

Provision	Section in Area Development Agreement	Summary
v. Choice of forum	Sections 10.1, 10.2 and 11.15	Before either of us may file arbitration, we agree to attempt to resolve any dispute pursuant to mediation held in the principal city closest to our principal place of business (currently Pasadena, California) and the mediation will be governed in accordance with Rules of Practice and Procedure of Judicial Arbitration & Mediation Services, Inc., unless otherwise agreed. Litigation must be in the principal city closest to our principal place of business (currently Pasadena, California), subject to applicable state law.
w. Choice of law	Section 11.8	The laws of the state where the Area Development Franchise is located apply, subject to applicable state law.

ITEM 18 PUBLIC FIGURES

We do not use any public figure 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, and/or affiliate-owned outlets, if there is a reasonable basis for the information, and 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.

As of December 28, 2025, we had two affiliate-owned Mike's Red Tacos Restaurants (the "Affiliate Locations") in operation and no franchised Mike's Red Tacos Restaurants. Franchised Mike's Red Tacos Restaurants will operate from premises that are approximately 2,400 square feet. The Affiliate Locations do not pay Royalties or Creative Fund Contributions that franchised Mike's Red Tacos Restaurants will pay. The Affiliate Locations offer similar products and menu items and face a similar degree of competition anticipated for the Mike's Red Tacos Restaurants offered under this Franchise Disclosure Document. The Affiliate Locations are both located in San Diego, California. The first Affiliate Location has been in operation since August 2022 and the second Affiliate Location has been in operation since May 2024. The first Affiliate Location is a traditional location that operates from a premises that is 2,200 square feet. The second Affiliate Location is a traditional location that operates from a premises that is 2,100 square feet. Both Affiliate Locations offer catering. Neither Affiliate Location has a contractually granted territory. However, for purposes of comparing these Affiliate Locations to the franchised Mike's Red Tacos Restaurants offered under this Franchise Disclosure Document, we estimate that each Affiliate Location operates within a primary trade area of approximately a one-mile radius, which is comparable in geographic scope to the minimum territory a franchisee will receive under the Franchise Agreement.

The information below is a historical financial performance representation for the two Affiliate Locations ("Reporting Affiliate Locations") that have been in operation for at least one year as of December 31, 2025 ("Reporting Period"). The financial information was prepared from internal



accounting records and reports. The numbers have not been audited, but we have no reason to doubt their accuracy. All numbers have been rounded to the nearest dollar. For purposes of this Item 19, “Gross Sales” means the total revenue derived from the sale of goods or services less sales tax, value added or other tax, excise or duty charged to customers based on sales at or from the Mike’s Red Tacos Restaurant; tips, gratuities or service charges paid directly by customers to employees or turned over to employees in lieu of direct tips or gratuities; and (iii) proceeds from isolated sales of equipment and trade fixtures that are not part of the products and services offered for resale at the Mike’s Red Tacos Restaurant nor having any material effect upon the ongoing operation of your Mike’s Red Tacos Restaurant; and the amount discounted from the purchase price of such item and from sales of prepaid gift cards and certificates (however, franchisees must pay Continuing Royalties and Creative Fund Contributions on sales from the redemption of gift cards and/or certificates at their Mike’s Red Tacos Restaurant(s)).

Table 1
Gross Sales for the Reporting Affiliate Locations
2025 Reporting Period

Location	Gross Sales
Affiliate Location 1	\$3,328,866
Affiliate Location 2	\$3,775,315

The financial performance representations above do not reflect the costs of sales, operating expenses, or other costs or expenses that must be deducted from the gross revenue or gross sales figures to obtain your net income or profit. You should conduct an independent investigation of the costs and expenses you will incur in operating your franchised business.

Some Mike’s Red Tacos Restaurants have earned this amount. Your individual results may differ. There is no assurance you will earn as much.

Written substantiation for the financial performance representation will be made available to the prospective franchisee upon reasonable request.

Other than the preceding representations, we do not make any additional financial performance 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 our Franchise Development Department at 1308 E Colorado Blvd., Suite 2216, Pasadena, California 91106, (562) 201-3020; the Federal Trade Commission; and the appropriate state regulatory agencies.

ITEM 20
OUTLETS AND FRANCHISEE INFORMATION

All year-end numbers appearing in the tables below are as of the closest Sunday to December 31st of each year.

Table No. 1
System-wide Outlet Summary
For Years 2023-2025

Outlet Type	Year	Outlets at the Start of the Year	Outlets at the End of the Year	Net Change
Franchised	2023	0	0	0
	2024	0	0	0
	2025	0	0	0
Company-Owned*	2023	1	1	0
	2024	1	2	+1
	2025	2	2	0
Total Outlets	2023	1	1	0
	2024	1	2	+1
	2025	2	2	0

*These outlets are owned by our founder, owner and manager, Mike Touma.

Table No. 2
Transfers of Franchised Outlets from Franchisees to New Owners (other than the Franchisor)
For Years 2023-2025

State	Year	Number of Transfers
Totals	2023	0
	2024	0
	2025	0