

FRANCHISE DISCLOSURE DOCUMENT



BQ Concepts, LLC
dba *Barrio Queen*
an Arizona limited liability company
12701 Whitewater Drive, Suite 100
Minnetonka, Minnesota 55343-4164
952-294-1300

Website: www.barrioqueen.com
www.bbq-holdings.com/franchising
<https://www.bbq-holdings.com/>
www.facebook.com/barrioqueen

We offer *Barrio Queen* franchises. As a franchisee, you will operate a restaurant called *Barrio Queen* specializing in authentic Southern Mexican food and beverages prepared using proprietary recipes on a take-out or eat-in basis, and branded, licensed products.

The total investment necessary to begin operation of a Barrio Queen franchise ranges from \$1,346,250 to \$3,515,750 if you lease the premises, and from \$3,746,250 to \$7,515,750 if you purchase your premises, and under in either case includes \$105,750 to \$150,750 which must be paid to the franchisor or its affiliate.

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 BQ Concepts, LLC, Attn: Legal Department, 12701 Whitewater Drive, Suite 100, Minnetonka, Minnesota 55343-4164 and 952-294-1300.

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

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

Issuance Date: March 28, 2025, as amended October 10,
2025.

HOW TO USE THIS FRANCHISE DISCLOSURE DOCUMENT

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

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

WHAT YOU NEED TO KNOW ABOUT FRANCHISING GENERALLY

Continuing responsibility to pay fees. You may have to pay royalties and other fees even if you are losing money.

Business model can change. The franchise agreement may allow the franchisor to change its manuals and business model without your consent. These changes may require you to make additional investments in your franchise business or may harm your franchise business.

Supplier restrictions. You may have to buy or lease items from the franchisor or a limited group of suppliers the franchisor designates. These items may be more expensive than similar items you could buy on your own.

Operating restrictions. The franchise agreement may prohibit you from operating a similar business during the term of the franchise. There are usually other restrictions. Some examples may include controlling your location, your access to customers, what you sell, how you market, and your hours of operation.

Competition from franchisor. Even if the franchise agreement grants you a territory, the franchisor may have the right to compete with you in your territory.

Renewal. Your franchise agreement may not permit you to renew. Even if it does, you may have to sign a new agreement with different terms and conditions in order to continue to operate your franchise business.

When your franchise ends. The franchise agreement may prohibit you from operating a similar business after your franchise ends even if you still have obligations to your landlord or other creditors.

SOME STATES REQUIRE REGISTRATION

Your state may have a franchise law, or other law, that requires franchisors to register before offering or selling franchises in the state. Registration does not mean that the state recommends the franchise or has verified the information in this document. To find out if your state has a registration requirement, or to contact your state, use the agency information in Exhibit A.

Your state also may have laws that require special disclosures or amendments be made to your franchise agreement. If so, you should check the State Specific Addenda. See the Table of Contents for the location of the State Specific Addenda.

Brand President from November 2007 until December 2010 and the Sr. Vice President of Operations for Cold Stone Creamery from February 2005 to December 2007.

Co-Chief Operating Officer: Al Hank

Mr. Hank began his career with Famous Dave's as an hourly team member in 2005. During 2020 and up to his election as COO, he served as FDA's Senior Vice President of Operations. During 2018 to 2019, he served FDA in various management roles including Senior Director Strategy and Development, Senior Director of Operations and Franchise Business Consultant. From 2015 to 2017, Mr. Hank served FDA as an Area Director. Prior to that starting in 2012, he served as a General Manager of FDA's Westbury, New York location.

Co-Chief Operating Officer: Adam Lehr

~~Mr. Lehr has been Famous Dave's Co-Chief Operating Officer since October 2022 and prior to that was the Senior Vice President of Operations over both corporate and franchise restaurants since January 2020. Since joining Famous Dave's in 2018 he was also involved with the franchise operations as both the Director of Operations and as an FBC.~~

Chief Legal Officer: Jenny Moody

Ms. Moody has been with the Kahala Brands' Legal department since June 2010. In August 2012 she was named Corporate Counsel, in September 2013 International Counsel, in September 2016 Deputy General Counsel, and in November 2019 General Counsel. In August 2023, Ms. Moody assumed her current role.

Franchise Sales

Vice President of Business Development – USA: Ramin (Ray) Zandi

Mr. Zandi is the Vice President of Business Development – USA, a position he has held since February 2009.

