay the franchise fee. We credit the payment of the development fee you already paid to your payment of the franchise fee so the payment due when signing the franchise agreement for the additional franchise will be just a balance equal to one-half of the franchise fee.

³ Other Expenditures. The balance of your initial investment for the first franchised restaurant is categorized by costs in the table at the beginning of this ITEM 7. Your costs to develop the second and

each additional franchised restaurant may be affected by factors, including inflation, local labor costs, materials cost and other factors not within our control.

ITEM 8. RESTRICTIONS ON SOURCES OF SERVICES AND PRODUCTS

Franchise Agreement

Required Purchases

You must purchase your furniture, fixtures, equipment, including computer equipment, inventory and signage under specifications in the 100 Montaditos Confidential Operations Manual (“Confidential Operations Manual”). These specifications include standards and specifications for appearance, quality, price, performance and functionality. These standards and specifications are based on Euromontadito’s experience in franchising businesses of the type we are franchising, through research and testing in its franchised units and its use of the Cervceria 100 Montaditos brand name. We may communicate our standards and specifications directly to suppliers who wish to supply you with furniture, fixtures, equipment, inventory and signage under specifications. We communicate our standards and specifications to you when we evaluate your proposed location for the franchised restaurant, during training, before you conduct your grand opening advertising, during on-site opening assistance, during periodic visits to your franchise location and through the Confidential Operations Manual (including periodic bulletins). We will periodically issue new standards and specifications (if any) through written notices.

Required and Approved Suppliers

Currently, you must purchase the food and beverage inventory for the franchised restaurant from approved suppliers. We do not derive revenue as a result of franchisees’ purchases of inventory from approved suppliers. While we have created standards and specifications for the development and operation of your franchised restaurant, we have not designated any vendors and suppliers for any products or services other than the food and beverage inventory. No officer of the franchisor has an ownership or other interest in any supplier.

Approval Criteria for Non-Approved Goods & Services

If you would like to use any goods or services in establishing and operating the franchised restaurant that we have not approved (for goods and services that must meet our standards, specifications or that require supplier approval), you must first send us sufficient information, specifications and samples for us to determine whether the goods or services comply with our standards and specifications or the supplier meets our approved supplier criteria. You must pay our expenses to evaluate goods, services or suppliers. We will decide within a reasonable time (usually 30 days) after receiving the required information whether you may purchase or lease the goods or services or from the supplier. Our criteria for approving or revoking approval of suppliers includes: the supplier’s ability to provide sufficient quantity of goods; quality of goods or services at competitive prices; production and delivery capability; and dependability and general reputation.

Periodically, we may review our approval of any goods, services or suppliers. We will notify you in writing if we revoke our approval of goods, services or suppliers, and you must immediately stop purchasing disapproved goods or services, or must immediately stop purchasing from a disapproved supplier. Additionally, we may negotiate pricing arrangements, including volume discounts on behalf of our franchisees with our suppliers. Volume discounts may not be available to franchisees located in outlying markets that a particular supplier does not serve in significant volume. Presently, there are no purchase or supply agreements in effect and no purchasing or distribution cooperatives that you must join.

Percentage of Your Costs Due to our Standards & Specifications

We estimate that approximately 100% of your expenditures for leases and purchases in establishing your franchised restaurant will be for goods and services that must be purchased from us, an affiliate or an approved supplier or according to our standards and specifications. We estimate that approximately 100% of your expenditures on an ongoing basis will be for goods and services that must be purchased from either us, an affiliate, an approved supplier or according to our standards and specifications.

We do not provide material benefits to you (including renewal rights or the right to additional franchises) based on whether you purchase through the sources we designate or approve. We have no purchasing or distribution cooperatives serving our franchise System.

Development Agreement

You are not required to purchase any additional goods or services.

ITEM 9. FRANCHISEE’S OBLIGATIONS

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

Obligation		Section in the Franchise Agreement (FA) or Development Agreement (DA)	Disclosure Document ITEM
a.	Site selection and acquisition/lease	FA: Section 5 DA: Not Applicable	ITEMS 11 and 12
b.	Pre-opening purchases/leases	FA: Sections 5, 12 and 15 DA: Not Applicable	ITEMS 7 and 8
c.	Site development and other pre-opening requirements	FA: Sections 5 and 8 DA: Not Applicable	ITEMS 7, 8 and 11
d.	Initial and ongoing training	FA: Section 8 DA: Not Applicable	ITEMS 6, 7 and 11
e.	Opening	FA: Sections 5 and 8 DA: Section 4	ITEM 11

Obligation		Section in the Franchise Agreement (FA) or Development Agreement (DA)	Disclosure Document ITEM
f.	Fees	FA: Sections 3, 5, 8, 10, 11, 13, 15, 18 and 22 DA: Section 3 and 7	ITEMS 5, 6 and 7
g.	Compliance with standards and policies/Confidential Operations Manual	FA: Sections 6, 7, 9, 10 and 13 DA: Not Applicable	ITEMS 8, 14 and 16
h.	Trademarks and proprietary information	FA: Sections 6, 7 and 9 DA: Section 6	ITEMS 13 and 14
i.	Restrictions on products/services offered	FA: Sections 5, 6 and 13 DA: Not Applicable	ITEMS 8 and 16
j.	Warranty and customer service requirements	FA: Section 13 DA: Not Applicable	ITEM 16
k.	Territorial development and sales quotas	None DA: Sections 2 and 4, and Exhibit A	ITEM 12
l.	Ongoing product/service purchases	FA: Section 13 DA: Not Applicable	ITEMS 8 and 11
m.	Maintenance, appearance and remodeling requirements	FA: Sections 5, 10 and 13 DA: Not Applicable	ITEM 6
n.	Insurance	FA: Section 15 DA: Not Applicable	ITEMS 6, 7 and 8
o.	Advertising	FA: Section 11 DA: Not Applicable	ITEMS 6, 7 and 11
p.	Indemnification	FA: Section 21 DA: Section 11	ITEM 6
q.	Owner's participation/management/staffing	FA: Section 13 DA: Section 4	ITEM 15
r.	Records and reports	FA: Section 12 DA: Not Applicable	ITEM 11
s.	Inspections and audits	FA: Sections 6 and 12 DA: Not Applicable	ITEMS 6, 11 and 13
t.	Transfer	FA: Section 18 and Exhibits 1 and 6 DA: Section 7 and Exhibit D	ITEMS 6 and 17
u.	Renewal	FA: Section 4 and Exhibits 1 and 6 DA: Section 5 and Exhibit D	ITEM 17
v.	Post-termination obligations	FA: Section 17 and Exhibits 2 and 6 DA: Section 9 and Exhibit D	ITEM 17
w.	Non-competition covenants	FA: Sections 7 and 17 and Exhibits 2 and 6 DA: Section 9 and Exhibit D	ITEM 17
x.	Dispute resolution	FA: Section 23 and Exhibit 6 DA: Section 13 and Exhibit D	ITEM 17
y.	Other	FA: Not Applicable DA: Not Applicable	Not Applicable

ITEM 10. FINANCING

We do not offer direct or indirect financing. We do not guarantee your lease or other obligations.

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

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

A. Before you open your franchised restaurant, we will:

1. if we have not already approved a site for the franchised restaurant before signing the Franchise Agreement, we will designate the area in which you must locate the franchised restaurant, provide you with our criteria for site selection and evaluate sites you propose for the location of the franchised restaurant. (Franchise Agreement, Sections 2.3 and 5.1)

Neither we nor any of our employees have special expertise in selecting sites; we make no representations that your franchised restaurant will be profitable or successful by being located at the approved location. Any approval is intended only to indicate that the proposed site meets our minimum criteria based upon our general business experience.

