

# Mucho burrito

freshmexicangrill

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**RED HOT  
SAVINA**



The  
Devil's Tongue  
Pepper

DEATH by JOHNNY



XXX

MEGA HOT

**CHOPOTI**



Smoked Red  
Jalapeño  
Sauce

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use with care...  
no seriously, use with care!

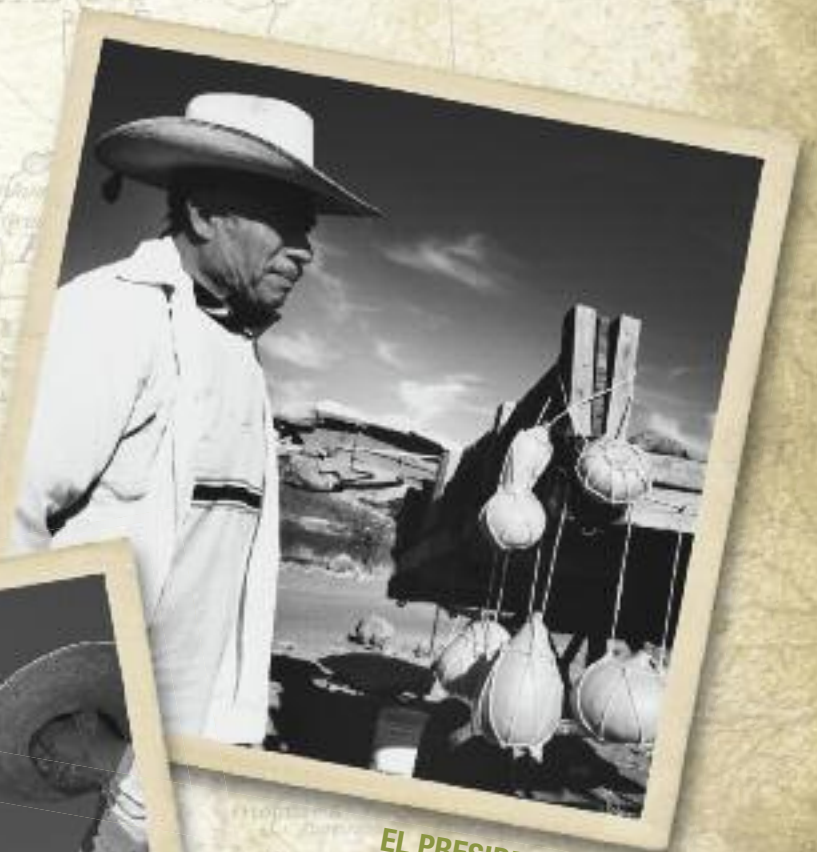
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## A Successful Investment is Music to Your Ears!

Owning a **Mucho Burrito™** franchise gives you the opportunity to: operate your own business; offer a unique, Mexican gourmet product; get support from a targeted, effective, ongoing advertising initiative; receive negotiated supply agreements through volume buying; take advantage of a comprehensive training program; gain support from a knowledgeable field team; get help with site selection and lease negotiation. All this and Johnny Mucho, too!

## Consider What Mucho Burrito Has to Offer You...

- The opportunity to operate your own business with the assistance of knowledgeable company professionals.
- A great tasting gourmet product.
- Equity for your future.
- Effective and coordinated advertising.
- Negotiated supply agreements.
- Comprehensive training program: theoretical, practical and on-site.
- Knowledgeable field support team, always available.
- Site selection and lease negotiation.



EL PRESIDENTE & CEO



OUR MANAGEMENT TEAM

## The Right Concept

Can Mexican food can be gourmet! You bet your burrito! And **Mucho Burrito™** is proving it. We hit just the right notes with our made-to-order menu. Just one taste of our hand-rolled burritos, tacos and quesadillas will tell you how much effort we put into our mouthwatering products. And that means more mouthwatering customers to your store!

Our tender "barbacoa" (shredded beef) and "carnitas" (shredded pork) are slow-cooked (about 8 hours!), retaining the tantalizing flavor of the Mexican seasonings we amply apply. There's a reason these meats are marinated and seasoned overnight - it's called "succulent!" Delicious salsas and guacamoles are made daily.

Experience a taste of success! The fast-casual market is one of the fastest-growing segments of the food service industry. Customers are ready for a whole, new upscale, gourmet Mexican dining experience; and Mucho Burrito will be right there to supply it!

