



SEÑOR POLLO MEXICAN GRILL™

FRANCHISE DISCLOSURE DOCUMENT

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As a Señor Pollo Mexican Grill™ franchisee, you will operate a Mexican grill restaurant that offers Mexican food and other related products and services.

The total investment necessary to begin operation of a Señor Pollo Mexican Grill™ franchised business is \$158,700 to \$403,900. This includes the \$37,770 that must be paid to the franchisor or its affiliates. To reserve a territory for an area development with three units, the total investment necessary is \$446,100 to \$1,181,700. This includes the \$83,310 that must be paid to the franchisor or its affiliates.

This disclosure document summarizes certain provisions of your franchise agreement and other information in plain English. Read this disclosure document and all accompanying agreements carefully. You must receive this disclosure document at least 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 to you. To discuss the availability of disclosures in different formats, contact Dulce Martinez at senorpollo18@gmail.com and (435) 496-3260.

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

Issuance Date: October 19, 2023



How to Use This Franchise Disclosure Document

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

QUESTION	WHERE TO FIND INFORMATION
How much can I earn?	Item 19 may give you information about outlet sales, costs, profits or losses. You should also try to obtain this information from others, like current and former franchisees. You can find their names and contact information in Item 20 or Exhibit “D.”
How much will I need to invest?	Items 5 and 6 list fees that 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 “C” 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 Señor Pollo Mexican Grill TM 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 Señor Pollo Mexican GrillTM franchisee?	Item 20 or Exhibit “D” lists current and former franchisees. You can contact them to ask about their experiences.
What else should I know?	These questions are only a few things you should look for. Review all 23 Items and all Exhibits in this disclosure document to better understand this franchise opportunity. See the table of contents.

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 “F.”

Your state may also 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.

Special Risks to Consider About *This* Franchise

Certain states require that the following risk(s) be highlighted:

1. **Out-of-State Dispute Resolution.** The franchise agreement requires you to resolve disputes with the franchisor by mediation, arbitration and/or litigation only in Salt Lake City, Utah. Out-of-state mediation, arbitration, or litigation may force you to accept a less favorable settlement for disputes. It may also cost more to mediate, arbitrate, or litigate with the franchisor in Salt Lake City, Utah than in your own state.

Certain states may require other risks to be highlighted. Check the “State Specific Addenda” (if any) to see whether your state requires other risks to be highlighted.

TABLE OF CONTENTS

ITEM NO.	PAGE NO.
1. The Franchisor and any Parents, Predecessors, and Affiliates.....	7
2. Business Experience	9
3. Litigation.....	9
4. Bankruptcy.....	9
5. Initial Fees.....	9
6. Other Fees	10
7. Estimated Initial Investment	15
8. Restrictions on Sources of Products and Services	18
9. Franchisee’s Obligations.....	21
10. Financing	22
11. Franchisor’s Assistance, Advertising, Computer Systems, and Training.....	22
12. Territory	31
13. Trademarks	34
14. Patents, Copyrights and Proprietary Information	36
15. Obligation to Participate in the Actual Operation of the Franchise Business.....	37
16. Restrictions on What the Franchisee May Sell	38
17. Renewal, Termination, Transfer and Dispute Resolution.....	38
18. Public Figures	44
19. Financial Performance Representations.....	44
20. Outlets and Franchisee Information.....	45
21. Financial Statements	47
22. Contracts	47
23. Receipts.....	47

Addenda of State Regulations

EXHIBITS

- A. Franchise Agreement and its Exhibits
- B. Table of Contents for Brand Standards Manual
- C. Financial Statements
- D. Schedule of Franchisees
- E. List of Agents for Service of Process
- F. List of State Agencies Responsible for Franchise Disclosure and Registration Laws
- G. Area Development Agreement
- H. Deposit Agreement
- I. Release Agreement (Form)
- J. Signing Checklist

RECEIPTS

FRANCHISE DISCLOSURE DOCUMENT

ITEM 1

THE FRANCHISOR AND ANY PARENTS, PREDECESSORS, AND AFFILIATES

The Franchisor

The name of the franchisor is Señor Pollo Mexican Grill Inc. In this disclosure document, Señor Pollo Mexican Grill Inc., is referred to as “we” or “us” or “our” or “Señor Pollo Mexican Grill”; “franchisee,” “you” or “yours” means the person or persons, individually and collectively, who buys the franchise from us and includes the current and future owners of a franchisee that is a corporation, partnership, or other entity.

Our company was incorporated on February 01, 2020, in the state of Utah under the name Señor Pollo Mexican Grill Inc. Our principal place of business is 1775 W. 5400 S., Taylorsville, Utah 84129.

Our agents for service of process in various states are disclosed in Exhibit “E.”

Franchisor’s Business Activities

We do not have any other business activities other than franchising the Señor Pollo Mexican Grill™ brand.

We do not do business under any name other than Señor Pollo Mexican Grill Inc. or Señor Pollo Mexican Grill™. As of the date of this disclosure document, we have not offered for sale or sold franchises in any other line of business. We began selling Señor Pollo Mexican Grill™ franchises in 2020; however, prior to 2023, we offered a different form of franchise agreement. These “legacy” franchisees have different terms and obligations than you will have.

Parent, Affiliate, and/or Predecessor Business Activities Involving Señor Pollo Mexican Grill™

Affiliate

Our affiliate, D & B Señor Pollo Inc., a Utah corporation, has operated a Señor Pollo Mexican Grill business™ similar to the one you will operate since March of 2019, and has not offered nor sold franchises in this line of business or any other line of business. Its principal place of business is 1775 W. 5400 S., Taylorsville, Utah 84129.

We have no other parents, predecessors or affiliates required to be disclosed in this Item.

Franchise Offered

We license and train others to operate Señor Pollo Mexican Grill™ businesses. A Señor Pollo Mexican Grill™ business is a Mexican grill restaurant that offers Mexican food and other related products and services. The grant of a Señor Pollo Mexican Grill™ franchise authorizes you to engage in our complete system under the name Señor Pollo Mexican Grill™ and other proprietary marks.

You must purchase and carry specific materials, supplies and equipment and strictly follow our standards, methods, policies, and procedures in the operation of your franchise business that are described in more detail in our franchise agreement attached as Exhibit “A” to this disclosure document.

You may also enter into an area development agreement with us for the development of a certain number of franchise units within a specific geographic area and a specified time-period (see Exhibit “G”).



Unless specifically stated otherwise, the disclosures for an area development are the same as for a single unit.

General Description of Market and Competition

The general market for a restaurant business is well-developed and competitive. You will typically compete with other established businesses operating restaurant businesses. There are many of these competitors from large national chains to small independent operators. You may also encounter competition from other Señor Pollo Mexican Grill™ franchises operated by us or other franchisees outside your territory.

Laws and Regulations

You are required to follow all laws and regulations that apply to a business generally. In addition to laws and regulations that apply to businesses generally, your business is subject to federal, state, and local health and consumer protection laws and other regulations and guidelines governing the food service industry. The Food and Drug Administration, the United States Department of Agriculture and food industry organizations, including the National Restaurants Association, have established rules affecting this industry. To operate your franchise, you and/or one of your employees must have a current food handlers license. Some states may require a manager to have a Food Safety Manager Certification.

Depending on your location or based on our system, we may also require you to obtain a beer and wine or liquor license. If we allow you to serve alcoholic beverages as part of your business, you will be responsible for obtaining all necessary licenses and permits, and you have to know the laws and regulations governing the sale of these items including: minimum age restrictions for purchasers and employees who sell these products, special training requirements, and regulations on the hours of sales for these products. You may be required to obtain a liquor license or alcohol certificate and liquor handling training in your state and under applicable dram shop laws.

You may also be required to obtain additional insurance coverage, which may increase your insurance premium payments.

You must investigate local zoning rules because that may limit where you can locate your franchise business and may affect the design features including the building façade and signs as well as your ability to obtain permits to sell alcoholic beverages. In many jurisdictions, you will also be required to obtain a sign permit. You should also be aware of federal, state, and local environmental laws about the disposal of waste materials and packaging. You may be required by local law to participate in a recycling program, which may require that you register and make ongoing fee payments. State or federal entities may require you to have a permit as a water provider.

At your cost and expense, you must investigate and ensure that you comply with all payment card industry (“PCI”) and data security standard (“DSS”) standards, regulations, and requirements. You are not permitted to collect, store, transfer, etc., any unnecessary customer information. Additional information can be found at <https://www.pcisecuritystandards.org/>.

The details of state, county and local laws and regulations vary from place to place. It is your responsibility to research these matters. Please be aware that the changes in these laws may increase the cost to operate your business. You are solely responsible to determine what local or state regulations, permits and licenses you will need to comply with and/or obtain to conduct the franchise business in a particular state, city, or town.

ITEM 2 BUSINESS EXPERIENCE

Dulce Martinez – Founder

Dulce Martinez is one of our founders. She has held this position since our inception in February 2020. She is also one of the founders of our affiliate company, D & B Senor Pollo Inc., since its inception in January of 2018. Ms. Martinez as founder, has been involved in the management and training of employees and franchisees, including training in cooking and food preparation as well as overseeing the marketing and finances.

Jesus Ruiz – Founder

Jesus Ruiz is one of our founders. He has held this position since our inception in February 2020. He is also one of the founders for our affiliate company, D & B Senor Pollo Inc., since January of 2018. Mr. Ruiz as founder, has been involved in the management and training of employees and franchisees, including training in cooking and food preparation and overseeing of payroll and finance.

ITEM 3 LITIGATION

No litigation is required to be disclosed in this Item.

ITEM 4 BANKRUPTCY

No bankruptcy is required to be disclosed in this Item.

ITEM 5 INITIAL FEES

Initial Franchise Fee

On the signing of the franchise agreement, all franchisees pay an initial franchise fee of \$35,000. Our first several franchisees paid a lower initial franchise fee. The initial franchise fee is payable in a lump sum upon signing the franchise agreement.

Additional Franchise Purchases

During the term of your franchise agreement and after two years of operation, you may purchase additional franchises for the reduced franchise fee of \$25,000 for each additional franchise unit. You must sign the then-current franchise agreement for each additional franchise unit. This option will only be available to you if there are franchise territories available, you meet our then-current criteria for new franchisees, you are current and not in default of your franchise agreement, and, in our sole discretion, we determine to sell you another franchise.

Deposit Agreement

You may sign a deposit agreement (Exhibit “H”) to reserve your franchise for up to 60 days. The non-refundable deposit fee is \$5,000 for a standard franchise, which is applied to the initial franchise fee if you purchase a franchise. This option is available only after you have had this disclosure document for at least 14 calendar days or 10 business days as applicable.

Required Purchases from the Franchisor or an Affiliate

All franchisees purchase the following items and services from us or an affiliate:

Item	Cost
Salsa	\$270
Merchandise / Employee uniforms	\$500

Initial Training

There is no training fee for up to 3 attendees. We also allow up to 1 extra attendee for an additional fee of \$200 per person, per day. You will be responsible for covering the cost of travel, food, and lodging for your attendees to attend the initial training.

Opening Assistance

We provide you with 1 of our representatives to assist you for up to 5 days of opening assistance during the first month of your operations. We determine in our sole discretion the number of days you will need for opening assistance. You must cover the costs for travel, food, and lodging for our representative.

Area Development Agreement

There is a three-unit minimum development if you choose to enter into an area development agreement with us. You must pay an upfront development fee of \$75,000, which is credited towards the initial franchise fee of each franchise as developed (equal to \$35,000 for the first franchise unit to be developed, and \$20,000 for each additional unit to be developed thereafter). You must sign the then-current franchise agreement for each franchise unit as developed.