2. designate your non-exclusive area (area of primary responsibility). (Franchise Agreement, Section 2.5)

3. if you are a developer, designate your Development Territory, as described in ITEM 12. (Development Agreement, Section 2.1)

4. review and approve your lease or purchase agreement for the approved site for the franchised restaurant. (Franchise Agreement, Section 5.3)

Our review of your lease or purchase agreement and any advice or recommendations we may offer is not a representation or guarantee by us that you will succeed at the leased or purchased premises. Our review of your lease or purchase agreement does not constitute an opinion of the merits of the lease or purchase agreement and is solely for the purpose of assuring that the lease or purchase agreement complies with the Franchise Agreement. Our review does not constitute legal or tax advice and is not intended to replace a review by your attorney and tax advisor. For legal and tax advice, you must rely upon the advice of your attorney and tax advisor.

4. provide you with specifications for remodeling and equipping the approved location along with a list of required supplies, equipment and improvements that you must purchase and install. (Franchise Agreement, Section 5.4)

5. provide an initial training program. This training is described in detail later in this ITEM. (Franchise Agreement, Section 8.1)

6. provide to you on-site assistance and guidance to assist you with any questions you may have in operating the franchised restaurant. (Franchise Agreement, Section 8.2)

7. provide to you, on loan, one copy of the 100 Montaditos Confidential Operations Manual or provide you with access to an electronic copy of the Confidential Operations Manual. The approximate total number of pages in the Confidential Operations Manual as of the date of this Disclosure Document is 306. The Table of Contents of the Confidential Operations Manual, along with number of pages devoted to each section, is included as Exhibit D to this Disclosure Document. (Franchise Agreement, Section 9.1)

B. After the opening of the franchised restaurant, we will:

1. periodically advise you and offer general guidance to you by telephone, e-mail, facsimile, newsletters and other methods. Our guidance is based on our and parent companies' knowledge and experience. We offer you advice and guidance on a variety of business matters, including operational methods, accounting procedures, authorized services or products and marketing and sales strategies. (Franchise Agreement, Section 14.1)

2. make periodic visits to the franchised restaurant to provide you with consultation, assistance and guidance in various aspects of the operation and management of the franchised restaurant. We may prepare written reports suggesting changes or improvements in the operations of the franchised restaurant and detailing deficiencies that become evident as a result of a visit. If we prepare a report, we may provide you with a copy. (Franchise Agreement, Section 14.2)

3. make available to you operations assistance and ongoing training as we think necessary. (Franchise Agreement, Sections 8.2 and 8.5)

4. approve forms of advertising materials you will use for local advertising, grand opening advertising and cooperative advertising. (Franchise Agreement, Section 11.2) Our advertising programs are described later in this ITEM.

5. provide you with modifications to the Confidential Operations Manual as they are made available to franchisees. (Franchise Agreement, Section 9.2)

C. Advertising and Promotion

1. During your first 3 months of operation, you must spend a minimum amount we specify on local advertisement and promotion of initial opening (grand opening advertising), including print or news media or direct mail advertising, dues for business organizations, event dues or other solicitation and promotional efforts. We determine the minimum amount by assessing advertising costs in your area and taking into account the time of year that you are opening. We will provide you with guidance for conducting grand opening advertising, and we will review and approve the materials you use in your grand opening advertising. (Franchise Agreement, Section 11.1)

2. We may require that you spend up to 1% of your gross sales on advertising, promotions and public relations in the local area surrounding the franchised restaurant. You will pay for

your ads and promotions directly, but we will provide you with general marketing guidelines and we will review and approve your advertisements. We will not spend any funds on advertising your franchised restaurant in your local area. (Franchise Agreement, Section 11.2)

3. To assist in our regional and national advertising, we may at our discretion create a System-wide marketing fund, and if we do, you must contribute to the fund. (Franchise Agreement, Section 11.3) We expect that we will administer the marketing fund as follows:

(a) We will control the creative concepts and the materials and media to be used, and we will determine the placement and allocation of advertisements. We may use print, television, radio, Internet or other media for advertisements and promotions. We do not guarantee that any particular franchisee will benefit directly or in proportion to their contribution from the placement of advertising by the marketing fund.

(b) We may use your contributions to meet or reimburse us for any cost of producing, maintaining, administering and directing consumer advertising (including the cost of preparing and conducting television, radio, Internet, magazine, direct mail and newspaper advertising campaigns and other public relations activities; hosting an Internet web page of similar activities; employing advertising agencies to assist therein; providing promotional brochures; conducting market research; and providing other marketing materials to franchisees). We will maintain your contributions in a separate account from our funds and we will not use them for any of our general operating expenses, except for our reasonable administrative costs and overhead related to the administration of the marketing fund. We will not use marketing fund contributions for the direct solicitation of franchise sales.

(c) We expect to use all contributions in the fiscal year they are made. We will use any interest or other earnings of the marketing fund before we use current contributions. We intend for the marketing fund to be perpetual, but we have the right to terminate it if necessary. We will not terminate the marketing fund until all contributions and earnings have been used for advertising and promotional purposes or we have returned your *pro rata* share.

(d) All restaurants owned by us or an affiliate that operate under the trade name 100 Montaditos will make similar contributions to the marketing fund as required of franchisees.

(e) We will have an accounting of the marketing fund prepared each year and we will provide you with a copy if you request it. We may require that the annual accounting be reviewed or audited and reported on by an independent certified public accountant at the marketing fund's expense.

(f) The marketing fund is not a trust and we assume no fiduciary duty in administering the marketing fund.

We have not collected and do not initially plan on collecting any marketing fund contributions. As a result, we have not spent any money from the System-wide marketing fund. Except for our reasonable administrative costs, overhead related to the administration of the marketing fund and salaries of any marketing personnel that may be employed by us, we do not and will not receive

compensation for providing goods or services to the fund. No marketing funds were used for solicitation of new franchisees.

4. Although we are not obligated to do so, we may create a cooperative advertising program for the benefit of all 100 Montaditos franchises located in a particular region. We have the right to collect and designate all or a portion of the local advertising for cooperative advertising. We will determine the geographic territory and market areas for each cooperative advertising program. You must participate in any cooperative advertising program established in your region. If cooperative advertising is implemented in a particular region, we may establish an advertising council for franchisees in that region to self-administer the program. If we establish a cooperative advertising program or programs with or without an advertising council, there are no limits on our right to change, dissolve or merge these program(s) and/or council(s) at any time. (Franchise Agreement, Section 11.4)

5. You must list the telephone number for the franchised restaurant in your local telephone directory and advertise your franchised restaurant in the “yellow pages” category that we specify. You must place the listings together with other 100 Montaditos franchises operating within the distribution area of the directories. (Franchise Agreement, Section 11.6)

6. You are restricted from establishing a presence on, or marketing on the Internet without our consent. We have an Internet website at the uniform resource locator www.100montaditos.com that provides information about the System and about 100 Montaditos franchises. We may (but we are not required to) include at the 100 Montaditos website an interior page containing information about your franchised restaurant. All information must be approved by us before it is posted. We retain the sole right to market on the Internet, including the use of websites, domain names, uniform resource locators, keywords, linking, search engines (and search engine optimization techniques), banner ads, meta-tags, marketing, auction sites, e-commerce and co-branding arrangements. You may be requested to provide content for our Internet marketing and you must follow our intranet and Internet usage rules, policies and requirements. We retain the sole right to use the Marks on the Internet, including on websites, as domain names, directory addresses, search terms and meta-tags, and in connection with linking, marketing, co-branding and other arrangements. We retain the sole right to approve any linking to, or other use of, the 100 Montaditos website. (Franchise Agreement, Section 11.5)

D. Computer/Point-of-Sale System

You must purchase and use any hardware and software programs we designate. (Franchise Agreement, Section 12.5) Presently, we require you to purchase the following hardware and software:

Hardware
P1500 Series Touch Screens (2)
Equipment for Back Office: 1 – S4600 Server, Screen, Keyboard, Mouse
Epson TMU88 IV Customer Receipt Printers (2)
Epson TMU22OB Kitchen Receipt Printer (1)

Software
Aloha Enterprise Quick Service Point of Sales Software (1 user license)
Aloha Menu Link Software (1 user license)

The approximate cost of the hardware and software ranges from \$13,000 to \$26,000. Euromontadito's franchised units have used the above hardware and software since 2009.