## Store Design

Upscale. Bright. Comfortable. **Mucho Burrito™** restaurants are designed by our architects to create a customer experience that's hard to beat. **Mucho Burrito™** offers a fresh, fun contemporary atmosphere. The interior of our stores is awash in earthy colors that take their cue from the food and spices we serve - avocado greens, deep spicy reds and yellows. You'll also find touches of cool contemporary in our use of stainless steel fixtures, porcelain floors and warm bench seating. All blend together beautifully to create a positive customer experience.

Our team takes the time to make sure the restaurants lend themselves well to efficient customer flow, product presentation and maintenance. **Mucho Burrito™** will complete customized architectural and engineering drawings for your restaurant to ensure these standards are met every single time.

We insist on quality craftsmanship. That's why our construction department coordinates all restaurant design, down to the minutest detail, with the architects and contractors. And we see to it that all of this is done in a timely and cost effective manner. Our construction department is adept at handling the complexities of zoning and building permits and the entire restaurant build-out process, leaving you with peace of mind and allowing you to focus your energy on successfully completing our training program.



# Training

Classroom training. Hands-on training, even online training! **Mucho Burrito™** University (MBU) offers an intensive training program teaching the skills necessary to become a successful **Mucho Burrito™** Franchisee. You'll graduate with a comprehensive understanding of our burrito making business. But hold onto your sombreros! We don't stop there. Our instructors teach franchisees skills in marketing, managing food and labor costs and maximizing profitability. The intensive training program ensures that even individuals who do not have retail or restaurant experience will receive the tools, knowledge and training to become successful.

The **Mucho Burrito™** head office includes professionals in real estate, marketing, restaurant design, franchising, operations, accounting, IT and human resources. This team represents an impressive amount of experience and we are ready, willing and able to lend our expertise to our franchisees.



Billboard Ad

# Marketing and Advertising Support

**Mucho Burrito™**'s marketing department provides you with marketing training, a user-friendly marketing manual, promotions and merchandising assistance. Upon joining **Mucho Burrito™** you will receive immediate assistance in developing and executing an opening advertising strategy and ongoing advertising maintenance strategy focusing on your local restaurant market to drive immediate sales. The marketing department also coordinates seasonal campaigns that are designed to attract and retain customers.



Consumer Flyer



Johnny Bragger Stand with Insert



Factoid Sign



Bounce Back Coupons



Newspaper Ad

## Ongoing Support

As a **Mucho Burrito™** Franchisee you will receive on-going operational and marketing support, in-restaurant evaluations, and business training classes. Our Field Representatives perform frequent visits to your restaurant in order to make suggestions, analyze your business, maintain system compliance, answer your questions and obtain your feedback.

Our ongoing strategies are ever-evolving. Ideas are continually being generated to benefit our franchisees. We make good use of the latest technologies to help you gain a foothold in the marketplace. For instance, by installing plasma screen TVs in every store we can develop an experience around the brand. We also use technology to enhance our brand through our online Mucho Club, which helps capture data. Conveniences such as fax and online ordering and our many catering options also are clear volume drivers. We care about every detail, right down to the packaging, making sure we use products that keep our food items warm.

## Volume Buying Power

**Mucho Burrito™** is able to secure lower prices for its franchises by negotiating for discounts and services from national vendors, allowing you more time to focus on your restaurant.