Uniformity and Refunds

Unless otherwise described above, the costs and fees described above in this Item are uniform and are non-refundable for all franchisees as described above.

ITEM 6 OTHER FEES

TYPE OF FEE	AMOUNT	DUE DATE	REMARKS
Royalty ¹	The greater of \$3,000 or 5% of gross sales	Payable monthly to be received by the first week of each month	Gross sales include all revenue from the franchise business but does not include sales tax. We require royalties to be paid in accordance with our electronic funds transfer or automatic withdrawal program as developed.
Brand Development Fund Fee ^{1,3}	Up to 2% of gross sales	Payable monthly to be received by the first week of the month of the following month	See Note 3 below.
Successor Franchise Fee ^{1,2}	\$25,000	Prior to your entering into a successor franchise agreement	A successor franchise agreement is available to you only if you meet each of the requirements described in the franchise agreement at the time your election to enter into a successor agreement must be made.

Relocation Fee ¹	\$2,000	At the time we approve of the relocation	If you wish to relocate your business and we agree, you must pay this fee to us in order to defray our costs.
Late Charges ^{1,2}	\$25 per day	Payable with royalty or on demand	Charges begin to accrue after the due date of any required payment or report. You will be charged \$25 per day for each late fee or report (up to \$500 per late fee, per month).
Interest on Late Fees and Reports ¹	18% interest or maximum rate permitted by state law, whichever is less	Payable with royalty or on demand	Interest begins to accrue on the total amount (fee plus any late charge) after the due date of any required payment or report.
Non-Sufficient Fund Fees ¹	\$50 per bounced check or insufficient or disputed draft	Payable with royalty or on demand	If this fee is higher than what is allowed under state law, the fee will be reduced to the maximum allowed by state law (see state specific addendum).
Sales or Use Tax ¹	Sum equal to tax imposed	Upon demand	If a sales, use, or value added tax is assessed on fees you pay to us, you must also pay us the applicable tax when invoiced.
Audit Charge ¹	Cost of audit	On billing	Payable only if an audit shows an understatement of 2% or more of gross sales for the period audited, or records are unorganized or unavailable.
System Non-Compliance Fines and Charges ^{1,6}	Amounts to be specified in the Manuals. Ranging between \$50 and \$2,500	As incurred	See Note 7.
New Operating Principal or New Manager Training ^{1,6}	\$200 per person, per day for additional training	Before training	Any new operating principal and managers must complete the initial training program before taking over as operating principal or manager. If you are an area developer with at least 2 units open and operating, new managers may be trained by your operating principal, but we can also require your managers to be trained by us if we reasonably believe such training would be in the best interest of your franchise. You must pay all associated travel, food, and lodging associated with such training.
Additional In-Person Training ^{1,6}	\$200 per day per person	Upon billing	Depending on advanced notice and our availability, you may request additional in-person training. In such case, you will also be required to pay all the travel, lodging,

			food, and other expenses of your attendees or our representatives during this additional training. We reserve the right to limit additional in-person training.
Rescheduling Fee ¹	\$250, plus our costs to reschedule training	On demand	Payable if you cancel, postpone or reschedule a training within 7 days of the scheduled date or fail to complete requirements prior to a training.
Insurance Reimbursement Fee ¹	Reimbursement of premium amount, plus an administration fee of \$50 per hour	Upon demand	You are required to hold and maintain your own insurance, but if you fail to do so, we have the right to obtain insurance on your behalf.
PCI and DSS Audit Reimbursement Fee ¹	Reasonable costs of the audit	Upon demand	You must reimburse us all costs related to an audit for your non-compliance with PCI and DSS requirements.
Interim Management Fee ¹	\$250 per day, per representative	Time of service	Payable if we elect to operate your business during your unapproved closing, unapproved absence, incapacity, death, or if you are not in compliance after you have been given a notice of default and failed to cure. You must also pay all travel, lodging, food and other expenses for our representative(s) and other expenses that may be incurred by us to perform such services, plus royalties, advertising fees and other applicable fees. The interim management period will not last more than 6 months unless otherwise agreed by you.
Operational Assistance at Your Franchise Business Premises ¹	\$200 per person/per day	In advance of training or assistance	Depending on advanced notice and our availability, you may request additional in-person training or assistance. In addition to the fee, you must pay all travel, lodging, food, and other expenses for our representatives during this additional training or assistance. We reserve the right to limit additional operational assistance or training.
Manual Replacement Fee ^{1,6}	\$100, subject to change in the future	When replaced	Fee to replace a manual. First copy is free.
Additional Copies of Marketing Materials ¹	Our costs, plus 10%, and the costs for shipping and handling	Time of delivery	We may develop and provide you samples of marketing and promotional materials.

Fees on Default ^{1,2}	Our costs associated with your default	On demand, as incurred	Paid in addition to other payments to us
Post-Termination, De-Identification, Non-Compliance Fees and Damages ^{1,5}	\$250 per day, plus third-party fees	Upon demand	See Note 4 below.
Early Termination Liquidated Damages ^{1,5}	Average royalty from the previous 12 months multiplied by the lesser of 24 months or the remaining term of your franchise agreement	Upon termination	Payable if your franchise agreement is terminated prior to the expiration of the term. This is only to compensate for lost royalties and is not our only remedy.
Franchise Agreement Transfer Fee ^{1,2}	\$5,000	At time of approved transfer	Payable when you sell your franchise and prior to our signing any approval or new agreement. Owners who own at least 25% of the franchise must personally guaranty the franchise agreement for us to approve the transfer. Subject to state law.
Minority Interest Transfer Fee ¹	Our legal fees and administrative costs related to the transfer	On demand	This fee applies to transfers of up to 40% of your franchisee entity, cumulative during the term of the franchise agreement. Transferees owning at least 25% of the franchise must personally guaranty the franchise agreement for us to approve the transfer. Subject to state law.
Transfer Training Fee ^{1,6}	Our then-current fee for additional persons at initial training	At time of approved transfer	The transferee must pay this initial training fee to have us train the transferee.
Indemnification ^{1,2}	Varies	As incurred or on demand	
Non-Compete Violations Liquidated Damages ^{1,5}	\$2,000 a day per day for each competing business	Upon demand	See Note 5.
Dispute Resolution Fees ¹	Varies	As incurred or on demand	The prevailing party will be entitled to reimbursement of its legal fees and expenses.
Area Development Agreement Transfer Fees ¹	\$5,000 for each franchise unit yet to be developed	At time of approved transfer	Payable when you sell your area development agreement and prior to our signing any approval or new agreement with the transferee. Transferees owning at

			least 25% of the area development business must personally guarantee the franchise agreement for us to approve the transfer. Subject to state law.
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NOTES

¹ Royalty and Fees. Except as shown in the remarks column, all fees are uniformly imposed and payable to us. All fees payable to us or an affiliate are non-refundable. You should verify with any third-party payee whether such payments, deposits, or fees are refundable or not.

We have the right to require you to establish a bank sweep, draft or other similar type of electronic funds transfer (“EFT”) account in which you must deposit the gross sales of your outlet (not including local sales & use taxes) which account we may automatically access for any payment due us. You must pay all service charges and fees charged to you by your bank so that we may electronically debit your bank account. You cannot close or terminate any EFT account without receiving our prior written consent. If you fail to timely report gross sales, we may sweep an estimated amount of fees due to us. You will be responsible to pay us any amount owing if we underestimate your payment to us, and we will credit you with any overage that we charge. We also have the right to direct the merchant provider to withhold all payments due to us from your account/transactions. If you enter into an area development agreement or open multiple units, these fees will apply, respectively, to each separate unit.

² Indemnification. You must indemnify us from damages and costs related to your acts, errors or omissions in the operation of your franchise business. You are not required to indemnify us for liability caused by our willful misconduct, gross negligence, strict liability, or fraud.

³ Advertising Fees. The Brand Development Fund fee may be used by us for one or more national or regional marketing and brand development programs, as we choose. These fees are uniformly imposed.

⁴ Post-Termination, De-Identification Non-Compliance Fee. You will be responsible to pay us any post-termination expenses, including without limitation, attorney’s fees and costs to enforce your post-term obligations. In the event you fail to comply promptly with any of your post termination obligations: (a) you must pay us \$250 for each day that you are in default, as a reasonable estimate of the damages suffered by us; and (b) to prevent further injury, we may hire a third-party or use our own personnel to de-identify your unit and/or to carry out any other post-termination obligations on your behalf, for which costs you will be responsible. Any unused portion will be refunded to you. This post-termination fee obligation will not affect our right to obtain appropriate injunctive relief and other remedies to enforce the franchise agreement and your obligations.

⁵ Liquidated Damages for Breach of Non-Competition. This fee is applied if you violate the non-compete covenants in the franchise agreement or any related agreements, or if you use our system without our express written permission or approval. This fee is not our only remedy, does not represent a price for the privilege of not performing, nor does the payment represent an alternative manner of performance.

⁶ Fee Increases. We may increase these fees by up to 10% per year during the term of your franchise agreement to adjust to increased costs. We may increase these fees by an amount equal to the Consumer Price Index for each year during the term of your franchise agreement to adjust to increased costs. Costs charged by third parties are subject to change at any time and do not have an annual cap.

⁷ System Non-Compliance. We may issue you a fine for certain violations of the franchise agreement and/or manuals. The amount of the fine will be set forth in the manuals and are paid to reimburse us for our administrative and management costs to address the violation. If you do not correct the violation within the time required by us, we have the right to put you in default. All fines are to be paid in accordance with our electronic funds transfer or automatic withdrawal program.

ITEM 7
ESTIMATED INITIAL INVESTMENT

YOUR ESTIMATED INITIAL INVESTMENT
(1-FRANCHISE TERRITORY)

TYPE OF EXPENDITURE	LOW AMOUNT	HIGH AMOUNT	METHOD OF PAYMENT	WHEN DUE	TO WHOM PAYMENT IS TO BE MADE
Initial franchise fee ¹	\$35,000	\$35,000	Lump Sum	Upon signing the franchise agreement	Us
Initial training ²	\$300	\$2,000	As incurred	Prior to and during training	Airlines, hotels, and restaurants
Real estate improvements ³	\$7,000	\$11,000	As incurred	As negotiated	Suppliers and contractors
Architect and Engineer Fees ⁴	\$5,000	\$15,000	As incurred	As negotiated	Architect and/or engineer
Rent ⁵ (3 months of rent, plus a security deposit)	\$11,600	\$58,400	As incurred	As negotiated	Landlord
Equipment, furniture, fixtures, décor, and supplies ⁶	\$57,000	\$145,000	As incurred	As negotiated	Suppliers
POS system, computer hardware, and software ⁷	\$2,000	\$3,000	As incurred	As negotiated	Suppliers
Compliance/camera system ⁸	\$800	\$5,000	As incurred	As negotiated	Suppliers
Signs ⁹	\$6,500	\$10,000	As incurred	Before opening	Suppliers
Miscellaneous opening costs ¹⁰	\$500	\$1,000	As incurred	As incurred	Suppliers, government departments, utilities, etc.
Opening inventory ¹¹	\$10,000	\$20,000	Lump sum	As negotiated	Us, affiliates, suppliers
Grand opening assistance expenses ¹²	\$1,000	\$2,500	As incurred	Before opening	Us, affiliates and suppliers
Advertising (3 months) ¹³	\$1,000	\$3,000	As incurred	As negotiated	Us, affiliates and suppliers

Additional funds ¹⁴	\$21,000	\$93,000	As incurred	As incurred	Suppliers, employees, etc.
TOTAL ¹⁵	\$158,700	\$403,900			

NOTES

¹ Initial Franchise Fee. The initial franchise fee is non-refundable, and we do not finance any portion of the fee.