You must enter into an ongoing maintenance and support agreement for the maintenance of your point-of-sale system with Aloha Field Service Support. The annual cost of maintaining your point-of-sale system through Aloha Field Service Support is approximately \$3,000.

You may periodically be required to update or upgrade computer hardware and software, if we believe it is necessary. We may introduce new requirements for computer and point-of-sale systems or modify our specifications and requirements. There are no limits on our rights to do so, except as disclosed in ITEM 16. We have the right to independently access all information you collect or compile at any time without first notifying you. (Franchise Agreement, Sections 10.2, 12.5 and 12.7)

E. Methods Used to Select the Location of the Franchised Restaurant

If you have a potential site for the franchised restaurant, you may propose the location for our consideration. We may consent to the site after we have evaluated it. If you do not have a proposed site, we will designate a geographic area in which you must locate the franchised restaurant and we will furnish you with our general site selection criteria. You are solely responsible for locating and obtaining a site that meets our standards and criteria and that is acceptable to us. (Franchise Agreement, Sections 2.3 and 5.1)

The general site selection and evaluation criteria or factors that we consider in approving your site includes the condition of the premises, demographics of the surrounding area, proximity to other 100 Montaditos restaurants, proximity to competitive businesses, lease requirements, traffic patterns, visibility, vehicular and pedestrian access, proximity to major roads, available parking and overall suitability. We will provide you with written notice of our approval or disapproval of any proposed site within a reasonable time (usually 30 days) after receiving all requested information. If we cannot agree with you on a suitable site for the franchised restaurant within 180 days after you sign the Franchise Agreement, we may terminate the Franchise Agreement. (Franchise Agreement, Sections 5.1 and 5.2)

If you are a Developer, you must locate each of your franchised restaurants in the Development Territory, and for each, you must propose the specific sites for our consideration, according to the process above. (Development Agreement, Section 2.1)

F. Typical Length of Time Before Operation

We estimate that the typical length of time between the signing of the Franchise Agreement and the opening of the franchise is 240 days. Factors that may affect your beginning operations include ability to secure permits, zoning and local ordinances, weather conditions and delays in installation

of equipment and fixtures. You must open your franchised restaurant and be operational within 300 days after signing the Franchise Agreement. (Franchise Agreement, Sections 5.4 and 5.6)

G. Training

We provide you an initial training program that covers material aspects of the operation of the franchised restaurant. The topics covered are listed in the chart below. This training is conducted at our headquarters in Miami, Florida, or another location we designate. We offer our initial training program whenever a new franchise location is projected to be opening. You must designate a manager for the franchised restaurant and he or she must satisfactorily complete the initial training approximately 3 months before the opening of the franchised restaurant. Up to 6 assistants of your choosing may also attend at your option. We expect that your attendees will advance through the training program at different rates depending on a variety of factors, including background and experience. The time frames provided in the chart are an estimate of the time it will take to complete training. We do not charge for initial training. You must pay for all travel costs and living expenses for yourself and any of your attendees. You are responsible for training your own employees and other management personnel. This initial training is in addition to the on-site opening assistance we provide to you. Your franchised restaurant must at all times be under the day-to-day supervision of a designated manager who has completed our training program to our satisfaction. If you replace your designated manager, your new designated manager must attend our training and complete the program to our satisfaction. After a replacement of the designated manager, he or she has 60 days to complete initial training. You are not charged any fee to have a new designated manager attend our training program, unless your manager changes are excessive or caused by poor hiring practices. You must pay all travel costs and living expenses for a new designated manager’s attendance. (Franchise Agreement, Section 8)

TRAINING PROGRAM

Manager training Schedule



First week

	DAY 1	DAY 2	DAY 3	DÍA 4	DAY 5	DAY 6	DAY 7
Training areas	Classroom Training	Classroom Training	On-the-Job training	On-the-Job training	On-the-Job training	Days off	
	Welcome and the company history	100 POS training	Restaurant kitchen	Restaurant kitchen	Counter service and table assistance		
	Job Description	Knowledge exam	P reping	Receiving and Storage	Customer service: Passion for customers		
	Customer Service	100 POS for Managers:	Shelf life	Food handling (Perfect bread)	Steps: Welcome, transaction and delivery		
	Operation policies	Staffing. Storage. Reports. Sales.	Taking orders and delivering menu items	French Fries	Delivering menu items: Procedures, organization and time service.		
	Uniforms						
	Products, prepping and presentation						
	Ingredients						
Shelf life . New products							
Total hours	8	8	8	8	8		

Manager training Schedule



Second week

	DAY 8	DAY 9	DAY 10	DAY 11	DAY 12	DAY 13	DAY 14
Training areas	Classroom Training	On-the-Job training	On-the-Job training	On-the-Job training	On-the-Job training	Days off	
	First week Training Feedback.	Counter service and table assistance	Counter service and table assistance	Prepping and food handling	Prepping and food handling		
	Profit & Loss	100 POS training	Opening and closing routines	Food handling using food containers	Sauces handling		
	Scheduling	Soft drink - beer tab and coffee station	Cleaning: Table area and dish wash station.	Prepping norms and uniformity	Black level Montaditos		
	Suppliers and distribution	Beverages presentation	Seating area furniture organization	Undercounted working tables: layout and set up	Salads prepping		
	Suppliers Ordering procedures	Table settings: pens and napkins	Cleaning products and rest rooms	Breakfast	Plates presentation for here and to go		
	Marketing orientation	Prepping utensils restock					
	Walk in stocking						
Total hours	8	8	8	8	8		

Manager training Schedule



Third week

	DAY 15	DAY 16	DAY 17	DAY 18	DAY 19	DAY 20	DAY 21
Training areas	On-the-Job training	On-the-Job training	On-the-Job training	On-the-Job training	On-the-Job training	Days off	
	Counter service and table assistance	Counter service and table assistance	Prepping and food handling	Counter service and table assistance	Prepping and food handling		
	Cash handling	Queue handling: Service time Optimization	Opening and closing routines	Cost control Team leadership	Quality control		
	Management tools	Suggestive selling	Receiving and suppliers control	Intern policies	Ingredient rotation: FIFO.		
	Breakfast	Shift Control and labor management	Invoice handling	Supervision standardization and personnel punctuality	Daily stock calculation		
	Light, temperature and music control	Personnel positions	Managing wrong invoices or items received	Customers and employee security	Day dots and shelf life control		
		Notifying receiving errors					
Total hours	8	8	8	8	8		

Manager training Schedule



Fourth week

	DAY 22	DAY 23	DAY 24	DAY 25	DAY 26	DAY 27	DAY 28
Training areas	On-the-Job training	On-the-Job training	On-the-Job training	On-the-Job training	On-the-Job training	Days off	
	Counter service and table assistance	Counter service and table assistance	Counter service and table assistance	Prepping and food handling	Prepping and food handling		
	Cleaning and sanitizing	Profit & Loss	Closing routine: Dishwashing station	Waste control	Bread: Receiving, strafing and rotation.		
	Risk prevention: Obligations and requirements.	Changing shift: cash counting	POS System	Employee meals control	Shelf life		
	Inventory	Management	Expenses management	HACCP	Bread handling and slicing: Artisan, Integral and		
	Audits and action plans		Marketing: Displays, menu - orders, signs for promotions, boards, employee T-shirts	Equipment and installation knowledge	Bread amount per tray / Oven tray placement.		
			Cleaning and maintenance of kitchen equipment	Time and temperature			
			Inspections procedures	Final certification - revision of training passport			
Total hours	8	8	8	8	8		