**Mucho Burrito™** products are purchased directly from our approved suppliers and distributors.

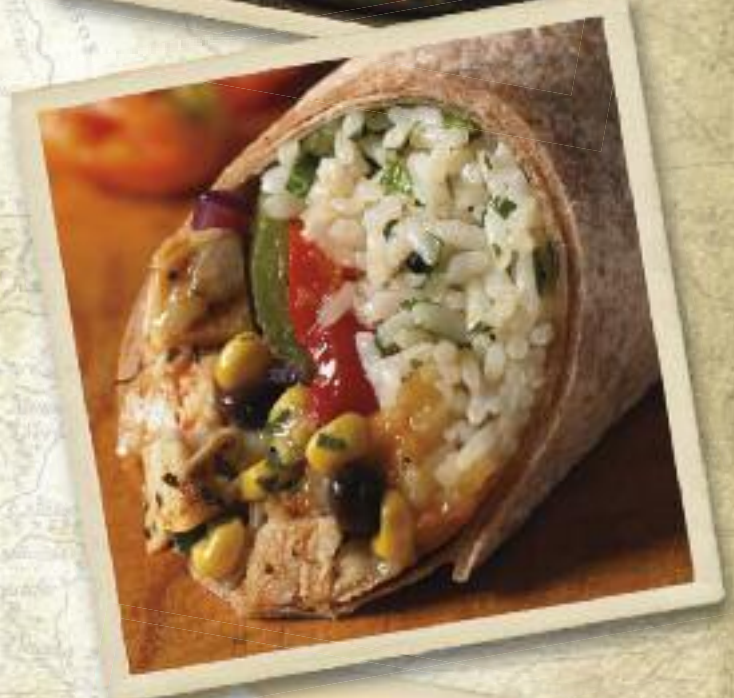
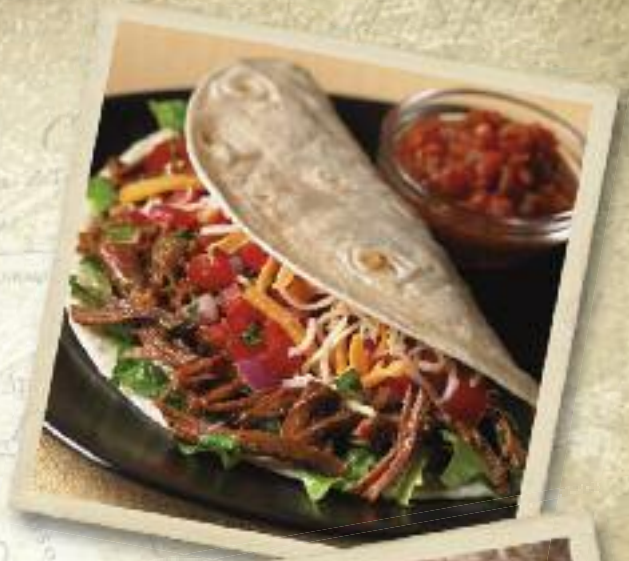
## Business Synergy

Every person who joins **Mucho Burrito™** becomes part of a family where everyone works together for the good of the whole. **Mucho Burrito™** coordinates ongoing seminars and workshops for all franchisees.

**Mucho Burrito™** is a professional company owned and operated by industry professionals with a proven track record.

**North America is going ballistic over BURRITOS!** They've been around for hundreds of years and are now experiencing a revitalization of epic proportions! Burritos are exotic. They're full of spicy flavor and they're becoming the fast-food trend of the 21st century.

**Mucho Burrito™** invests heavily in promoting and developing an attractive brand experience.



## 6 Steps to Becoming a Franchisee

### 1. Complete the On-Line Request Form for Franchise

#### Consideration or simply fill out the attached application form:

The request form will be reviewed. Upon preliminary approval, you will be notified of our interest to meet with you. This information will be kept confidential. You may also print out the on-line request form and then fax it to 905-820-8448, attn. Franchise Development.

Click here to complete our on-line request form. Franchise Development may also be reached at e-mail address [seanb@muchoburrito.com](mailto:seanb@muchoburrito.com) or by phone 905-820-7887 ext. 014.

### 2. Visit the Mucho Burrito™ Head Office: A franchise sales

representative will schedule an interview with you at our Head Office in Mississauga, Ontario or in Calgary, Alberta. During this visit, you will receive an in-depth introduction to the Mucho Burrito™ franchise system, meet our management team and have the opportunity to ask all of your questions.

### 3. Receive Mucho Burrito™ Disclosure Document:

The disclosure document contains valuable information to help you analyze our franchise system. You will have over 2 weeks to review it and discuss it with your professional advisors. Only applicable in certain provinces and states.

### 4. Franchise Fee Deposit & Approval: Upon a

mutual decision to proceed you will be required to pay a \$10,000 deposit and are scheduled for a second interview.

### 5. Franchise Agreement: By this point, you should have enough information about Mucho Burrito™ to make a prudent decision. If you are approved and wish to proceed, we will prepare a franchise agreement for you to sign. Once you have signed and had the franchise agreement notarized you will be required to pay the remaining franchise fee allowing us to proceed to the next step.

### 6. Orientation: We will orient you on all of the steps involved in opening your restaurant and will work with you to find you a location for your restaurant. Once we have found you a site we will work with you in negotiating the lease, building the restaurant and will commence your training program.



## Training and Support

The Operational Support Department is a total support system for the franchisee and their personnel. Each individual Restaurant is supported by a Mucho Business Consultant (MBC) who is responsible for approximately 20 to 30 units. The MBC acts as the liaison between the franchisees and Head Office. The Mucho Business Consultants are thoroughly trained and experienced in the **Mucho Burrito™** franchise system and continuously assist the franchisee in:

1. Achieving maximum sales and profitability
2. Maintaining all **Mucho Burrito™** standards
3. Devising, scheduling and implementing sales building plans
4. Conducting training sessions with personnel
5. Analyzing and resolving issues relating to Operations.