² Initial Training. We estimate that you will have approximately 3 people attend training. These costs will vary widely as a function of the distance traveled and the choice of accommodations, meals, and transportation. The low estimate assumes a franchisee living in close proximity to our training location.

³ Real Estate Improvements. This estimate includes the cost for construction buildout of your location according to our specifications. Costs of improvements vary widely based on location, terms of the lease, the total area of your space, as well as construction and material costs. Your landlord may provide you with a tenant improvement allowance as part of your lease. You should review these costs with a local contractor, commercial real estate agent and other professionals. As of the issuance date of this disclosure document, we do not have standard design plans to provide, but in the event we develop them, we will provide standard design plans and specifications for construction and improvements. If your site is a newly constructed space, the landlord may require significantly greater additional expenditures to cover leasehold improvements. You are not required to lease newly constructed space.

⁴ Architectural/Engineering Fees. Depending on your location and if it is a vanilla or newly constructed space, we may require you to employ and pay an architect to develop a preliminary set of plans, specifications and related construction documents for your Señor Pollo Mexican Grill™ franchise business. We must approve the architect or engineer before you hire them. If you are required to hire a local architect or engineer, we estimate the cost to be \$5,000 to \$15,000. These estimates include the architect's fees to prepare the full stamped set of floor plans, plans and specifications to include mechanical, plumbing, and electrical engineering as necessary to satisfy city, state, and local building codes and to construct the improvement for your Señor Pollo Mexican Grill™ franchise business at the specific site chosen for your Señor Pollo Mexican Grill™ franchise business. There is no allowance included in this estimate for site planning, landscape planning, use permitting, gaining of variances or resolution of related planning and zoning conflicts, accomplishment of energy consumption calculations, accomplishment of building elevations, or civil or structural engineering. Additionally, this estimate does not include an allowance for bid or contract administration or client directed revisions which will need to be negotiated on a case-by-case basis prior to commencement of the requested work.

⁵ Rent. Your space will vary depending on your needs, but we estimate you will need 1,750 to 3,500 square feet, and we estimate your lease to be \$20 to \$50 per square foot per annum. Our estimate includes a security deposit and 3 months of rent. You are encouraged to negotiate a rent-free period for the time it takes to build out your business. You may be able to negotiate additional free-rent or reduced rent periods after opening as well. We expect that you will rent your location. If you choose to purchase real estate instead of renting, your costs will be significantly different. We have not included an estimate for the cost to purchase and build a location in the table above, but we estimate the cost of your build out to range between \$23 and \$90 per square foot, depending on your market.

⁶ Equipment, Furniture, Fixtures, Décor, and Supplies. Included in this estimate are the costs of the following items: grill, range, hood, walk-in freezer, rice cooker, cookware, fountain dispenser, tables and chairs, office supplies and small wares.

⁷ POS System, Computer Hardware, and Software. Included in this estimate are the costs of the following items: computer and monitor, POS system. If you have a drive-thru location, you must have a 2-terminal POS system, otherwise you are only required to have a one-terminal POS system.

⁸ Compliance/Camera System. This system is not a security system but is a management tool. We do not dictate the vendor and so can only estimate the initial installation cost of the system.

⁹ Signs. Subject to landlord and government restrictions, 2 signs are required. At least 2 exterior sign(s) displaying the trademark are required. These signs may be made locally. All signs must conform to our specifications. You must use the location's monument/pole sign if available.

¹⁰ Miscellaneous Costs. These miscellaneous costs include legal fees, utility set up fees, business entity organization expenses, employee training, deposits, insurance, and licenses. The cost of insurance may vary depending on the insurer, the location of your franchise business, and your claims history. We strongly recommend that you hire a lawyer, accountant, or other professional to advise you on this franchise offering. Rates for professionals can vary significantly based on locale, area of expertise and experience.

¹¹ Opening Inventory. The range in cost depends upon the size of your franchise business, as well as estimated initial business volume. This is only an initial supply and will require replenishment on a regular on-going basis based on the volume of sales for your franchise business. Opening inventory items include the following: initial food inventory, initial food packaging inventory, salsa, merchandise and employee uniforms.

¹² Grand Opening Assistance Expenses. We provide you with 1 of our representatives to assist you for up to 3 days of opening assistance during your grand opening. Our representatives will be at your franchise business and assist you with the various aspects of your grand opening. However, we will not send any representatives to assist with this opening assistance until you have sent us a valid certificate of occupancy. This estimate includes the grand opening assistance fee. This opening assistance is mandatory.

¹³ Advertising. This estimates the cost of advertising for the first 3 months of operations. You are not required to advertise. However, if you institute a marketing program or create any marketing materials we must approve it in writing.

¹⁴ Additional Funds. This estimates your operating expenses during your first 3 months of operations, not including cash flows. You must maintain adequate working capital reserves sufficient to keep your business in operation for at least 3 months, not including cash flows. This amount cannot be less than \$25,000 in your operating account at all times even after royalties have been paid except that in any 30-day period, the operating account may have less than such amount for a period of up to 5 days. You are required to provide us with view-only access to your operating account, and you cannot have more than one operating account. Additionally, if you elect to finance your investment, you need to account for the additional costs of repaying that financing. We have relied upon our experience since 2018 of our principals in opening and operating 4 units/territories and franchisees to compile these estimates.

¹⁵ Total. These figures are estimates for the development of a single franchise unit and we cannot guarantee that you will not have additional expenses starting your franchise business. You should review these figures

in Item 7 carefully with a business advisor before making any decision to purchase the franchise. All purchase agreements or leases must be negotiated with suppliers. For any items purchased from us or an affiliate, we require immediate payment. We do not offer direct or indirect financing for any item. All fees and payments payable to us or an affiliate are non-refundable. Your lease security deposit and utility deposits will usually be refundable unless you owe money to the landlord or utility providers. You should verify with any third-party payee whether such payments, deposits, or fees are refundable or not. If you enter into an area development agreement, then you can expect similar costs for each unit to be developed, but we anticipate you will develop your units over time according to the development schedule rather than all at once.

YOUR ESTIMATED INITIAL INVESTMENT (3-FRANCHISE TERRITORY UNDER THE AREA DEVELOPMENT AGREEMENT)

Type of Expenditure	Amount	Method of Payment	When Due	To Whom Payment is to be Made
Initial Area Development Fee ¹	\$75,000	Lump sum	Upon signing the franchise agreement	Us
Estimated initial investment to open five units ²	\$371,100 to \$1,106,700	Estimated based on the single unit estimates (minus the initial franchise fee) in the above Item 7 chart for a single unit, multiplied by 3.		
TOTAL ³	\$446,100 to \$1,181,700			

¹ Initial Area Development Fee. If you enter into an area development agreement with us, there is a 3-unit development minimum. The initial area development fee is equal to \$35,000 for the first unit and \$20,000 for each additional unit to be developed. The initial area development fee is non-refundable, and we do not finance any portion of the fee (see Item 10).

² Estimated Initial Investment. Except for the initial area development fee, all fees in the above area development 3-unit chart are based on the single unit estimates, multiplied by three. If you develop more than three units, the fee will be higher.

³ Total. These figures are estimates for the development of one franchise unit, and we cannot guarantee that you will not have additional expenses starting your franchise business. You should review these figures in this Item 7 carefully with a business advisor before making any decision to purchase the franchise. All purchase agreements or leases must be negotiated with suppliers. For any items purchased from us or an affiliate, we require immediate payment and payments are not refundable by us. We do not offer direct or indirect financing for any item. All fees and payments payable to us or an affiliate are non-refundable. You should verify with any third-party payee whether such payments, deposits, or fees are refundable or not.

ITEM 8 RESTRICTIONS ON SOURCES OF PRODUCTS AND SERVICES

Approved Suppliers, Proprietary Products and Required Purchases

You must operate your franchise business according to our system, including purchasing or leasing certain items or services according to our specifications or from approved suppliers. You may not deviate from these specifications without our prior written consent.

You must purchase or lease the following products and services from us, other sources designated or approved by us, or according to our specifications as set forth in the manuals:

Item or Service	Is the franchisor or an affiliate an approved supplier of this Item	Is the franchisor or an affiliate the only approved supplier of this Item?
Food inventory	Yes	No
Salsa	Yes	Yes
Merchandise and Employee Uniforms	Yes	No
Food packaging	No	No
POS System and Computer	No	No
Signs	No	No
Grill	No	No
Tables and Chairs	No	No
Menus	Yes	Yes
Hood	No	No
Cook Ware	No	No
Walk-in Freezer	No	No

We may also require you to purchase advertising materials from us or approved suppliers. We reserve the right for us or an affiliate to be an approved supplier or the only approved supplier of any of the items listed in the above table. Additionally, we reserve the right to require that all items used in the operation of your business be purchased from us or other sources designated or approved by us.

Insurance

You must maintain the following minimum insurance policies, which must be obtained from a company rated “A-” or better by A.M. Best & Company, Inc:

Type of Insurance	Minimum Required Amount(s)
Commercial General Liability Insurance	\$1,000,000 per occurrence and \$2,000,000 in the aggregate or leasehold minimum, whichever is greater
Property Insurance	100% of the full replacement cost against loss or damage from fire and other risks normally insured against in extended risk coverage
Commercial Automobile Insurance	At least \$100,000 per person and \$300,000 per occurrence (combined single limit for personal injury, including bodily injury or death, and property damage)
Liquor legal liability or “Dram Shop” Insurance (required if you are approved to offer liquor, beer, and/or wine)	\$2,000,000 per occurrence
Government Required Insurances	You must maintain and keep in force all workers’ compensation and employment insurance on your employees that is required under all federal and state laws

These policies (excluding worker’s compensation) will insure you, us, and our officers, directors, and nominees as additional insureds against any liability that may accrue by reason of your ownership, maintenance, or operation of the franchise business. These policies will stipulate that we will receive a 30-

day written notice prior to cancellation or termination, and we must receive a 30-day notice of any modification. Original or duplicate copies of all insurance policies, certificates of insurance, or other proof of insurance acceptable to us must be furnished to us together with proof of payment prior to you beginning operations. Our insurance coverage requirements are only minimums. You need to make an independent determination as to whether increased amounts or additional types of insurance are appropriate.

If you fail to obtain or maintain insurance, we may obtain insurance for you, and you will pay us the premium costs, plus an administration fee of \$50 per hour for our time. We may periodically modify or adjust the amounts of coverage required and/or require different or additional coverage. We recommend you consult with your insurance agent prior to signing the franchise agreement. We do not derive revenue from your purchase of insurance.

If your premises are damaged and covered by insurance, you must use the proceeds to restore the facility to its original condition within 160 days from receiving the proceeds, unless we consent otherwise in writing.

Approved Suppliers

We may enter into contracts with suppliers for items or services purchased by our franchisees. Pursuant to these contracts, you must purchase items or services from the approved suppliers.

All approved suppliers and specifications are made available to you before the beginning of operations. We consider our approved suppliers and specifications to be of critical importance to the success of the system. You must receive our prior written approval to deviate in any manner from our specifications.

Ownership in Approved Suppliers

None of our officers have a direct ownership interest in any of our suppliers.

Revenue to Us and Our Affiliates from Required Purchases

In the last fiscal year, we did not collect any money or obtain any revenues from the sale of these products and services to franchisees.