Service and prepping training program



First week

	DAY 1	DAY 2	DAY 3	DAY 4	DAY 5	DAY 6	DAY 7
Objetivos de Aprendizaje	Classroom Training	On-the-Job training	On-the-Job training	On-the-Job training	On-the-Job training	Days off	
	Welcome and the company history	Prepping and food handling	Prepping and food handling	Counter service and table	Counter service and table		
	Job Description	Bread: Receiving, strafing and rotation.	Montadito prepping	Montadito orders, reading and managing	Customer service: Passion for customers		
	Customer Service	Bread handling and slicing: Artisan, Integral and Chapata.	Shelf life	Quality control	Suggestive selling		
	Operation Policies	Bread amount per tray / Oven tray placement.	Day dots and shelf life control	Ingredient rotation: FIFO.	Steps: Welcome, Transaction, Delivery and go		
	Dressing code	Time and temperature	French Fries	Cleaning and sanitizing	Plates delivery: Procedures, Ordering and service		
	Products. Elaboration and presentation	Black Level montaditos	Sauces handling	Table lay out: Pen and napkins stocking	Soft drink - beer tab and coffee station		
	Ingredients	Salads	Plates presentation for here and to go	Kitchen condiments stocking.	Breakfast service and procedures		
	Shelf life	Undercounted working tables: layout and set up	Restocking the walk in	Cleaning: seating area and dishwashing station	Final certification - revision of training passport		
100 POS training	Food handling using food containers		Cleaning products and rest rooms				
Total hours	8	8	8	8	8		

Training will be conducted by Alexandra Gierbolini. Her qualifications are as follows:

Ms. Gierbolini has over 15 years experience in the hotel, restaurant and travel industries. She has an outstanding ability to create, develop and implement training programs that align employee productivity with company goals and is also skilled at planning and organizing multiple projects concurrently while increasing employees' work quality and efficiency.

If circumstances require, a substitute trainer may provide training to you. We may periodically name additional trainers if the training schedule requires it. There are no limits on our right to assign a substitute trainer to provide training.

The initial training will include the following instructional materials: 100 Montaditos Training Manual and the Confidential Operations Manual. The training will occur at our headquarters in Miami, Florida. The dates and location of the training will be communicated to you in the Confidential Operations Manual.

Periodically, you, your managers or employees must attend refresher-training programs to be conducted at our headquarters or another location we designate. Attendance at these programs will be at your expense. (Franchise Agreement, Section 8.5)

ITEM 12. TERRITORY

Franchise Agreement

You will not receive an exclusive territory. You may face competition from other franchisees, from outlets that we own, or from other channels of distribution or competitive brands that we control. The area that you receive (called an "area of primary responsibility" or "area") will be described and depicted in a map attached to the Franchise Agreement. We determine the boundaries of the area based on a variety of factors, including population, median population age, proximity to competitors, proximity to other franchisees and natural, physical or political boundaries.

We reserve the right to establish other franchised or company-owned businesses in your area. We also reserve the right to establish other channels of distribution for the sale of products and services including Internet sales, catalog sales, telemarketing, or other direct marketing sales. These activities may compete with your franchised restaurant. We will not compensate you for any sales made in your area through an alternate channel of distribution.

You will operate the franchise from one location that we approve. You must receive our written permission before relocating. If you can no longer use the location due to circumstances beyond your control or fault, including destruction of the premises, you will be allowed to relocate, either temporarily or permanently. If you attempt to sell your franchised restaurant or transfer your interest from the franchised restaurant to a third party, we may exercise our right of first refusal to purchase your franchise on the same terms and conditions as offered by a third party. You do not receive the right to acquire additional franchises within your area of primary responsibility. You must meet our qualifications for new franchisees and pay a franchise fee to qualify for an additional franchise location. There are no minimum sales quotas.

You will advertise to and solicit customers located within your area of primary responsibility. You may not directly market to or solicit customers outside of your area of primary responsibility if the customers are located inside another franchisee’s area of primary responsibility. As described in detail in ITEM 11.C.4, if we request, you must combine advertising with other franchises that are located in the market targeted by the advertising.

Development Agreement


We will grant you a Development Territory. The Development Territory will vary in size depending on factors including, the number of 100 Montaditos restaurants you intend to develop and the population density and demographics of the area under consideration. We will not establish other franchised or company-owned restaurants in your Development Territory. You must open a set number of franchises. Each franchise must be opened within a set time frame. The number of franchises and the opening schedule are decided before we sign a Development Agreement with you.

ITEM 13. TRADEMARKS

You receive the right to operate your business under the trademark, 100 Montaditos, which is the principal trademark used to identify our System. You may also use any other current or future Marks to operate your franchised restaurant that we designate, including the logo on the front of this Disclosure Document. By “Mark,” we mean any trade name, trademark, service mark or logo used to identify your business. You may not use any trade names, trademarks, service marks or logos that we have not designated to identify your business. D. José María Fernández Capitán has registered the following Mark on the U.S. Patent and Trademark Office (“USPTO”) Principal Register:

Mark	Registration Number	Registration Date
 (words, letters, and/or numbers in stylized form)	3223370	March 27, 2007

Mr. Capitán has filed an application for the registration of the following Mark on the USPTO Principal Register:

Mark	Serial Number	Application Date
 (design plus words, letters and/or numbers)	85041501	May 18, 2010

We have a license agreement with D. José María Fernández Capitán, the owner of the above Marks, to use and sublicense the use of the Marks. The license is for 10 years with 2 automatic renewal

terms of 5 years each. The license agreement may be terminated if we are insolvent, if a trustee is appointed to administer our business, if we wind-up or sell our business, or if we breach any of our duties or obligations under the license agreement.

Since our right to use the Marks is according to the license agreement, we do not have a federal registration for our principal trademark, 100 Montaditos. Therefore, our trademark does not have as many legal benefits and rights as if we were the holders of a federally registered trademark. If our right to use the trademark is challenged, you may have to change to an alternative trademark, which may increase your expenses.

Currently, we know of no effective determinations of the USPTO, the Trademark Trial and Appeal Board, the trademark administrator of the State of Florida or any state trademark administrator or any court, state or federal involving the Marks. We know of no pending infringement, opposition or cancellation proceeding. We know of no pending material federal or state court litigation regarding our use or the ownership of the Marks.

Other than the above, there are no agreements currently in effect that significantly limit our rights to use or license the use of the Marks in any manner material to the franchise.

We know of no infringing or prior superior uses that could materially affect the use of the Marks in the State of Florida or any other state in which the franchised restaurant is to be located.

You do not receive any rights to the Marks other than the nonexclusive right to use them in the operation of your franchised restaurant. You must follow our rules when you use the Marks. You must use the Marks as the sole trade identification of the franchised restaurant. You cannot use our name or Mark as part of a corporate name. You may not use a name or Mark with modifying words, designs or symbols except for those which we license to you. You may not use any Mark in connection with the sale of any unauthorized services or products, or in any other manner that we do not authorize in writing. You must obtain a fictitious or assumed name registration if required by your state or local law. Any unauthorized use of the Marks by you is a breach of the Franchise Agreement and an infringement of our rights in the Marks. You must not contest the validity or ownership of the Marks, including any Marks that we license to you after you sign the Franchise Agreement. You must not assist any other person in contesting the validity or ownership of the Marks.