One of the primary reasons for **Mucho Burrito™**'s success is the relationship between the franchisee and the franchisor is essentially a "business partner" arrangement and deals with all issues on a one-to-one partnership basis. This allows for a quicker, more efficient resolution to any difficulty experienced by the franchisee. Our proven systems coupled by professional support will lend to your continued success as a Mucho Franchisee.

## Frequently Asked Questions

### Is previous experience in the restaurant industry necessary?

No! Restaurant experience can be an asset. The important factor is to be flexible and to be able to adapt to the organizational, operational and marketing training from Mucho Burrito.

### What steps are involved in obtaining a Mucho Burrito franchise?

If you are interested in becoming a franchisee please call 905-820-7887 or 1-888-729-7482 and set up an appointment with a franchising representative.

### Are partnerships allowed?

Yes, two or more persons may join forces to purchase a single franchise.



## What is my Initial Investment?

The initial franchise fee for the first restaurant is \$25,000.00.

Unlike many other franchises in Canada the start-up costs of establishing a **Mucho Burrito™** franchise are reasonable. Below is our estimate of the approximate Initial Investment of opening your own **Mucho Burrito™** franchise:

The difference between low or high investment levels exist because of varying restaurant sizes, construction costs, and real estate costs.

The typical cost of the following items: Franchise Fee, Leasehold Improvements, Equipment & Furniture Package, Freight Charges, Architectural Design & Engineering Fee, and Exterior Signage is between \$225,000 and \$322,000.

*(\*) First Month Rent & Deposit: This amount represents the estimated deposit of 2 months rent payable to your landlord upon the signing of the Offer to Lease.*

(THE ABOVE-NOTED FIGURES ARE ESTIMATES ONLY OF YOUR INVESTMENT IN ESTABLISHING A MUCHO BURRITO™ RESTAURANT. IT IS POSSIBLE THAT THE ACTUAL COSTS MAY SIGNIFICANTLY EXCEED SOME OR ALL OF THE COSTS IN ANY OF THE AREAS LISTED ABOVE. THIS ESTIMATED RANGE IS BASED ON THE COST TO BUILD OUT A STREET FRONT MUCHO BURRITO STORE (WITHOUT ANY OFFICES, APARTMENTS OR OTHER USES ABOVE THE RESTAURANT FACILITY) CONSISTING OF 1,000 TO 1,600 SQUARE FEET. LARGER LOCATIONS AND MUCHO BURRITO STORES LOCATED IN FOOD COURTS OR OTHER NON-TRADITIONAL LOCATIONS MAY BE MEASURABLY MORE OR LESS EXPENSIVE BASED UPON THE FACILITY DESIGN AND OTHER CRITERIA IMPOSED UPON YOU BY THE LANDLORD AND THE LOCATION OF YOUR STORE. THE ESTIMATES DO NOT INCLUDE EXTERIOR RENOVATIONS OR ANY INTERIOR DEMOLITION TO YOUR MUCHO BURRITO STORE.)

Break-Down For	(in CDN \$)	
	Lower Cost Store	Higher Cost Store
Initial Franchise Fee	\$25,000	\$25,000
Travel & Living Expenses While Training	500	3,500
First Month Rent & Lease Deposit (*)	5,000	12,000
Real Estate Brokerage Fees (if applicable)	0	5,000
Leasehold Improvements	80,000	200,000
Equipment & Furniture	60,000	125,000
Freight Charges	300	5,000
Interior and Exterior Signage	7,500	35,000
Architectural Design and Mechanical Fee	5,000	10,000
Opening Advertising Materials (min.)	7,500	7,500
Opening Inventory	6,500	9,000
Deposits - Phone, Utilities	1,000	5,000
Municipal and/or Provincial Permits and Licenses	0	2,000
Alcohol Permits and Licenses	0	3,000
Professional Fees	1,500	4,000
Software and Hardware	500	3,000
Cash Register Service Fees (monthly)	0	100
Working Capital	5,000	15,000
Uniforms	500	1,500
Security System and Safe	0	3,500
<b>TOTAL INVESTMENT</b>	<b>\$205,800</b>	<b>\$474,100</b>

Some costs will vary in relation to the physical size of the restaurant, location, area, landlord design criteria and contractor pricing in each area. A lower cost restaurant is one that would require fewer leasehold improvements, less seating and fewer equipment expenditures. Moderate and higher cost restaurants may require extensive interior renovations, extensive seating and additional equipment. If you are purchasing a restaurant for another location opportunity, such as a non-traditional, satellite or school location, the above listed capital requirements may vary considerably and could be substantially lower depending upon the necessary equipment you must acquire or changes in leasehold improvements you must make. The above figures do not include extensive exterior renovations, provincial sales tax, value-added tax, including the goods and service tax, or any other tax.