We or our affiliates may derive income from required purchases or leases of goods or services made by our franchisees from approved sources.

Proportion of Required Purchases and Leases

We estimate that the proportion of required purchases or leases will represent 100% of your overall purchases in opening your franchise business and 100% of your overall purchases in operating your franchise business.

Non-Approved Suppliers

You are not allowed to purchase items from non-approved suppliers (if an item can be purchased from an approved supplier), and we do not allow you to submit alternative suppliers to be included on our list of approved suppliers.

Standards and Specifications

We may issue new specifications and standards for any aspect of our brand system, or modify existing specifications and standards, at any time by revising our manuals and/or issuing new written directives (which may be communicated to you by any method we choose).

Other than as stated above, there is no obligation for you, under the terms of the franchise agreement, to purchase or lease any goods or services regarding the establishment or operation of the franchise business from approved sources.

Negotiated Arrangements

At this time, there are no purchasing or distribution cooperatives. However, we currently negotiate purchase arrangements with suppliers, including price and terms for the benefit of franchisees.

Benefits Provided to You for Purchases

We do not provide material benefits to you based on your purchase of particular products or services or use of particular suppliers (e.g., grant renewals or additional franchises to franchisee's based on purchases).

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 Agreement	Disclosure Document Item
a.	Site selection and acquisition/lease	Sections 4.1 and 4.2	Item 11
b.	Pre-opening purchases/leases	Paragraphs 6.1.3, 6.1.11, and 6.1.13	Item 8
c.	Site development and other pre-opening requirements	Sections 4.2 and 4.3	Items 7 and 11
d.	Initial and ongoing training	Paragraph 6.1.4 and sections 7.3 and 7.4	Item 11
e.	Opening	Sections 4.4 and paragraph 7.4.1	Item 11
f.	Fees	Article V	Items 5, 6 and 7
g.	Compliance with standards and policies/operating manual	Section 6.2 and article IX	Items 8 and 11
h.	Trademarks and proprietary information	Article III	Items 13 and 14
i.	Restrictions on products/services offered	Article VIII	Item 8 and 16
j.	Warranty and customer service requirements	Paragraphs 6.1.2 and section 8.6	Item 11
k.	Territorial development and sales quotas	Not Applicable	Item 12
l.	Ongoing product/service purchases	Article VIII	Item 8
m.	Maintenance, appearance and remodeling requirements	Paragraphs 6.1.2 and 6.1.9	Item 11
n.	Insurance	Paragraph 6.1.11	Item 8
o.	Advertising	Article X	Items 6, 7 and 11
p.	Indemnification	Section 15.2	Item 6
q.	Owner's participation/management/staffing	Paragraphs 6.1.7, 6.1.8, 6.1.10, 6.1.14 and 6.2.3	Items 11 and 15
r.	Records and reports	Sections 5.4 and 5.5	Item 6

s.	Inspections and audits	Paragraphs 5.5.2 and 6.2.2(iv)	Items 6 and 11
t.	Transfer	Article XIV	Item 17
u.	Renewal	Section 2.2	Item 17
v.	Post-termination obligations	Section 12.1	Item 17
w.	Non-competition covenants	Article XVI	Items 14, 15 and 17
x.	Dispute resolution	Article XVII	Item 17
y.	Compliance with government regulations	Sections 4.1 and 4.2 and paragraph 6.1.1, 6.1.10, and 16.1	Item 12
z.	Guarantee of franchisee obligations	Section 6.3	Item 15

ITEM 10 FINANCING

We do not offer direct or indirect financing. We do not guarantee your note, lease or obligation.

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

Except as listed below, Señor Pollo Mexican Grill Inc., is not required to provide you with any assistance.

Pre-Opening Assistance

Before you open your franchise business, we will:

- 1) Designate your search area where you can search for an approved site [franchise agreement section 1.1].
- 2) Approve of your site. We must approve of your site before a lease is entered into or you begin construction. Site approval or disapproval should be completed by us and notice provided to you in writing within 30 days or less after you have submitted a proposed site [franchise agreement section 4.1]. Our approval is based upon the following general criteria: rent, lease terms, access, appearance, traffic, general population, number of and types of businesses in the territory, parking, square feet, general vicinity, and the ability to build out the site in accordance with the brand image.
- 3) We do not evaluate or guarantee the potential success of your proposed site. However, we may prepare demographic studies or otherwise determine a need for our services or products within your proposed site [franchise agreement paragraph 4.1.1].
- 4) Make available general written specifications for those items listed in Item 8. For purchase, delivery and installation, you are required to work directly with the manufacturer or supplier of these items. We do not offer assistance in delivery or installation of any of these items [franchise agreement sections 7.1 and 8.6].
- 5) Provide you with the names of approved suppliers [franchise agreement section 7.2].
- 6) Not provide you with preliminary design/layout plans for your franchise business. You must adapt your franchise business to our general specifications at your own expense, in accordance with

local, state and federal laws, rules, and ordinances. You are responsible for obtaining any required licenses and permits. We do not provide assistance in the construction, remodeling, or decorating of your franchise business [franchise agreement section 4.3 and 7.1].

7) Loan you a copy or provide electronic access to our confidential manuals containing mandatory policies, operating procedures, and other information. The manuals are confidential, will remain our property, and may be used by you only in association with your Señor Pollo Mexican Grill™ franchise business and only during the term of the franchise agreement. You must keep the contents of the manuals confidential. The master copy of the manuals maintained by us will be controlling in the event of a dispute relative to the contents of the manuals. You may not copy any part of the manuals either physically or electronically. The table of contents of the brand standards manual is included as Exhibit “B” to this disclosure document Our brand standards manual is approximately 13 pages [franchise agreement article IX].

8) We provide you with 1 of our representatives to assist you for up to 5 days of opening assistance during your grand opening. You must cover the costs for travel, food, and lodging for our representatives [franchise agreement section 7.5].

Lease, Construction and Commencing Operations

1) You will have 60 days from signing the franchise agreement to have a site approved for your franchise business. A lease must be in place within 75 days from the date of the franchise agreement. You are not allowed to engage in discussions with landlords and agents to lease space for a Señor Pollo Mexican Grill™ franchise until you have signed a franchise agreement with us. We must approve of your lease, and you are required to have the landlord consent to an assignment of the lease before the lease agreement is signed [franchise agreement paragraph 4.2.1]. Additionally, you are required to include our standard lease rider which is attached to the franchise agreement as part of your lease. This lease rider must include a provision where the landlord is not to allow competing Mexican and chicken restaurants to lease in that same area during the term of the lease [franchise agreement sections 4.3 and 4.4].

We do not lease properties to you, and we do not assist you in negotiating the purchase or your lease of your site [franchise agreement section 4.1].

2) Construction must be started within 15 days from signing the lease and be completed within 6 months from the date of the franchise agreement. You are required to begin operations within 14 days after construction is complete. You must give us at least 30 days written notice before opening your franchise business [franchise agreement sections 4.3 and 4.4].

Estimated Length of Time Before Operation

It is estimated that the length of time between the signing of the franchise agreement with the accompanying payment of the initial franchise fee and the opening of your franchise business is 6 months. Factors affecting this length of time usually include obtaining a satisfactory site, financing arrangements, construction, local ordinance compliance, training, and delivery and installation of furniture, fixtures, equipment, signs, supplies, and opening inventory items. You must begin operations no later than 9 months from the date of your franchise agreement [franchise agreement section 4.4].

Failure to meet these deadlines for any reason, including our disapproval of a proposed site location, or if we cannot agree on a site, may result in termination of the franchise agreement without a refund. However, if you can show a good faith effort to meet these deadlines, we may agree to extend a specific deadline at our discretion [franchise agreement paragraph 4.7].

Assistance During Operation

During the operation of your franchise business, we will:

1) Provide you with updates to the manuals, which updates may be in the form of emails, newsletters, announcements, technical bulletins, or other written directives through means determined by us. We have the right to modify the manuals to reflect changes in the system including the development of products or services. The modifications may obligate you to invest additional capital in your franchise business and to incur higher operating costs. You must incorporate all such modifications within the time periods that we specify [franchise agreement paragraph 6.2.2(iii) and section 9.1].

2) At your reasonable request or at our discretion, provide additional training either remotely or in person. For in-person training, you will be charged a fee of \$200 per day, plus the cost of our travel, food, and lodging [franchise agreement paragraph 6.1.4(ii)].

During the operation of your franchise business, we may:

3) Make periodic inspections of your franchise business, which may be done in person or through remote access such as video or live video conferencing and may be performed through a third-party provider. Upon our request, at all reasonable times, you will provide us with video and/or digital images of the interior and exterior of your franchise business as set forth in the manuals [franchise agreement paragraph 6.2.2(iv)].

4) Hold conferences to discuss improvements, new developments, mutual concerns, and business issues. At this time, attendance at conferences is not mandatory, but this policy may change at some time in the future. Currently, there is no conference fee, but you must pay all your travel and living expenses. These conferences will be held at various locations chosen by us [franchise agreement paragraph 6.1.14].

5) Conduct additional seminars, which may be through online webinars, videos, live video conferencing, phone conferences or in person, to discuss improvements, new developments, mutual concerns, business issues, sales, marketing, personnel training, bookkeeping, accounting, inventory control, and performance standards. We may charge a seminar fee, and you may be required to pay all your travel and living expenses. In-person seminars are normally held at our headquarters or as available at regional facilities [franchise agreement paragraph 6.1.14].

6) Maintain a website for the Señor Pollo Mexican Grill™ brand that will include your business information and telephone number for your franchise business [franchise agreement section 7.6].

7) Provide you with such continuing assistance in the operation of the franchise business as we deem advisable [franchise agreement section 7.5].

8) To the degree permitted by law, we may suggest retail price, specify maximum and minimum pricing above and below which you will not sell any goods or services. You must honor all coupons, price reductions and other programs established by us [franchise agreement paragraph 6.1.12 and 6.2.2(ii)].

9) Replace defective products purchased directly from us based on our standard limited warranty. For items purchased through third parties, you must work directly with the supplier or manufacturer of those items regarding warranties, defective products, training and support [franchise agreement section 8.6].

10) At your expense, require you to repair, refinish, repaint, remodel, modernize, redecorate, or otherwise refurbish your premises from time to time as we may reasonably direct, but not more often than every 5 years, and we will not obligate you to invest additional capital at a time when the investment cannot in our reasonable judgment be amortized during the remaining term of the franchise agreement (except for required changes to the trademarks, or changes due to health or government mandates, guidelines, or public concerns which we may require at any time). This can include changing out items such as flooring, wall treatments, signage, lighting fixtures, and other physical elements of your franchise business. We may also require you to invest in new or updated equipment and technology. You will also be required to complete any day-to-day maintenance issues as they occur during the term of the franchise agreement. You must complete all updates and changes within the time frames required by us but in no event more than 6 months from notice [franchise agreement section 6.1.9].

11) Refine and develop products or services that you will offer to your customers [franchise agreement paragraph 6.2.2(iii)].

Employment Matters

We do not assist you with the hiring, firing, managing or compensation of your employees. That is your responsibility. We may provide you with an employee guide or manual, but if we do, it will only be an example of certain employment matters unless otherwise indicated by us. It is your responsibility to comply with state and federal employment laws [franchise agreement paragraph 6.1.10].

Advertising and Promotion

We may provide you with samples of marketing materials developed by us and provide new marketing techniques as developed [franchise agreement section 10.4].