You must immediately notify us when you learn about an infringement of, or challenge to your use of, any Mark, or any claim by any person of any rights in any Marks, and you must not communicate with any person other than us and our counsel regarding any infringements, challenges or claims unless you are legally required to do so, however, you may communicate with your own counsel at your own expense. We will take the action we think appropriate in these situations; we have exclusive control over any settlement or proceeding concerning any Mark. You must take any actions that, in the opinion of our counsel, may be advisable to protect and maintain our interests in any proceeding or to otherwise protect and maintain our interests in the Marks.

While we are not required to defend you against a claim arising from your use of our Marks, we may, at our discretion, reimburse you for certain of your expenses reasonably incurred in any legal proceeding disputing your authorized use of any Mark, but only if you notify us of the proceeding in a

timely manner and you have complied with our directions with regard to the proceeding. We have the right to control the defense and settlement of any proceeding. We will not reimburse you for your expenses and legal fees for separate, independent legal counsel and for expenses in removing signage or discontinuing your use of any Mark. We will not reimburse you for disputes where we challenge your use of a Mark.

If we require, you must modify or discontinue the use of any Mark and use other trademarks or service marks we designate. We do not have to reimburse you for modifying or discontinuing the use of a Mark or for substituting another trademark or service mark for a discontinued Mark. If we adopt and use new or modified Marks, you must add or replace equipment, signs, supplies and fixtures, and you must make other modifications we designate as necessary to adapt your franchised restaurant for the new or modified Marks. You do not have to spend more than \$10,000 to \$30,000 during the initial term of the Franchise Agreement to conform your franchised restaurant to changes to the Marks and other System modifications. We do not reimburse you for any loss of goodwill associated with a modified or discontinued Mark.

You must not register or seek to register as a trademark or service mark, either with the USPTO or any state or foreign country, any of the Marks or a trademark or service mark that is confusingly similar to any of our Marks.

You may not advertise on the Internet using, or establish, create or operate an Internet site or website using any domain name containing, the words "100 Montaditos" or any variation of "100 Montaditos" without our prior written consent.

ITEM 14. PATENTS, COPYRIGHTS AND PROPRIETARY INFORMATION

No patents are material to the franchise. We do not have any patent applications pending that are material to the franchise. We own copyrights in the Confidential Operations Manual, our website, our marketing materials and other copyrightable items that are part of the System. While we claim copyrights in these and similar items, we have not registered these copyrights with the United States Register of Copyrights. You may use these items only as we specify while operating the franchised restaurant and you must stop using them if we direct you to do so.

We know of no effective determinations of the U.S. Copyright Office or any court regarding any of our copyrighted materials. Our right to use or license copyrighted items is not materially limited by any agreement or known infringing use.

We have developed certain trade secrets and other confidential information, including methods of business management, proprietary recipes for our exclusive brand of bread, sales and promotion techniques, and know-how, knowledge of, and experience in, operating a 100 Montaditos restaurant. We will provide our trade secrets and other confidential information to you during training, in the Confidential Operations Manual and as a result of the assistance we furnish you during the term of the franchise. You may only use the trade secrets and other confidential information for the purpose of operating your franchised restaurant. You may only divulge trade secrets and other confidential information to employees who must have access to it to operate the franchised restaurant. You are responsible for enforcing the confidentiality provisions as to your employees.

Certain individuals with access to our trade secrets or other confidential information, including your shareholders (and members of their immediate families and households), officers, directors, partners, members, if you are a corporation, limited liability company or other business entity, and your managers, executives, employees and staff may be required to sign nondisclosure and non-competition agreements in a form the same as or similar to the Nondisclosure and Non-Competition Agreement attached to the Franchise Agreement. We will be a third-party beneficiary of these agreements and we have the independent right to enforce their restrictive covenants. When we require you to have these agreements signed, we also require you to provide copies of the signed agreements to us.

All ideas, concepts, techniques or materials concerning the franchised restaurant and/or the System, whether or not protectable intellectual property and whether created by or for you or your owners or employees, must be promptly disclosed to us and will be our sole and exclusive property and a part of the System that we may choose to adopt and/or disclose to other franchisees, and you agree to assign to us all right, title and interest in any intellectual property so developed. Likewise, we will disclose to you concepts and developments of other franchisees that we make part of the System. You must also assist us in obtaining intellectual property rights in any concept or development if requested.

Your use of the Confidential Operations Manual, trade secrets or other confidential information in an unauthorized manner is a default of the Franchise Agreement that may result in automatic termination of the Franchise Agreement. Further information about termination of the Franchise Agreement following a default is included in ITEM 17.

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

The franchised restaurant must always be under the direct, full-time, day-to-day supervision of a designated manager. If you are an individual, we may require you to be the designated manager of the franchise. If we require you to be the designated manager, you must request our consent to select another individual to replace you as the designated manager. If you are a corporation or other business entity, you will select a designated manager for the franchise and we may require that the individual you select is an owner of the franchise. The designated manager must attend and satisfactorily complete our initial training program before opening the franchised restaurant. You must keep us informed at all times of the identity of your designated manager. If you must replace the designated manager, your replacement must attend and satisfactorily complete our initial training program.

As described in ITEM 14, certain individuals associated with your franchised restaurant, including your owners (and members of their immediate families and households), officers, directors, partners, and your managers, executives, employees and staff may be required to sign nondisclosure and non-competition agreements the same as or similar to the Nondisclosure and Non-Competition Agreement attached to the Franchise Agreement. We will be a third-party beneficiary with the independent right to enforce the agreements. When we require you to have these agreements signed, we also require you to provide copies of the signed agreements to us.

If you are a corporation or other business entity, anyone who owns a 5% or greater interest in the entity must personally guarantee the performance of all of your obligations under the Franchise

Agreement and agree to be personally liable for your breach of the Franchise Agreement by signing the Unlimited Guaranty and Assumption of Obligations attached to the Franchise Agreement.

ITEM 16. RESTRICTIONS ON WHAT THE FRANCHISEE MAY SELL

You must offer the products and services we specify. You may not sell any products or services that we have not authorized and you must discontinue offering any products or services that we may disapprove. We may take action, including terminating your franchise if you purchase or sell unapproved products or make purchases from unapproved suppliers. We may periodically change required or authorized products or services. There are no limits on our right to do so, except that your investment required to change required or authorized services will not exceed \$10,000 to \$30,000 during the initial term of the franchise.

Periodically, we may allow certain services or products that are not otherwise authorized for general use as a part of the System to be offered locally or regionally based on factors, including test marketing, your qualifications, and regional or local differences.

We do not place restrictions on you with respect to who may be a customer of your franchised restaurant.

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 agreement attached to this Disclosure Document.

Franchise Agreement

Provision	Section in Franchise or Other Agreement	Summary
a. Length of franchise term	Section 4.1	The initial term is 5 years.
b. Renewal or extension of the term	Section 4.2	You may renew for 2 successive terms of 5 years each. If you fail to meet any one of the conditions in (c) below, we may refuse to renew or extend the terms of your Franchise Agreement.
c. Requirements for franchisee to renew or extend	Section 4.2 and Exhibit 6	You may renew the then current Franchise Agreement if you: have fully complied with the provisions of the Franchise Agreement; have the right to maintain possession of the approved location or an approved substitute location for the term of the renewal; have made capital expenditures as necessary to maintain uniformity with the System; have satisfied all monetary obligations owed to us; are not in default of any provision of the Franchise