Manager of Franchise Development: Marilyn Bower

Ms. Bower joined Kahala Brands as Manager of Franchise Development in February 2025. Previously, she held similar roles at Gold Spectrum and SunMed from 2022 through 2024. Prior to that, Ms. Bower was a Customer Service Representative with Farmers Insurance Agency in Bradenton, Florida from 2020 through 2022.

Senior Director of Franchise Sales: Shemar Pucel

Ms. Pucel joined the company in November 2020 as Director of Franchise Sales and was promoted to Senior Director of Franchise Sales in February 2022, where in her role she was responsible for Papa Murphy's franchise development. From October 2018 to August 2020, Ms. Pucel was a Director of Development for sweetFrog Premium Frozen Yogurt

Suit for Breach of Contract

Kahala Franchising, L.L.C. v. All About Food, Inc. and Chu Yup Lee a/k/a Michale Lee; In the Circuit Court of the Nineteenth Judicial Circuit Lake County, Illinois; Case No.: 2024LA00000001.

Suit for Forcible Entry and Detainer

Cold Stone Creamery Leasing Company, Inc. v. JRF, Inc.; Iowa District Court for Dallas County; Case No.: SCSC050015.

Other than these actions, no litigation is required to be disclosed in this Item.

ITEM 4: BANKRUPTCY

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

~~Lehr Restaurant Group, Lehr Real Estate (dba Dvincis Restaurant), Adam Lehr~~

~~Our co-COO Adam Lehr in connection with his ownership of Lehr Restaurant Group and Lehr Real Estate filed a bankruptcy proceeding as debtor under Chapter 13 of the U.S. Bankruptcy Code in the U.S. Bankruptcy Court for the District of Minnesota on January 30, 2018, under Case No. 18-40253-KHS. The bankruptcy was discharged on June 29, 2021.~~

ITEM 5: INITIAL FEES

Initial Franchise Fee

If/when you sign the Franchise Agreement, you must pay to Franchisor the initial franchise fee ("Initial Franchise Fee") for your Restaurant in an amount equal to \$50,000. There are no refunds of the Initial Franchise Fee under any circumstances. We may periodically reduce the Initial Franchise Fee in connection with limited time promotions, new concepts and/or operational programs. We may vary the terms of our franchises in connection with testing new marketing, branding and/or operational programs. These tests are generally conducted with experienced, existing franchisees and may include incentives and other rights which are not available to all franchisees. If you sign the Franchise Agreement in connection with a transfer or renewal, you will not pay the Initial Franchise Fee.

Opening Team Expenses

You will reimburse Franchisor for the Travel Expenses and the prorated Salaries and Benefits for the Opening Team members who assist you with the opening of your Restaurant (see Item 11). These expenses are nonrefundable and will typically range between \$55,000 and \$100,000 but may be lower or higher depending upon the particular needs and the location of your Restaurant. You will pay to Franchisor 50% of the estimated Opening Team expenses for your Restaurant, which Franchisor will determine based on the size of the Opening Team, distance traveled, and other factors, before the date that the Opening Team arrives at your Restaurant. Upon completion of the Opening

(2) You will utilize the Standard Operating Procedures/Training Manual(s) (the “Operating Manuals”, which form part of the “Confidential Manual”) and other proprietary training tools and documents required by Franchisor.

All training will be conducted under the supervision of ~~Adam Lehr, or another~~ suitable instructor provided by Franchisor. ~~Mr. Lehr has been Co-Chief Operating Officer since October 2022 and prior to that was the Senior Vice President of Operations over both corporate and franchise restaurants owned and operated by our affiliate since January 2020. He was also involved with the franchise operations of restaurants operated by us and our affiliates as both the Director of Operations and as an FBC. Prior to that, Mr. Lehr was the Director of Franchise Operations for the University of Minnesota where we oversaw 18 different franchise operations, including Chick Fil A, Papa John’s, Subway, Starbucks and more. All instruction will be conducted by instructors who have experience with Barrio Queen and/or with restaurant operations. Our instructors have been adequately trained in the ownership and operation of a Barrio Queen franchise, including having, at a minimum, completed the entire Training Program, and having experience in training each of the subjects listed in the table above.~~

The initial training program is provided to you and your Management Staff at no additional cost to you. You must pay the Salaries and Benefits, Travel Expenses and all other expenses for all persons who attend training on your behalf. The training program generally takes seven weeks (35 shifts) for you and your Management Staff to complete. You and your Management Staff must begin the training program before the scheduled opening of your Restaurant and must successfully complete the training program before you open your Restaurant. If the opening of your Restaurant is delayed, you and your Management Staff may have to attend re-training as determined by Franchisor.