You may develop marketing materials for your use, at your cost, but all advertising and marketing material developed or used by you must have our prior written approval. Any marketing materials or concepts you create becomes our property and will be considered a “work-made-for-hire” that can be used by us and other franchisees without compensation to you. If you do not receive written approval or disapproval within two weeks of the date we received your submission of marketing materials, the materials submitted are deemed unapproved. We can revoke our approval of any marketing materials at any time in our sole discretion [franchise agreement sections 3.11 and 10.4 to 10.5].

Brand Development Fund

Although under the terms of the franchise agreement we are not obligated to conduct advertising for the franchise system, or to spend any amount on advertising in your territory, we have the right to and maintain and administer a national advertising, marketing and development fund (referred to as the “Brand Development Fund” in the franchise agreement) for local, regional or national marketing or public relations program as we, in our sole discretion, may deem necessary or appropriate to advertise and promote the franchise system. We may utilize the Brand Development fund to develop and test various media and technologies for potential utilization and/or improvement of the system and marketing of the system [franchise agreement section 10.1].

You must contribute up to 2% of your monthly gross sales to the Brand Development Fund. We and our affiliates do not contribute to this fund on the same basis as the franchisees. In addition, several legacy stores are not required to contribute to the fund, but otherwise all franchise businesses contribute [franchise agreement section 10.1]

We are responsible for administering the Brand Development Fund but we are not a fiduciary or trustee of the Brand Development Fund. We will direct all uses of the fund, with sole discretion over: 1) the creative concepts, materials, endorsements and media used (that may include television, Internet, radio, print, and other media and marketing formats as developed over time, as funds permit); 2) the source of the marketing or public relation efforts (that may be in-house or through an outside agency located locally, regionally or nationally); 3) the placement, timing, and allocation of these programs (that may be local or regional); and 4) the composition of all geographic territories and market areas for the development and implementation of these programs [franchise agreement paragraph 10.1.1].

We may use the Brand Development Fund to offset a portion of direct costs to manage and maintain the fund, including the payment of staff salaries and other expenses for those employees who may be involved in the Brand Development Fund [franchise agreement paragraph 10.1.2].

We are not required to spend any amount on marketing directly in the area or territory where you are located. We make no representations that expenditures the Brand Development Fund will benefit you or any other franchisee directly, on a pro-rata basis, proportionally, or at all. We are not required to segregate the Brand Development Fund from our general operating funds. We do not use marketing funds to solicit new franchisees [franchise agreement paragraph 10.1.2].

Advertising Expenditures in the Last Fiscal Year

During the 2022 fiscal year we did not collect any marketing funds.

Any unused marketing funds in any calendar year will be applied to the following year's fund. The Brand Development Fund is unaudited. Once each calendar year, you may send us a written request to receive an unaudited annual report of marketing expenditures from the previous fiscal year but such written request must be received within 90 days of our fiscal year end [franchise agreement paragraph 10.1.2].

Brand Development Fund Council

No franchisee advertising council is anticipated at this time. We have the power to require the advertising council to be formed, changed, or dissolved at any time.

Advertising Cooperative

You are not required to participate in a local or regional advertising cooperative.

Other Marketing Funds

At this time, you are not required to participate in any other marketing funds.

Internet and Social Media

The Internet

You may not create a website for your franchise business. However, we may allow you to place pre-approved information concerning your franchise business on our website, as developed by us. You cannot engage in marketing on the Internet, including posting for re-sell, items on third party re-sell or auction-style websites such as eBay, Craigslist or Amazon without our prior written permission. You may

not claim any web listing on sites such as Yelp. We have the right (but not the obligation) to manage and control all online reviews for your franchise [franchise agreement section 10.6].

Social Media

We will own the social media accounts related to the brand, but we may provide you access to the social media account for your location for certain management responsibilities and functions. You cannot change any login/password information without our prior written approval, and you must supply us with all changed/updated login/password information. All social media for our brand must strictly comply with our policies and procedures. We can alter, remove, or require that you alter or remove a post. You must sign the Digital and Social Media Authorization for Assignment as part of your franchise agreement. We reserve the right to restrict your use of social media in the future [franchise agreement section 10.6].

Software

We reserve the right to require you to use and pay for all software as designated by us in the operation of your franchise [franchise agreement paragraph 6.1.15].

Computer / Point of Sale System

We require the use of a point of sale system designated by us to be purchased or leased from our designated supplier. The POS system currently provides:

- Reporting of sales
- Employee time keeping
- Tracking of costs and costs of goods sold
- Inventory management
- Calendaring
- Online ordering
- Gift card tracking
- Credit card payment
- Management and purchase tracking

You must have at least a one-terminal POS system that meets our specifications, but if you have a drive-thru, you must have at least two terminals. The estimated cost of purchasing the POS system is \$1,000 to \$3,000. We reserve the right to change the POS system at any time, and you are required to comply with and are solely responsible for the fees associated with such changes.

You must also have an office computer, that meets our specifications and is capable of interfacing with our computer system and software, to be \$500 to \$1,000.

We will have independent access to the information and data collected or generated by the computer and the POS system. There are no contractual limits on our rights to do so. You must keep these systems available for our access 24 hours a day, 7 days a week. We may require updates and upgrades to your computer hardware, software, and POS system at your expense during the term of the franchise agreement. There are no contractual limitations on our right to do so. We are not required to maintain, repair, update and/or upgrade your computer or POS system. There are no contractual limitations to the frequency and cost of the obligation to upgrade and maintain the computer or POS system [franchise agreement paragraph 6.1.13]. For defective equipment, products, software or other items purchased by you, you must deal directly with that manufacturer [franchise agreement section 8.6].

Loyalty Programs

You are required to participate in the loyalty, gift card, discount, memberships, subscription, and coupon programs we develop. You are not allowed to implement any sort of loyalty, coupon, membership, gift card or subscription model without our prior written permission [franchise agreement paragraph 6.2.2(ii)].

Accounting

At this time there is no requirement to use a designated accounting system, but you are required to have your own accountant handling the bookkeeping for the franchise business. You are required to use only standardized profit and loss statement templates, balance sheet templates, and charts of account, as we may designate. We reserve the right to require franchisees to use a designated accounting vendor or software in the future or in the event that you do not produce your accounting statements and reports accurately, or you do not submit such information to us in a timely basis [franchise agreement paragraph 6.1.13(ii)].

Merchant Provider

At your sole cost and expense, you are required to use our designed merchant services or payment processor, and to pay all monthly, annual, service, and upgrade fees. The required or designated provider may change at any time, and you are required to comply with any changes and are solely responsible for the fees associated with any changes [franchise agreement paragraph 6.1.13(iii)].

Compliance Monitoring/Camera System

For standard units only, you are required to install a compliance monitoring system in your franchise business at reference points designated by us. You may not install any cameras in places where employees and customers have a reasonable expectation of privacy, e.g., bathrooms, changing rooms, etc. This system is not a security system but is a management tool, and we are not required to monitor your store. Both you and we must have the right to online access to the system. By installing the system, you and your employees are waiving their right to privacy with respect to the use of the compliance monitoring system in non-private areas of the business. You must require all your employees to sign a waiver of their right to privacy with respect to the use of this compliance monitoring system. We estimate the cost of such system to be between \$800 and \$5,000 for initial installation, and an ongoing cost of approximately \$50 per month [franchise agreement paragraph 6.1.13(v)].

Area Development Agreement

Your rights under the area development agreement are territorial only and do not give or imply a right to use our trademarks or system. Our only obligation is to provide an area where you must develop the set number of Señor Pollo Mexican Grill™ franchise businesses provided in the area development agreement. You must approve the potential site for each franchise business location and our approval will be based on our then-current standards for that franchise business pursuant to your franchise agreement [area development agreement article 2; franchise agreement section 1.1].

Online Ordering and Delivery

You must participate in any online ordering program for takeout or delivery program we create or adopt and cover the applicable fees and designated software for such program. You will not participate in any third party delivery platform unless approved by us [franchise agreement paragraph 6.2.2(v)].

Miscellaneous

We may approve exceptions to our changes in the uniform standards for you or any other franchise that we believe are necessary or desirable based on particular circumstances. You have no right to object to such variances [franchise agreement section 20.15].

Initial Training

We provide an initial training program. The initial training program is held at our company-owned location in Taylorsville, Utah or a place designated by us. The length of training depends on the prior experience of your attendees but should last approximately 1 to 2 days. The training program is held as needed [franchise agreement paragraph 6.1.4]. Your operating principal and your managers/on-premises supervisor, if your managers or supervisors are not your operating principal, are required to attend and successfully complete the training program.

Your “operating principal” is: a) if the franchisee is an individual, that individual; or b) if the franchisee is an entity, an individual that owns at least 25% of the ownership and voting interests in the franchisee entity (unless you obtain our written approval of a lower percentage), has authority over all business decisions related to the franchise business, and has the power to bind the franchise business in all dealings with us. The operating principal must be involved with the business as described in Item 15 [franchise agreement article XXI].

Successful completion of training must be completed three weeks before you may open your franchise business. Successful completion will be determined by our trainers and is based on your attendees’ demonstration of competency in the various aspects of operating a Señor Pollo Mexican Grill™ franchise business.

There is no training fee for up to 3 people to attend training, but we charge a training fee of \$200 per day, per additional person trained (up to one additional person). You are also responsible to pay all travel, food, living, and other expenses for each attendee during training directly to the supplier (hotels, airlines, restaurants, rental car companies, etc.). The estimated cost of attending training is listed in Item 5 and Item 7 [franchise agreement paragraph 6.1.4].

Below is a table listing the subjects taught and the amount of classroom and onsite training provided as part of the initial training.

TRAINING PROGRAM¹

Subject	Hours of Classroom Training	Hours of On -The- Job Training	Location
Food Prep/handling, cooking and cleaning	2 -3	0	Taylorsville, Utah, or other place as designated by us
Inventory and Ordering	2	0	Taylorsville, Utah, or other place as designated by us
Cashiering	1	0	Taylorsville, Utah, or other place as designated by us
Time Management	1	0	Taylorsville, Utah, or other place as designated by us
Sales	1	0	Taylorsville, Utah, or other place as designated by us
Customer Service	1	0	Taylorsville, Utah, or other place as designated by us
Totals	8 -9	0	

¹ The training program for franchisees may be changed due to updates in materials, methods, manuals, and personnel without notice to you. The subjects and time periods allocated to the subjects actually taught to you and personnel may vary based on the experience of those persons being trained.

The initial training is provided by instructors whose experience is described below and in Item 2 if the trainer is part of management.

Trainers	Subject(s) Taught	Length of Experience in the Field	Length of Experience with the Franchisor	Experience Relevant to Subject(s) Taught and Franchisor's Operations
Jesus Ruiz	Customer Service, Sales, Restaurant Management, System Compliance	20	Since 2020	Mr. Ruiz has been in the restaurant industry since he was 14 years old. He has served in numerous capacities, since then including, cooking, since 2003, and management, since 2004, capacities. As founder, he has been training and managing Senor Pollo employees since 2018.
Dulce Martinez	Customer Service, Sales, Restaurant Management, System Compliance	Since 2011	Since 2020	Ms. Martinez has been in charge of assisting with the management, cooking and marketing for Senor Pollo as a founder since 2018. Prior to this, Ms. Martinez worked in the finance industry.

Materials Provided at the Initial Training

We will provide access to our manuals during the initial training and other handouts to facilitate training. All attendees to any training must sign a non-disclosure agreement acceptable to us before attending training [franchise agreement paragraph 6.1.4(iii)].