Provision	Section in Franchise or Other Agreement	Summary
		Agreement or any other agreement with us; have given timely written notice of your intent to renew; sign a current Franchise Agreement, which may have materially different terms and conditions than your original Franchise Agreement; comply with current training requirements; and sign a general release in a form the same as or similar to the General Release attached to the Franchise Agreement.
d. Termination by franchisee	Section 16.1	You may terminate the Franchise Agreement if you are in compliance with it and we materially breach it and we fail to begin to cure our breach within 90 days of receiving your written notice.
e. Termination by franchisor without cause	Not Applicable	Not Applicable
f. Termination by franchisor with cause	Section 16.2	We may terminate the Franchise Agreement only if you default. If we terminate the Franchise Agreement following a default, your interest in the franchise will terminate.
g. "Cause" defined-curable defaults	Section 16.2	If a default arises from your failure to comply with a mandatory specification in the Franchise Agreement or Confidential Operations Manual, you can avoid termination of the Franchise Agreement if you cure the default within 30 days of receiving our notice of default, except for the defaults below that require cure in a shorter time and non-curable defaults in (h) below. If a default arises from your failure to maintain insurance, you can avoid termination of the Franchise Agreement if you cure the default within 10 days of receiving our notice of your failure to maintain insurance. If a default arises from your failure to make payments due to us, you can avoid termination of the Franchise Agreement if you cure the default within 5 days of receiving our notice of default. If we terminate the Franchise Agreement following a default, your interest in the franchise will terminate.
h. "Cause" defined- non-curable defaults	Section 16.2 and Exhibit 6	We have the right to terminate the Franchise Agreement without giving you an opportunity to cure if you: fail to timely select an approved site for or establish, equip and begin operations of the franchised restaurant; fail to have your designated manager satisfactorily complete training; made a material misrepresentation or omission in the application for the franchise; after notice to cure, fail to refrain from activities, behavior or conduct likely to adversely affect the reputation of either party or the franchised restaurant; are convicted of or plead no contest to a felony or other crime or offense likely to affect the reputation of either party or the franchised

Provision	Section in Franchise or Other Agreement	Summary
		<p>restaurant; use the Confidential Operations Manual, trade secrets or other confidential information in an unauthorized manner; if required, fail to have your owners (and members of their immediate families and households), officers, directors, managers, executives, employees and professional staff, and other individuals having access to trade secrets or other confidential information sign nondisclosure and non-competition agreements or, if requested, fail to provide us with copies of all signed nondisclosure and non-competition agreements; abandon the franchised restaurant for 3 or more consecutive days; surrender or transfer control of the franchised restaurant in an unauthorized manner; fail to maintain the franchised restaurant under the supervision of a designated manager following your death or disability; submit reports on 2 or more separate occasions understating any amounts due by more than 3%; are adjudicated bankrupt, insolvent or make a general assignment for the benefit of creditors; misuse or make unauthorized use of the Marks; fail on 2 or more occasions within any 12 months to submit reports or records or to pay any fees due us or any affiliate; violate on 2 or more occasions, any health, safety or other laws or operate the franchised restaurant in a manner creating a health or safety hazard to customers, employees or the public; take any action reserved to us; fail to comply with applicable law after notice; fails to immediately take action to rectify any health or safety hazard; breach the franchise agreement or fail to comply with specifications on 2 or more occasions within any 12 months; or default under any other agreement with us (or an affiliate) so that we (or the affiliate) have the right to terminate the agreement.</p>
<p>i. Franchisee’s obligations on termination/non-renewal</p>	<p>Section 17.1</p>	<p>If the Franchise Agreement is terminated or not renewed, you must: stop operating the franchised restaurant; stop using any trade secrets, confidential information, the System and the Marks; if requested, assign your interest in the franchise location to us; cancel or assign to us any assumed names; pay all sums owed to us including damages and costs incurred in enforcing the Franchise Agreement; return the Confidential Operations Manual, trade secrets and all other confidential information; assign your telephone and facsimile numbers to us; comply with the covenants not to compete and any other surviving provisions of the Franchise Agreement.</p>
<p>j. Assignment of contract by franchisor</p>	<p>Section 18.1</p>	<p>There are no restrictions on our right to assign our interest in the Franchise Agreement.</p>

Provision	Section in Franchise or Other Agreement	Summary
k. "Transfer" by franchisee-definition	Section 18.2	"Transfer" includes transfer of an interest in the franchisee entity, the Franchise Agreement, the franchise location or the franchised restaurant's assets.
l. Franchisor's approval of transfer by franchisee	Section 18.2	You may not transfer your interest in any of the items listed in (k) above without our prior written consent.
m. Conditions for franchisor approval of transfer	Section 18.2 and Exhibit 6	We will consent to a transfer if: we have not exercised our right of first refusal; all obligations owed to us are paid; you and the transferee have signed a general release in a form the same as or similar to the General Release attached to the Franchise Agreement; the prospective transferee meets our business and financial standards; the transferee and all persons owning any interest in the transferee sign the then current Franchise Agreement; you provide us with a copy of all contracts and agreements related to the transfer; you or the transferee pay a transfer fee of \$5,000; the transferee or the owners of transferee have agreed to be personally bound by all provisions of the Franchise Agreement; you have agreed to guarantee performance by the transferee, if requested by us; the transferee has obtained all necessary consents and approvals of third parties; you or all of your equity owners have signed a non-competition agreement in a form the same as or similar to the Nondisclosure and Non-Competition attached to the Franchise Agreement; the transferee has agreed that its designated manager will complete the initial training program before assuming management of the franchised restaurant; and the transferee has obtained all necessary types of insurance.
n. Franchisor's right of first refusal to acquire franchisee's franchised restaurant	Section 19	We may match an offer for your franchised restaurant or an ownership interest you propose to sell.
o. Franchisor's option to purchase franchisee's franchised restaurant	Section 17.4	Except as described in (n) above, we do not have the right to purchase your franchised restaurant; however, during the 30-day period after the termination or expiration of the Franchise Agreement, we have the right to purchase any assets of the franchised restaurant for fair market value.

Provision	Section in Franchise or Other Agreement	Summary
p. Death or disability of franchisee	Section 18.6	After the death or incapacity of an owner of the franchise, his or her representative must transfer, subject to the terms of the Franchise Agreement, the individual's interest in the franchise within 180 days of death or incapacity or we may terminate the Franchise Agreement.
q. Non-competition covenants during the term of the franchise	Section 7.3	You, your owners (and members of their families and households) and your officers, directors, executives, managers, professional staff and employees are prohibited from: attempting to divert any business or customer of the franchised restaurant to a competitive business or causing injury or prejudice to the Marks or the System; owning or working for a competitive business.
r. Non-competition covenants after the franchise is terminated or expires	Section 17.2 and Exhibit 6	For 2 years after the termination or expiration of the Franchise Agreement, you, your owners (and members of their families and households) and your officers, directors, executives, managers or professional staff are prohibited from: owning or working for a competitive business operating within 25 miles of the franchise location or within the area of primary responsibility (whichever is greater), or within 25 miles of any other 100 Montaditos restaurant; or soliciting or influencing any of our customers, employees or business associates to compete with us or terminate their relationship with us.
s. Modification of the agreement	Sections 9.2, 22.7 and 22.8	The Franchise Agreement can be modified only by written agreement between you and us. We may modify the Confidential Operations Manual without your consent if the modification does not materially alter your fundamental rights.
t. Integration/merger clause	Section 22.7 and Exhibit 6	Only the terms of the Franchise Agreement are binding (subject to state law). Any representations or promises outside of the Disclosure Document and Franchise Agreement may not be enforceable.
u. Dispute resolution by arbitration or mediation	Not Applicable	Not Applicable
v. Choice of forum	Section 23.2 and Exhibit 6	Subject to state law, litigation must be pursued in courts located in Miami-Dade County, Florida.
w. Choice of law	Section 23.1 and Exhibit 6	Subject to state law, Florida law applies, except that disputes over the Marks will be governed by the United States Trademark Act of 1946 (Lanham Act, 15 U.S.C. Sec. 1051 et seq.) and disputes over copyrights will be governed by federal copyright laws of the United States.