(3) After you and your Management Staff have successfully completed the training program, Franchisor will arrange for an Opening Team, at your expense, to assist you with opening your Restaurant (see Section 4.3 of the Franchise Agreement). For up to 14 consecutive days, certain Opening Team members will assist you with implementing the restaurant system at your Restaurant and training your staff and kitchen employees. For your second and each subsequent Restaurant opening, if any, you will be asked to provide a prescribed number of certified trainers for the Opening Team based upon your existing number of staff. Franchisor will determine and provide, at your expense, the additional personnel needed to complete the Opening Team who will be on site at your Restaurant for a minimum of 14 days. All Opening Teams will be assembled based on guidelines established by Franchisor. There is no fee for this opening assistance. However, you will pay Franchisor for the Travel Expenses and the prorated Salaries and Benefits for the Opening Team within 30 days after receipt of an invoice from Franchisor. Note: 50% of this expense is billed up front before the opening date.

(4) Franchisor will provide franchisees access to Manuals (see Section 4.5 of the Franchise Agreement). The Manuals are confidential and will remain the property of Franchisor during and after the term of the Franchise Agreement. You and your restaurant managers must be able to read and write English adequately, in our good faith opinion, to satisfactorily complete our Training Program and to communicate with

EXHIBIT N
TO THE FRANCHISE DISCLOSURE DOCUMENT
Receipts

RECEIPT #1

This disclosure document summarizes certain provisions of the franchise agreement and other information in plain language. Read this disclosure document and all agreements carefully.

If BQ Concepts, LLC offers you a franchise, it must provide this disclosure document to you 14 calendar-days before you sign a binding agreement with, or make a payment to, the franchisor or an affiliate in connection with the proposed franchise sale.

[New York requires that we give you this disclosure document at the earlier of the first personal meeting or 10 business days before the execution of the franchise or other agreement or the payment of any consideration that relates to the franchise relationship.]

[Michigan requires that we give you this disclosure document at least 10 business days before the execution of any binding franchise or other agreement or the payment of any consideration, whichever occurs first.]

If BQ Concepts, LLC does not deliver this disclosure document on time or if it contains a false or misleading statement, or a material omission, a violation of federal law and state law may have occurred and should be reported to the Federal Trade Commission, Washington, DC 20580 and the state agency listed on Exhibit B.

The franchisor is BQ Concepts, LLC, with a primary office located at 12701 Whitewater Drive, Suite 100, Minnetonka, Minnesota 55343-4164, (952) 294-1300. The franchise seller for this offering is _____, _____, (____) _____.

Issuance date: March 28, 2025, as amended October 10, 2025.

BQ Concepts, LLC authorizes the respective state agencies identified on Exhibit C to receive service of process for it in the particular state.

I received a Barrio Queen Disclosure Document dated March 28, 2025, as amended October 10, 2025, that included the following Exhibits:

A	State Addenda and Agency Documents	M	State Effective Dates
B	Financial Statements	N	Receipts
C	Performance Guaranty		
D	Franchise Agreement (and state specific addenda, if applicable)		
E	Guaranty of Franchise Agreement		
F	Non-Disclosure and Non-Competition Agreement		
G	Collateral Assignment and Irrevocable Special Power of Attorney		
H	Required Lease Terms (Lease Addendum to Lease Agreement)		
I	Pre-Authorized Electronic Funds Transfer Form		
J	General Release for Renewal of Franchise Agreement		
K	List of Franchisees		
L	List of Company-Owned Restaurants		

Date: _____
(Do not leave blank)

Signature of Prospective Franchisee

Print Name

Receipt #1 must be signed and dated and remains in the Franchise Disclosure Document as the prospective franchisee's copy. Receipt #2 must be signed and dated by the prospective franchisee and returned to franchisor by mailing it to BQ Concepts, LLC, at 12701 Whitewater Drive, Suite 100, Minnetonka, Minnesota 55343-4164, (952) 294-1300.

RECEIPT #2

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Date: _____
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Signature of Prospective Franchisee

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