Replacement Training

Any new operating principal must complete the initial training program prior to taking over as the operating principal. New managers may be trained by your operating principal, but we can also require your managers to be trained by us if we reasonably believe such training would be in the best interest of your franchise. Our fee for this additional training is currently \$200 per person, per day. You will also be responsible to cover the travel, food, and lodging for your attendees or our representatives (as applicable) [franchise agreement paragraph 6.1.4(i)].

Additional In-Person Training

Depending on availability and advanced written notice, if you would like additional in-person training, we may provide this training to you. We can limit additional training to a certain number of days, attendees, and/or representatives at a time. We can also require your operating Principal or other key personnel to attend additional training if you are in default, if you do not pass an inspection, or if we reasonably believe a refresher training would be in the best interest of your franchise business. You will be responsible for the costs of travel, food, lodging and compensation of your attendees or our representatives [franchise agreement paragraph 6.1.4(ii)].

At this time, other than listed above, no additional trainings or refresher courses are required.

ITEM 12 TERRITORY

Non-Exclusive Territory

You will not receive an exclusive territory for your franchise business. You may face competition from other franchisees, from outlets that we own, or from other channels of distribution or competitive brands that we control. However, we will not establish another traditional franchise or company owned physical unit using the trademark within your territory.

Non-Traditional Outlets

We and our affiliates, either personally or through agents and representatives, reserve the right to own and operate or sell Señor Pollo Mexican Grill™ outlets through non-traditional franchises at our discretion, both within and without your territory, without paying compensation to you. These outlets may include locations at convention centers, military bases, universities, sporting arenas, airports, or other similar locations. Such locations will not count towards your development schedule.

Grant of Territory

Under the franchise agreement, we will grant you the right to use the system and proprietary marks at a specific location within your territory, the boundaries of which will be negotiated prior to signing the franchise agreement and are described in the franchise agreement.

Size of Your Territory

The specific size of your territory is set by us based upon the population density, the business base in the territory, whether your location is in a metropolitan or rural area, and other comparable factors. The size of a franchise territory is usually 2.5 miles from the franchise location in all directions have a minimum population base of approximately 50,000 people. Densely populated areas will have different territory restrictions and will be negotiated on a case-by-case basis. The radius may also be smaller based on population density, demographics, and geographical boundaries. If your franchise business is located within a shopping mall or similar facility with a captive market, your territory may be limited to the physical boundaries of the mall or facility. The written boundaries of your territory will be included in your franchise agreement. We will not place another standard franchise or company owned unit within your territory during the term of the agreement.

Adjustment of Territory Boundaries

We have the right, in our sole discretion, to adjust the boundaries of your territory for increases of more than 50,000 people as demonstrated by demographic data available to us at the time of the territory adjustment. We also have the right to adjust the boundaries of your territory based on inadvertent error in the creation of your territory, or in an effort to more accurately reflect the target market population after

your premises location has been selected and approved, or for other reasons that we may specify from time to time in the manuals.

Territory Restrictions

You are restricted to operations from the approved franchised premises and may not, without our prior written approval, open or operate another outlet whether inside or outside the territory, or to provide mobile or off-site services. You are restricted to operations from within your territory. You may provide services to customers from anywhere so long as that service is provided in your premises.

Relocation

You do not have the automatic right to relocate your business, and we have the right to deny any relocation request. You must obtain our prior written permission if you want to relocate your franchise territory, and you must also be able to demonstrate to us that you have the financial ability to relocate. Approval to relocate is determined on a case-by-case basis and is based on factors such as your operational history, our then-current criteria used in approving a new franchisee's proposed site, and other factors that are relevant to us at the time of the relocation request and paying us a \$2000 relocation fee to cover our costs of approving and processing your relocation request.

Minimum Sales Requirement

Your franchise agreement is dependent upon achievement of a minimum sales volume, market penetration or other contingency. Starting in the second year of business, or the first full calendar year in which you are in business, you must achieve a minimum of \$720,000 in annual gross sales and every year thereafter. Failure to meet this requirement may result in the creation of a sales performance plan with us in which you will be given six months in which to increase sales to achieve this requirement or face possible termination of the franchise agreement. If we sell your franchise, We are entitled to a fee equal to 10% of the sales price to compensate us for time and expenses to sell Your franchise. You will also be required to pay the transfer fee and training fee for us to train the new franchisee. If we have not sold or terminated the Agreement within six months of your second consecutive default, you may cure the default by achieving the minimum sales amount by the end of that six-month period.

Your Rights to Use Channels of Distribution

You do not have the right to sell products or services through other channels of distribution, including the Internet, via apps, social media, direct marketing, telemarketing, catalog sales, direct sales, national accounts, retail locations, wholesale locations and co-branding with other outlets without Our prior written permission.

Advertising Within and Outside the Territory

Neither you nor other franchisees may actively market within another franchisee's territory.

Options to Acquire Additional Franchises

You do not have automatic rights to acquire additional franchises. However, you may receive the option to purchase additional franchises within or near your territory if approved by us after your franchise business has been in operation for at least two years.

Our Rights to Use Channels of Distribution in Your Territory

We and our affiliates exclusively reserve the right to market both within and outside your territory and sell and distribute products and services under Señor Pollo Mexican Grill™ both within and outside your territory using distribution channels such as through the Internet, websites, apps, social media, direct marketing/telemarketing/catalogs/ national accounts/retail outlets/wholesale outlets/co-branding with other

outlets etc. We do not pay you for soliciting or accepting orders for any products or services under the Señor Pollo Mexican Grill™ brand through these channels inside your territory.

Our Previous Activities in Your Territory

In the past, we or an affiliate have used one or more of the following distribution channels to sell and distribute products and services in your territory under the Señor Pollo Mexican Grill™ brand: websites, apps, social media, direct marketing.

National Accounts.

We reserve the right to sell, market and distribute the Señor Pollo Mexican Grill™ products services to national accounts in your territory. A “national account” is defined as a company with multiple units or outlets located in more than one geographical area or market. It also includes professional sports teams as well as collegiate organizations. We will designate if and how franchisees will sell or service national accounts.

Competition by Us Under Different Trademarks

Neither we, nor an affiliate operates franchises or has plans to operate or franchise a business that sells or will sell goods or services similar to those sold in your franchise using a different trademark in or outside of your territory, but we reserve the right to do so in the future.

Area Development Agreements

As an area developer, you will receive a limited, non-exclusive area over which you will have development authority. You may face competition from other franchisees, from units that we own, or from other channels of distribution or competitive brands that we control. However, we will not establish another traditional franchise or traditional/brick and mortar company-owned unit using the trademark within your development area during the term of your development agreement.

The size of the development area is to be negotiated and the written boundaries will be included in your area development agreement. The schedule of units to be developed in your area are negotiated between you and us. To maintain your area development rights, you must develop the number of franchise businesses by the deadlines listed in your development schedule.

If you do not meet the development deadlines, we may terminate your development agreement. In case of termination, you may continue to own and operate all units that you have developed and that faithfully perform the terms of each franchise agreement.

We, and our parent and affiliates, either personally or through agents and representatives, reserve the right to sell and market Señor Pollo Mexican Grill™ outlets in non-traditional locations and large institution-type locations both within and without your development area. These outlets may include locations at convention centers, military bases, universities, hospitals, sporting arenas, airports, or other similar locations.

We or our affiliate also reserve the right to sell, market and distribute products and services under the Señor Pollo Mexican Grill™ marks or other marks both within and outside your area using distribution channels, such as through websites, the Internet, social media, national accounts, apps, wholesale outlets, retail outlets, etc., within your development area. We do not pay you for soliciting or accepting orders for any products or services under the Señor Pollo Mexican Grill™ brand or other marks through these channels inside your development area.

ITEM 13 TRADEMARKS

Non-Exclusive Grant of the Trademark

We grant you the non-exclusive right to use certain of our trademarks in the operation of your franchise business. You may also use future trademarks in the operation of your franchise business, as we designate. You will not at any time acquire any rights in the trademarks. By trademarks we mean our trade names, trademarks, commercial symbols, service marks and logos.

Agreements Regarding the Trademark

Under a license agreement entered into between D & B Señor Pollo Inc. and us effective as of 2020, we were granted the right to use and sublicense the trademarks for 50 years. The license may be terminated for our default; however, all franchisees in good standing will be able to continue to use the Señor Pollo Mexican Grill™ trademarks through the end of their respective then-current franchise agreement term. The terms and provisions of the license agreement cannot be modified without written authorization from both parties.

Registered Trademarks

The following trademarks, service marks, trade names, logotypes or other commercial symbols listed below are registered or have been filed for registration with the United States Patent and Trademark Office on the Principal Register and Supplemental Register, or they have not been registered, and we claim common rights in them. All required affidavits and renewals have been filed.

Registration/ Serial Number	Word or Design Mark	Registry	Registration/ Filing Date	Status
97906549	 (composite mark)	Principal	April 25, 2023	New application filed; pending initial review by USPTO
NA	Señor Pollo Mexican Grill™ (word mark)	NA	NA	Common Law rights.

We do not have a federal registration for our principal trademark. Therefore, our trademark does not have as many legal benefits and rights as 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.

Registered Domain Names

We have registered, among many others, the following Uniform Resource Locators (domain names): <https://www.senorpollomexgrill.com>. You may not register or own a domain name, social media account, email account, etc., using our trademark or any derivative of our trademark in a domain name, and you may not create or register any domain name, social media, email, etc., in connection with your franchise business or the franchise system without our prior written permission.

Use of the Trademark

You must use all trademarks in strict compliance with our manuals and the Señor Pollo Mexican Grill™ system. You must promptly modify or discontinue the use of a trademark at your cost if we modify or discontinue it. You have no rights to compensation or otherwise under the franchise agreement if we require you to modify or discontinue using a trademark. You cannot make application for registration for

any of our marks, or for any derivation of our marks. You cannot use the name “Señor Pollo Mexican Grill” as part of your corporate name, but you must use the name Señor Pollo Mexican Grill™ as part of an assumed business name or dba (“doing business as”) registered with the applicable governmental authority. This use is non-exclusive. You cannot make application for registration or other protection of Señor Pollo Mexican Grill™ names, derivatives or any other trademark used by us.

You may only use the trademarks with the letters “TM” or “SM” or “®” as appropriate. You cannot use any trademark in the sale of any unauthorized product or service. You cannot use any other trademark as part of your franchise business that is not affiliated with us or approved by us. You must follow all security procedures required by us to maintain the secrecy of proprietary information.

Government Determinations Regarding the Trademarks

There are presently no effective determinations by the United States Patent and Trademark Office, Trademark Trial and Appeal Board, the trademark administrator of any state or any court or pending interference, opposition or cancellation proceeding, or pending material litigation involving the trademarks. There are no agreements currently in effect that significantly limit our rights to use or license the use of the trademarks.

Superior Prior Rights

We are unaware of any superior rights that could materially affect your use of the trademarks in your territory. However, we are aware of a number of Senor Pollo restaurants around the country. They may have superior rights but we have not investigated any of these current locations or their rights.

Infringing Uses

We are unaware of any infringing uses of the trademarks that could materially affect your use of the trademarks in your territory.

Protection Against Infringement

You are obligated to immediately notify us when you learn about an infringement of or challenge to your use of our trademarks. We will have the discretion to take the action we deem appropriate.

If you use our trademarks in accordance with the franchise agreement, we will indemnify you against and to reimburse you for all direct damages, but not consequential damages (including, but not limited to, loss of revenue and/or profits), for which you are held liable in any proceedings arising out of the use of any trademark pursuant to and in compliance with the franchise agreement, and for all costs reasonably incurred by you in the defense of any claim brought against it or in any proceeding in which it is named as a party, provided that you have timely notified us of any claim or proceeding and have otherwise complied with the franchise agreement.