Development Agreement

Provision	Section In Development Agreement	Summary
a. Length of the development rights term	Section 5	The term expires on the last opening date on the schedule for development of the franchises.
b. Renewal or extension of the term	Not Applicable	You may not renew the Development Agreement after it expires.
c. Requirements for developer to renew or extend	Not Applicable	Not Applicable
d. Termination by developer	Not Applicable	Not Applicable
e. Termination by franchisor without cause	Not Applicable	Not Applicable
f. Termination by franchisor with cause	Section 8	We may terminate the Development Agreement only if you default.
g. "Cause" defined-curable defaults	Section 8.2	You can avoid termination of the Development Agreement if you cure a default arising from your failure to comply with mandatory specifications in the Development Agreement within 30 days of receiving our notice of termination.
h. "Cause" defined-non-curable defaults	Section 8.1	We have the right to terminate the Development Agreement without giving you an opportunity to cure if you: transfer control of Development Agreement or transfer an interest in your business entity in an unauthorized manner; made a material misrepresentation or omission in the application for development rights; are convicted of or plead no contest to a felony or other crime or offense likely to affect the goodwill associated with the Marks; misuse or make unauthorized use of the Marks; terminate any franchise agreement with or without cause; fail to meet the timing requirements and deadlines contained in the schedule for development of the franchises; or fail to comply with any provision of the Development Agreement after notice of non-compliance.

Provision	Section In Development Agreement	Summary
i. Developer's obligations on termination/non-renewal	Section 9	If the Development Agreement is terminated or not renewed, you must: stop using any trade secrets and other confidential information; pay all sums owed to us; and comply with the covenants not to compete and any other surviving provisions of the Development Agreement.
j. Assignment of contract by franchisor	Section 7.1	There are no restrictions on our right to assign our interest in the Development Agreement.
k. "Transfer" by developer-definition	Section 7.2	"Transfer" includes transfer of ownership in the development rights, the Development Agreement, or the developer entity.
l. Franchisor's approval of transfer by developer	Section 7.2	You may not transfer your interest in any of the items listed in (k) above without our prior written consent.
m. Conditions for franchisor's approval of transfer	Section 7.2	We will consent to a transfer if: we have not exercised our right of first refusal; all obligations owed to us are paid; you and the transferee have signed a general release, in a form the same as or similar to the General Release attached to the Franchise Agreement; the prospective transferee meets our business and financial standards; you provide us with a copy of all contracts and agreements related to the transfer; you or the transferee pay a transfer fee of \$5,000; the transferee or the owners of transferee have agreed to be personally bound by all provisions of the Development Agreement; the transferee has obtained all necessary consents and approvals of third parties; and you or all of your equity owners have signed a non-competition agreement, in a form the same as or similar to the Nondisclosure and Non-Competition Agreement attached to the Franchise Agreement.
n. Franchisor's right of first refusal to acquire developer's development rights	Section 7.5	We may match an offer for your development rights or an ownership interest you propose to sell.
o. Franchisor option to purchase developer's development rights	Not Applicable	Not Applicable
p. Death or disability of developer	Not Applicable	Not Applicable

Provision	Section In Development Agreement	Summary
q. Non-competition covenants during the term of the Development Agreement	Not Applicable	Not Applicable
r. Non-competition covenants after the Development Agreement is terminated or expires	Section 9.4	The Development Agreement incorporates by reference the post-term non-competition covenants of the Franchise Agreement.
s. Modification of the agreement	Section 12.8	The Development Agreement can be modified only by written agreement between you and us.
t. Integration/merger clause	Sections 12.1 and 12.8	Only the terms of the Development Agreement are binding, although if there is a conflict between the Development Agreement and any Franchise Agreement, the terms of the Franchise Agreement control. Any representations or promises outside of the Disclosure Document, Development Agreement or Franchise Agreement may not be enforceable.
u. Dispute resolution by arbitration or mediation	Not Applicable	Not Applicable
v. Choice of forum	Section 13.2	Subject to state law, any litigation must be pursued in courts located in Miami-Dade County, Florida.
w. Choice of law	Section 13.1	Subject to state law, Florida law applies, except that disputes over the Marks will be governed by the United States Trademark Act of 1946 (Lanham Act, 15 U.S.C. Sec. 1051 et seq.) and disputes over copyrights will be governed by federal copyright laws of the United States.

ITEM 18. PUBLIC FIGURES

We do not presently use any public figures to promote our 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 at a particular location or under particular circumstances.

We do not make any representations about a franchisee's future financial performance or the past financial performance of company-owned or franchised outlets. We also do not authorize our employees or representatives to make any such representations either orally or in writing. If you are purchasing an existing outlet, however, we may provide you with 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 Mr. Mauricio Paschold, 1000 Brickell Avenue, Suite 420, Miami, Florida, 33137, (786) 7876834, the Federal Trade Commission, and the appropriate state regulatory agencies.

ITEM 20. OUTLETS AND FRANCHISEE INFORMATION

Table No. 1

SYSTEMWIDE OUTLET SUMMARY FOR YEARS 2008 TO 2010 AND AS OF JANUARY 31, 2011				
Outlet Type	Year	Outlets at the Start of the Year	Outlets at the End of the Year	Net Change
Franchised	2008	0	0	0
	2009	0	0	0
	2010	0	0	0
	2011	0	1	+1
Company-Owned	2008	0	0	0
	2009	0	0	0
	2010	0	0	0
	2011	0	0	0
Total Outlets*	2008	0	0	0
	2009	0	0	0
	2010	0	0	0
	2011	0	1	+1

* This chart includes both franchised and company-owned 100 Montaditos restaurants. As of the date of this Disclosure Document, there is one 100 Montaditos restaurant in operation that opened on January 28, 2011.

Current Franchisee as of January 28, 2011:

Monti International LLC
 3252 NE Buena Vista Blvd., Suite 104
 Miami Florida 33137

Table No. 2

TRANSFERS OF OUTLETS FROM FRANCHISEES TO NEW OWNERS (OTHER THAN THE FRANCHISOR) FOR YEARS 2008 TO 2010 AND AS OF JANUARY 31, 2011		
State	Year	Number of Transfers
Florida	2008	0
	2009	0
	2010	0
	2011	0
Total*	2008	0
	2009	0
	2010	0
	2011	0

* As of the date of this Disclosure Document, there are no franchisees who have had an outlet terminated, cancelled, transferred, not renewed or otherwise voluntarily or involuntarily ceased to do business under a franchise agreement during the most recently completed fiscal year or who have not communicated with us within 10 weeks of the Disclosure Document issuance date. If you buy this franchise, your contact information may be disclosed to other buyers when you leave the franchise System.

Table No. 3

STATUS OF FRANCHISE OUTLETS FOR YEARS 2008 TO 2010 AND AS OF JANUARY 31, 2011								
State	Year	Outlets at Start of Year	Outlets Opened	Terminations	Non-Renewals	Reacquired by Franchisor	Ceased Operations – Other Reasons	Outlets at End of Year
Florida	2008	0	0	0	0	0	0	0
	2009	0	0	0	0	0	0	0
	2010	0	0	0	0	0	0	0
	2011	0	1	0	0	0	0	1
Total*	2008	0	0	0	0	0	0	0
	2009	0	0	0	0	0	0	0
	2010	0	0	0	0	0	0	0
	2011	0	1	0	0	0	0	1

* As of the date of this Disclosure Document, there is one franchise location opened as of January 28, 2011, and no franchisees who have had an outlet terminated, cancelled, transferred, not renewed or otherwise voluntarily or involuntarily ceased to do business under a franchise agreement during the most recently completed fiscal year or who have not communicated with us within 10 weeks of the Disclosure

Document issuance date. If you buy this franchise, your contact information may be disclosed to other buyers when you leave the franchise System.