### What does the Initial Franchise Fee buy?

The initial franchise fee for the first restaurant is \$25,000.00. The initial franchise fee secures the right to own and operate a **Mucho Burrito™** franchise in a given territory and the use of **Mucho Burrito™** trademarks, trade name, recipes and retail marketing scheme. We also provide:

- **site selection, lease negotiation;**
- **administrative systems;**
- **comprehensive training program consisting of classroom instruction and practical restaurant experience;**
- **assistance from franchise operations experts for pre and post-opening of Restaurant;**
- **financing is available to qualified purchasers.**

### How much money is required?

In order to obtain financing from a chartered bank or trust company you must have at least 30-40% of the purchase price as an unencumbered cash down payment.

### What is the royalty fee?

The royalty fee is 5% of sales payable to **Mucho Burrito™** on a weekly basis.

### What is the advertising fee?

The advertising fee is 4% of sales payable to **Mucho Burrito™** on a weekly basis.

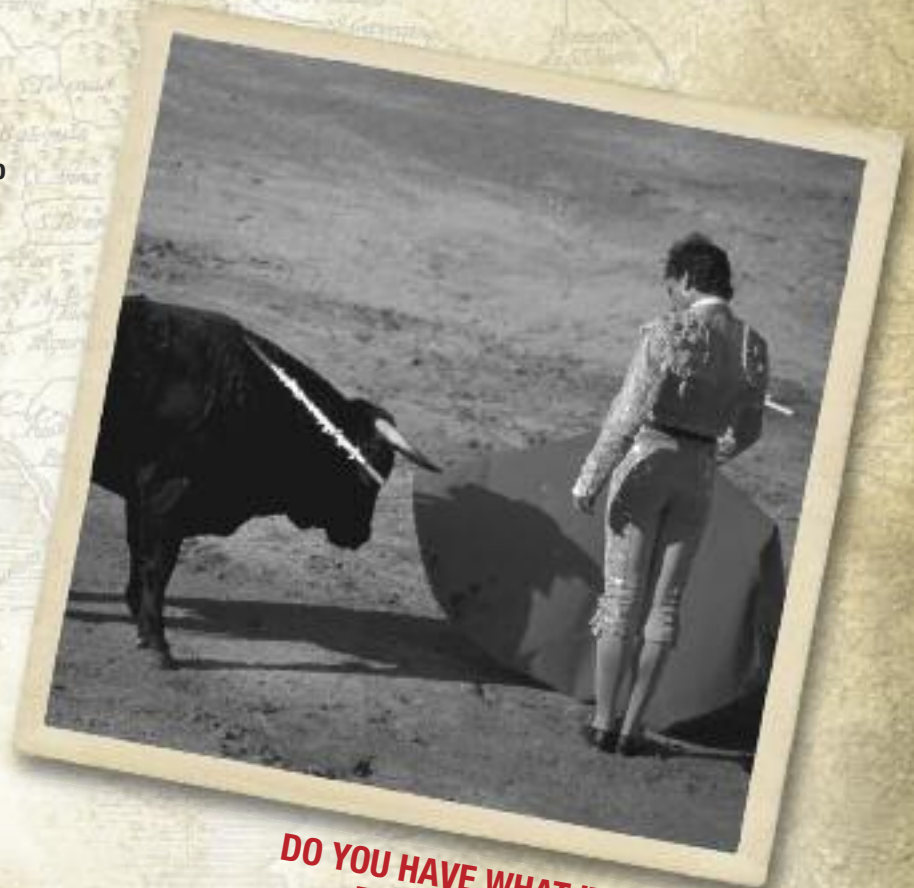
### What is the average size of a Mucho Burrito Restaurant?

The typical size of a **Mucho Burrito™** Restaurant is 1,600 sq. ft. to 2,000 sq. ft.; however, larger or smaller restaurants are an option. **Mucho Burrito™** restaurants are usually located in neighborhood and community strip centres, power centres, shopping malls, universities, airports and downtown business districts.

### How much money can I make from a Mucho Burrito investment?

Since actual results of individual franchises are based on factors not within the control of **Mucho Burrito™**, we do not provide estimates of profits or revenues.

However, after consulting with **Mucho Burrito™** franchise representative and reviewing our disclosure document, you will have the opportunity to contact our existing franchisees regarding their experiences.



**DO YOU HAVE WHAT IT TAKES TO  
BE A MUCHO FRANCHISEE?**