You may not contest, directly or indirectly, our right and interest in our trademarks, names or service marks, trade secrets, methods, and procedures that are part of our business. Any goodwill associated with the trademarks or system belongs to us.

ITEM 14

PATENTS, COPYRIGHTS, AND PROPRIETARY INFORMATION

Patents

You do not receive the right to use an item covered by a patent, and we do not have any pending patent applications with the United States Patent and Trademark Office. We do not own rights to, or licenses in, any patent that is material to the franchise system.

Copyrights

We have not registered our manuals with the United States Copyright Office, but we claim a copyright and consider the information proprietary, and we, or our parent, or an affiliate, claim protected trade secrets and copyrights in parts of our franchise system.

We claim other copyrights in sales literature and marketing materials that we or our franchisees develop for our use and for use by our franchisees, and your use of these materials will be limited to the uses required or allowed by us. We or an affiliate may develop software or apps. In such cases, we claim copyright protection on all such items.

You must modify or discontinue the use of any copyright, at your cost, if we modify or discontinue it, at our reasonable discretion.

Proprietary Information

You can use the proprietary information in our manuals and then only in connection with the system and only during the term of your franchise agreement. The manuals may not be copied. The manuals must be returned to us or permanently deleted by you upon termination of your franchise agreement. Portions of the “system,” including certain processes, products, customer lists, etc., are a trade secret or confidential and proprietary to us.

With regards to our proprietary information, the franchise agreement also provides that you will: (a) strictly follow all confidential security procedures required by us; (b) disclose this information to your employees only as needed to market our products and services; (c) not use this information in any other business; (d) exercise the highest degree of diligence to maintain this information as confidential; and (e) promptly notify us if you learn of any unauthorized use of our trade name, trade secrets or proprietary information. Your use of our proprietary information is limited to the uses required or allowed by us.

Trade secret information also includes confidential information and includes recipes from Señor Pollo including marinade and salsa recipes whether written or oral. Only your designated on-site manager shall be allowed to review any of our trade secret information and must follow the requirements we require to keep the trade secret information secret. This includes keeping the information in a password protected encrypted file and or physically locked and properly marked and our written permission for specific individuals to have access to the information.

Protection Against Infringement

We agree to indemnify you against and to reimburse you for all direct damages, but not consequential damages (including, but not limited to, loss of revenue and/or profits), for which you are held liable in any proceedings arising out of the use of our copyrights, manuals, and any other proprietary information pursuant to and in compliance with the franchise agreement, and for all costs reasonably incurred by you in the defense of any claim brought against it or in any proceeding in which it is named as

a party, provided that you have timely notified us of any claim or proceeding and have otherwise complied with the franchise agreement.

Agreements Regarding Patents, Copyrights, and Other Intellectual Property

Under a license agreement entered into between D & B Senor Pollo Inc. and us effective as of 2020, we were granted the right to use and sublicense the patents, copyrights, and other intellectual property for 50 years. The license may be terminated for our default; however, all franchisees in good standing will be able to continue to use the Señor Pollo™ intellectual property through the end of their respective then-current franchise agreement term. The terms and provisions of the license agreement cannot be modified without written authorization from both parties.

Improvements to the System

Any improvements you make to the system will be owned by us and considered a “work-made-for-hire” or will otherwise be assigned to us.

Superior Prior Rights

We are unaware of any superior rights that could materially affect your use of the copyrights or patents in your territory.

Infringing Uses

We are unaware of any infringing uses of the trademarks that could materially affect your use of the copyrights or patents in your territory.

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

On-Premises Supervision

We require on-premises supervision by your operating principal. Additionally, your on-premises supervisor is required to ensure all trade secrets we may give you to remain secret without divulging them to other employees, and placing any trade secrets in a locked box and in a folder that is clearly marked Confidential Information and or on a password protected encrypted file as we may direct. Only the on-premises supervisor is allowed to make any recipes that require the use of trade secrets.

Participation by Your Operating Principal

Your operating principal must personally participate in the direct operation and supervision of the franchise business, but unless your operating principal will act as the full time manager of the franchise business, your operating principal is not required to work a certain or minimum number of hours; however, your operating principal must work sufficient hours to operate your franchise or supervise your managers, maintain sufficient inventory, supplies, and materials, and employ adequate personnel in order to operate the franchise business at maximum capacity and efficiency. You must have at least one manager on-site during regular business hours.

Your operating principal must conduct frequent inspections of the franchise business to ensure the highest standards of professionalism, cleanliness and a general pleasant appearance, and compliance with our approved methods.

Who Must Attend and Successfully Complete Training

Your Operating Principal and Managers, if your Managers are other than your Operating Principal, must attend and successfully complete our initial training program.

Restrictions on the On-Premises Supervisor

We do not put a limitation on whom you can hire as your on-premises supervisor.

No Competing Enterprises

Neither you, your operating principal, nor your management employees can have an interest in or business relationship with any competing business during the term of the franchise agreement and must keep free from activities that would be detrimental to or interfere with the operation of your franchise business or detrimental to the franchise system. You, your partners, directors, members, shareholders, and operating principal must sign our standard principal brand protection agreement agreeing to protect and keep confidential our trade secrets and confidential information and to conform with the covenants not to compete described in Item 17 (franchise agreement, exhibit A-4). Your employees will also be required to sign a confidentiality agreement, and that agreement also imposes certain non-competition restrictions on management employees. Some states may impose certain restrictions on non-competition agreements. We provide you this form, but it is your responsibility to conform it to the laws and regulations of your state (franchise agreement, exhibit A-5).

Required Operations

You must operate the franchise business 7 days per week, at the hours designated by us and consistent with our brand.

Personal Guarantees

Any individual who owns a 25% or greater interest in the franchise business (and their spouse or domestic legal partner) must personally guarantee the performance of all your obligations under the franchise agreement and agree to be personally bound by, and liable for, the breach of every provision of the franchise agreement.

ITEM 16

RESTRICTIONS ON WHAT THE FRANCHISEE MAY SELL

We do not currently have any restrictions or conditions that limit access to customers to whom you may sell goods or services. We do not restrict your access to customers, and you may accept customers from anywhere, even if that customer lives in another franchisee's territory. We do not put limitations on customers frequenting your restaurant. No product or service may be added to, altered, or discontinued by your franchise business unless it is first approved by us in writing. You must offer all products and services required by us. We reserve the right to add, modify, or delete products and/or services that you may offer. There are no limits on our right to do so. You must strictly follow our policies, procedures, specifications, methods and techniques concerning all our products and services.

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 agreements attached to this disclosure document.

Provision		Section in Franchise or other Agreement	Summary
a.	Length of the franchise term	Section 2.1	The term is 10 years. The franchise term will begin upon signing the franchise agreement.
b.	Renewal or extension of the term	Section 2.2	You do not have the right to renew. If you are in good standing at the end of the franchise term, you can enter into a new successor franchise agreement for an additional term of 10 years. Your successor agreement may also provide an option to enter into a subsequent successor franchise agreement.
c.	Requirements for franchisee to renew or extend	Section 2.2	In order to renew, you must, among other things, not be in default, pay a successor franchise fee, modernize your franchise business to the then-current standards, sign the then-current successor franchise agreement, and sign a release (subject to state law). When renewing, you may be asked to sign a contract with materially different terms and conditions than your original contract. You are required to give us notice of your intent to renew between 6 and 12 months prior to the expiration of your franchise agreement. (Subject to state law).
d.	Termination by franchisee	Section 11.4	There are no provisions in the franchise agreement that permit you to terminate the franchise agreement. However, some states may allow you to terminate as permitted by state law.
e.	Termination by franchisor without cause	Section 11.1	We must have cause to terminate the franchise agreement.
f.	Termination by franchisor with cause	Section 11.1	We can terminate if you materially breach and fail to cure. There are certain breaches for which we can terminate without giving you an opportunity to cure. (See (h) below).
g.	“Cause” defined – curable defaults	Paragraphs 11.1 O-U	You have 24 hours/10 days/15 days to 30 days to cure certain material defaults of the franchise agreement.
h.	“Cause” defined - non-curable defaults	Paragraphs 11.1 A-N	Non-curable defaults include conviction of a felony, fraud, repeated defaults even if cured, harm or threat of harm to the public, abandonment, trademark misuse, etc.
i.	Franchisee’s obligations on termination/non-renewal	Section 12.1	Obligations include complete de-identification, payment of amounts due, compliance with the brand protection agreement, etc. (See also (r) below).

j.	Assignment of contract by franchisor	Section 14.1	There are no restrictions on our right to assign.
k.	“Transfer” by franchisee - defined	Section 14.2	The definition of transfer by you includes the assignment and transfer of contracts, security interests, ownership change, the sale of substantially all of your assets, etc.
l.	Franchisor approval of transfer by franchisee	Section 14.2	We must approve all transfers, but we will not unreasonably withhold our approval.
m.	Conditions for franchisor approval of transfer	Sections 14.3 - 14.8	Conditions to transfer include: you are not in default, all fees are current, new franchisee qualifies, transfer and training fees are paid, purchase agreement is approved, training for new the transferee arranged, new franchisee signs the then-current franchise agreement, a release is signed by you, etc. You must also coordinate with the transferee to ensure coverage at the location during the transferee’s initial training. These conditions are subject to state law. (See state specific addenda).
n.	Franchisor’s right of first refusal to acquire franchisee’s business	Section 14.9	We can match any offer for your franchise business or business assets within 45 days of written notice to us of the offer.
o.	Franchisor’s option to purchase franchisee’s business	Sections 13.1 and 14.12	Upon termination or expiration of the franchise agreement, we can elect to buy all or part of your business assets at fair market value within 14 days. Additionally, if we receive an offer to acquire a majority of the franchises or an offer to purchase a majority of our assets or stock, or to merge or go public or similar transactions, we have the option to purchase all your rights and interests in and under the franchise agreement and your franchise business at fair market value.
p.	Death or disability of franchisee	Section 14.10	Within 160 days of death or disability of your majority owner, your personal representative must be approved, and a new manager must be trained, if applicable, or franchise must be assigned to an approved buyer. We have the right to operate your franchise business until a trained manager is in place. You will be charged our interim management fee, plus our costs, for us to manage your franchise business during this time. You will also be responsible for royalties and other fees during the time of our operation.

q.	Non-competition covenants during the term of the franchise	Section 16.1	No involvement in a competing business anywhere without our written consent. Non-competition provisions are subject to state law.
r.	Non-competition covenants after the franchise is terminated, transferred or expires	Sections 16.3 – 16.4	No competing business for 3 years within your former territory, or within 15 miles of your territory, or within 15 miles of any other Señor Pollo Mexican Grill™ franchise, company or affiliate owned Señor Pollo Mexican Grill™ business (including after assignment). If you compete within the time period, then this non-compete time period will be tolled for the period of your competition. Non-competition provisions are subject to state law. For a period of 3 years from termination, transfer, or expiration of your franchise agreement, you cannot divert or attempt to divert any business or customer from us, an affiliate, or our franchisees, or injure our goodwill.
s.	Modification of the agreement	Section 20.11	Modifications must be made in writing and signed by both parties, but policies and procedures are subject to change by us.
t.	Integration/merger clause	Section 20.10	Only the terms of the franchise agreement are binding (subject to state law). All representations and promises outside the disclosure document and franchise agreement may not be enforceable. No provision in the franchise agreement is intended to disclaim the express representations made in this franchise disclosure document. Any representations or promises made outside of the franchise disclosure document and other agreements may not be enforceable.
u.	Dispute resolution by arbitration or mediation	Section 17.2	Except for certain claims, for all disputes, there must be a face-to-face meeting, mediation, and litigation. (See state specific addenda).
v.	Choice of forum	Sections 17.2 and 19.2	All dispute resolution must be held in Salt Lake City, Utah or the county where our then-current headquarters is located. (Subject to state law).
w.	Choice of Law	Sections 19.1 and 19.5	Utah law and the United States Trademark Act apply. (Subject to applicable state law).