Table No. 4

STATUS OF COMPANY-OWNED OUTLETS FOR YEARS 2008 TO 2010 AND AS OF JANUARY 31, 2011							
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
Florida	2008	0	0	0	0	0	0
	2009	0	0	0	0	0	0
	2010	0	0	0	0	0	0
	2011	0	0	0	0	0	0
Total	2008	0	0	0	0	0	0
	2009	0	0	0	0	0	0
	2010	0	0	0	0	0	0
	2011	0	0	0	0	0	0

Table No. 5

PROJECTED OPENINGS AS OF DECEMBER 31, 2010			
State	Franchise Agreements Signed But Outlets Not Yet Opened	Projected New Franchised Outlets In The Next Fiscal Year	Projected New Company-Owned Outlets in the Next Fiscal Year
Florida	0	1	0
Total*	0	1	0

* We project the opening of one 100 Montaditos franchised restaurant during our fiscal year ending December 31, 2011.

In some instances, current and former franchisees may sign provisions restricting their ability to speak openly about their experience with 100 Montaditos. You may wish to speak with current and former franchisees, but be aware that not all such franchisees will be able to communicate with you.

Currently, we have no trademark-specific franchisee organization associated with the franchise system being offered.

ITEM 21. FINANCIAL STATEMENTS

Attached as Exhibit F are our audited financial statements for period from our inception through December 31 2010. Also attached as Exhibit F are our unaudited financial statements for the period of January 1, 2011 to October 31, 2011. THESE UNAUDITED 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 NOR EXPRESSED HIS/HER OPINION WITH REGARD TO THE CONTENT OR FORM.

Our fiscal year end is December 31.

ITEM 22. CONTRACTS

The 100 M Franchise LLC Franchise Agreement (with exhibits) is attached to this Disclosure Document as Exhibit C.

The 100 M Franchise LLC Area Development Agreement (with exhibits) is attached to this Disclosure Document as Exhibit E.

The 100 M Franchise LLC General Release is attached to the Franchise Agreement as Exhibit 1.

The 100 M Franchise LLC Nondisclosure and Non-Competition Agreement is attached to the Franchise Agreement as Exhibit 2.

The 100 M Franchise LLC Unlimited Guaranty and Assumption of Obligations is attached to the Franchise Agreement as Exhibit 3.

The 100 M Franchise LLC Authorization Agreement is attached to the Franchise Agreement as Exhibit 5.

We provide no other contracts or agreements for your signature.

ITEM 23. RECEIPTS

Our copy and your copy of the Disclosure Document Receipts are located on the last 2 pages of this Disclosure Document.

EXHIBIT A TO THE DISCLOSURE DOCUMENT

LIST OF STATE ADMINISTRATORS

The following is a list of state administrators responsible for registration and review of franchises for these states. We may register in one or more of these states.

California

Department of Corporations
One Sansome Street, Suite 600
San Francisco, California 94104

Commissioner of Corporations
320 W. 4th Street, Suite 750
Los Angeles, California 90013

Commissioner of Corporations
1515 K. Street, Suite 200
Sacramento, California 95814
(866) 275-2677 Toll Free

Connecticut

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

Florida

Division of Consumer Services
Attn: Business Opportunities
2005 Apalachee Parkway
Tallahassee, Florida 32399-6500

Hawaii

Commissioner of Securities
Department of Commerce & Consumer Affairs
Business Registration Division
335 Merchant Street, Room 203
Honolulu, Hawaii 96813
(808) 586-2722

Illinois

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

Indiana

Indiana Secretary of State
Securities Division
302 West Washington Street, Room E-111
Indianapolis, Indiana 46204

Kentucky

Office of the Attorney General
Consumer Protection Division
Attn: Business Opportunity
1024 Capital Center Drive
Frankfort, Kentucky 40601-8204

Maine

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

Maryland

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

Michigan

Department of the Attorney General
Consumer Protection Division, Franchise Section
525 Ottawa Street
G. Mennen Williams Building, 1st Floor
Lansing, Michigan 48933

Minnesota

Minnesota Department of Commerce
Commissioner of Commerce
85 7th Place East, Suite 600
St. Paul, Minnesota 55101

Nebraska

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

New York

Bureau of Investor Protection and Securities
New York State Department of Law
120 Broadway, 23rd Floor
New York, New York 10271

North Carolina

Secretary of State
Securities Division
300 North Salisbury Street, Suite 100
Raleigh, North Carolina 27603-5909

EXHIBIT A TO THE DISCLOSURE DOCUMENT (continued)

North Dakota

North Dakota Securities Department
600 East Boulevard Avenue
State Capitol – 5th Floor
Department 414
Bismarck, North Dakota 58505-0510
(701) 328-4712

Wisconsin

Division of Securities
Department of Financial Institutions
345 West Washington Avenue
Madison, Wisconsin 53703

Rhode Island

Department of Business Regulation
John O. Pastore Complex
1511 Pontiac Avenue
Bldg. 69, First Floor
Cranston, Rhode Island 02920

South Carolina

Office of the Secretary of State
1205 Pendleton Street
Edgar Brown Building, Suite 525
Columbia, South Carolina 29201

South Dakota

Department of Revenue and Regulation
Division of Securities
445 East Capitol Avenue
Pierre, South Dakota 57501

Texas

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

Utah

Utah Department of Commerce
Division of Consumer Protection
160 East Three Hundred South
P.O. Box 146704
Salt Lake City, Utah 84114-6704

Virginia

State Corporation Commission
Division of Securities and Retail Franchising
Tyler Building, 9th Floor
1300 East Main Street
Richmond, Virginia 23219
(804) 371-9051

Washington

Department of Financial Institutions
Securities Division
150 Israel Road Southwest
Olympia, Washington 98501

EXHIBIT B TO THE DISCLOSURE DOCUMENT

LIST OF STATE AGENTS FOR SERVICE OF PROCESS

The following state agencies are designated as our agent for service of process in accordance with the applicable state laws. We may register in one or more of these states.

California

Department of Corporations
One Sansome Street, Suite 600
San Francisco, California 94104

Commissioner of Corporations
320 W. 4th Street, Suite 750
Los Angeles, California 90013

Commissioner of Corporations
1515 K St., Suite 200
Sacramento, California 95814
(866) 275-2677

Connecticut

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

Hawaii

Commissioner of Securities
Department of Commerce and Consumer Affairs
Business Registration Division
Securities Compliance Branch
335 Merchant Street, Room 203
Honolulu, Hawaii 96813

Illinois

Illinois Attorney General
500 South Second Street
Springfield, Illinois 62706

Indiana

Indiana Secretary of State
Securities Division
302 West Washington Street, Room E-111
Indianapolis, Indiana 46204

Maryland

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

Michigan

Michigan Department of Commerce
Corporations and Securities Bureau
P.O. Box 30054
6546 Mercantile Way
Lansing, Michigan 48909

Minnesota

Minnesota Department of Commerce
Commissioner of Commerce
85 7th Place East, Suite 500
St. Paul, Minnesota 55101

New York

Secretary of the State of New York
41 State Street
Albany, New York 12231

North Dakota

North Dakota Securities Department
State Capitol – 5th Floor
600 East Boulevard
Bismarck, North Dakota 58505-0510

Rhode Island

Director, Department of Business Regulation
John O. Pastore Complex
1511 Pontiac Avenue
Bldg. 69, First Floor
Cranston, Rhode Island 02920

South Dakota

Department of Revenue and Regulation
Division of Securities
445 East Capitol Avenue
Pierre, South Dakota 57501

Virginia

Clerk, State Corporation Commission
Tyler Building, 1st Floor
1300 East Main Street
Richmond, Virginia 23219
(804) 371-9733

Washington

Director, Department of Financial Institutions
Securities Division
150 Israel Road Southwest
Olympia, Washington 98501

Wisconsin

Commissioner of Securities
345 West Washington Street, 4th Floor
Madison, Wisconsin 53703