THE FRANCHISE RELATIONSHIP

This table lists certain important provisions of the area development agreement and related agreements. You should read these provisions in the agreements attached to this disclosure document.

Area Development Agreement

Area Development Agreement			
	Provision	Area Development Agreement	Summary
a.	Length of the area development agreement	Section 2.1 & Exhibit B	The term depends on the number of units you will develop; typically it will be one unit per year with a 3-unit minimum.
b.	Renewal or extension of the term	Not Applicable	
c.	Requirements for developer to renew or extend	Not Applicable	
d.	Termination by developer	Not Applicable	Rights to terminate are subject to state law.
e.	Termination by franchisor without cause	Not Applicable	We must have cause to terminate the area development agreement.
f.	Termination by franchisor with cause	Section 9.1	We can terminate only if you are in default of your agreement.
g.	“Cause” defined – curable defaults	Section 9.1.2 and 9.1.3	You have 45 days to cure a development schedule default and 30 days to cure certain other material defaults of the area development agreement.
h.	“Cause” defined – non-curable defaults	Section 9.1.1	Non-curable defaults: insolvency, repeated defaults even if cured, abandonment, and termination of any of your franchise agreements, etc.
i.	Developer’s obligations on termination/non-renewal	Article 10	In the event we terminate your area development agreement, you will no longer have any development rights. However, you may continue to own and operate all units that you have developed and that are open and in compliance and not in default and each unit continues to faithfully perform the terms of each franchise agreement.
j.	Assignment of contract by franchisor	Article 11	No restrictions on our right to assign including merger with, acquisition by, or sale to a competing company

k.	“Transfer” by developer - defined	Article 11	Includes assignment and transfer of contracts, security interests and ownership change
l.	Franchisor approval of transfer by developer	Article 11	We have the right to approve all transfers, but we will not unreasonably withhold approval.
m.	Conditions for franchisor approval of transfer	Article 11	You are not in default, the transferee is trained and signs the then-current area development agreement, and a release signed by you.
n.	Franchisor’s right of first refusal to acquire developer’s business	Article 11	We can match any offer for your development business within 30 days of written notice to us of the offer.
o.	Franchisor’s option to purchase franchisee’s business	Article 11	
p.	Death or disability of developer	Article 11	The heirs or personal representative will have the right to continue to fulfill the area developer’s obligations under the agreement; provided that a personal representative is approved or area development agreement must be assigned to an approved buyer within a reasonable time, not to exceed 160 days.
q.	Non-competition covenants during the term of the area development agreement	Article 11	No involvement in a competing business. Non-competition provisions are subject to state law.
r.	Non-competition covenants after the developer is terminated, transferred or expires	Article 11	No competing business for 3 years within 50 miles of your development territory or within 15 miles of another then-existing Señor Pollo Mexican Grill™ franchise or company or affiliate owned business (including after assignment). If you compete within the restricted time period, then this non-compete time period will be tolled for the period of your competition. Non-competition provisions are subject to state law. For a period of 3 years from termination, transfer, or expiration of your area development agreement, you cannot divert or attempt to divert any business or customer from us, an affiliate, or our franchisees or injure our goodwill.

s.	Modification of the agreement	Article 11	Modifications must be made in writing and signed by both parties; policies and procedures are subject to change by us.
t.	Integration / merger clause	Article 11	Only the terms of the area development agreement are binding (subject to state law). All representations and promises outside the disclosure document and area development agreement may not be enforceable. No provision in the area development agreement is intended to disclaim the express representations made in this franchise disclosure document.
u.	Dispute resolution by arbitration or mediation	Article 11	Except for certain claims, for all disputes, there must be a face-to-face meeting, mediation, and litigation. (See state specific addenda).
v.	Choice of forum	Article 11	All dispute resolution must be held in Salt Lake City, Utah or the county where our then-current headquarters is located. (Subject to state law).
w.	Choice of Law	Article 11	Utah law and the United States Trademark Act 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, 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 the 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 Dulce Martinez at 1775 W. 5400 S., Taylorsville, Utah 84129, (801) 577-9782, the Federal Trade Commission, and the appropriate state regulatory agencies.

ITEM 20
OUTLETS AND FRANCHISEE INFORMATION

Table No. 1
Systemwide Outlet Summary
For Years 2020 to 2022

Outlet Type	Year	Outlets at the Start of the Year	Outlets at the End of the Year	Net Change
Franchised	2020	0	1	+1
	2021	1	3	+2
	2022	3	5	+2
Company Owned	2020	1	1	+0
	2021	1	1	+0
	2022	1	1	+0
Total Outlets	2020	1	2	+1
	2021	2	4	+2
	2022	4	6	+2

Table No. 2
Transfers of Outlets from Franchisees to New Owners
(other than the Franchisor)
For Years 2020 to 2022

State	Year	Number of Transfers
Total	2020	0
	2021	0
	2022	0

Table No. 3
Status of Franchised Outlets
For Years 2020 to 2022

State	Year	Outlets at Start of Year	Outlets Opened	Terminations	Non-Renewals	Reacquired by Franchisor	Ceased Operations for Other Reasons	Outlets at End of Year
Utah	2020	0	1	0	0	0	0	1
	2021	1	2	0	0	0	0	3

State	Year	Outlets at Start of Year	Outlets Opened	Terminations	Non-Renewals	Reacquired by Franchisor	Ceased Operations for Other Reasons	Outlets at End of Year
	2022	3	2	0	0	0	0	5
Total	2020	0	1	0	0	0	0	1
	2021	1	2	0	0	0	0	3
	2022	3	2	0	0	0	0	5

Our legacy franchisees are represented as part of Table No. 3.

Table No. 4
Status of Company-Owned Outlets²
For Years 2020 to 2022

State	Year	Outlets at Start of Year	Outlets Opened	Outlets Reacquired from Franchisees	Outlets Closed	Outlets Sold to Franchisee	Outlets at End of Year
Utah	2020	1	0	0	0	0	1
	2021	1	0	0	0	0	1
	2022	1	0	0	0	0	1
Total	2020	1	0	0	0	0	1
	2021	1	0	0	0	0	1
	2022	1	0	0	0	0	1

Table No. 5
Projected Openings as of December 31, 2022

State	Franchise Agreements Signed But Outlet Not Opened	Projected New Franchised Outlet In The Next Fiscal Year	Projected New Company-Owned Outlet In the Next Fiscal Year
Alabama	0	0-3	0
Nevada	0	0-5	0
Texas	0	0-3	0
Utah	1	1-7	0
Total	1	1-18	0

List of Franchisees

Exhibit “D” contains a list of our current franchisees. Exhibit “D” also contains a list of franchisees who have had an outlet terminated, cancelled, 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 issuance date. If you buy this franchise, your contact information may be disclosed to other buyers when you leave the franchise system.

Disclosure of Franchisee Information

If you invest in this franchise, your contact information and financial information may be disclosed in our disclosure document.

Sale of Previously Owned Outlet

We are not selling a previously owned franchised outlet now under our control.

Confidentiality Agreements

During the last 3 fiscal years, no current or former franchisees have signed confidentiality clauses that restrict them from discussing with you their experiences as a franchisee in our franchise system.

Franchisee Organizations

We do not know of any trademark-specific franchisee organization associated with our system that is required to be disclosed in this Item.

ITEM 21 FINANCIAL STATEMENTS

Our fiscal year ends on December 31 of each year. Attached as Exhibit “C” are our audited financial statements dated December 31, 2022, December 31, 2021, and December 31, 2022.

ITEM 22 CONTRACTS

We have attached the following contracts: as Exhibit “A,” the Franchise Agreement and its Exhibits; as Exhibit “G,” the Area Development Agreement; as Exhibit “H,” the Deposit Agreement; and as Exhibit “I,” the Form Release Agreement. All other contracts and agreements are to be entered into with persons of your choice and therefore cannot be attached.

ITEM 23 RECEIPT

The last 2 pages of this disclosure document contain a receipt, in duplicate. The receipt is a detachable acknowledgement that you have received this franchise disclosure document. Both receipts should be signed and dated by you. One copy should be returned to us, and you should keep the other for your records. If you do not sign this receipt via our electronic signature platform, then you need to send us a signed and dated copy. You may return the signed and dated receipt either by mailing it to us at 1775 W. 5400 S., Taylorsville, Utah 84129 or by emailing it to us at senorpollo18@gmail.com.

**ADDENDUM TO THE DMB SEÑOR POLLO MEXICAN GRILL™ FDD
STATE REGULATIONS**

**SCHEDULE “A-1”
TO THE FDD**

STATE REGULATIONS FOR THE STATE OF CALIFORNIA

The registration of this franchise offering by the California Department of Financial Protection and Innovation does not constitute approval, recommendation, or endorsement by the commissioner.

Owners of the franchise may be required to execute a personal guaranty. Doing so could jeopardize the marital assets of non-owner spouses domiciled in community property states such as California.

1. The California Franchise Investment law requires that a copy of all proposed agreements relating to the sale of the franchise be delivered together with the disclosure document at least 14 days prior to the execution by the prospective franchisee of any binding franchise or other agreement, or at least 14 days prior to the receipt of any consideration, whichever occurs first, a copy of the disclosure document, together with a copy of all proposed agreements relating to the sale of the franchise.
2. The California Franchise Relations Act, Business and Professions Code Sections 20000 through 20043 provide rights to the franchisee concerning termination, transfer, or non-renewal of a franchise. If the franchise agreement contains a provision that is inconsistent with California law, California law controls.
3. The franchise agreement provides for termination upon bankruptcy. This provision may not be enforceable under federal bankruptcy law (11 U.S.C.A. Sec. 101 et seq.)
4. The franchise agreement contains a covenant not to compete which extends beyond the termination of the franchise. This provision may not be enforceable under California law.
5. The franchise agreement contains a liquidated damages clause. Under California Civil Code Section 1671, certain liquidated damages clauses are unenforceable.
6. The franchise agreement requires binding arbitration. The arbitration will occur at Salt Lake City, Utah with the costs being borne by you for travel to, and lodging in, Salt Lake City, Utah, and other costs associated with arbitration. Prospective franchisees are encouraged to consult private legal counsel to determine the applicability of California and Federal laws (this or these as Business and Professions Code Section 20040.5, Code of Civil Procedure Section 128a, and the Federal Arbitration Act) to any provisions of a franchise agreement restricting venue to a forum outside the State of California.
7. The franchise agreement requires application of the laws of Utah. This provision may not be enforceable under California law. You may want to consult an attorney to understand the impact of out-of-state governing law on the franchise agreement.
8. You must sign a general release if you transfer, renew or terminate your franchise. California Corporations Code 31512 voids a waiver of your rights under the Franchise Investment Law (California Corporations Code 31000 through 31516). Business and Professions Code 20010 voids a waiver of your rights under the Franchise Relations Act (Business and Professions Code 20000 through 20043).
9. Neither franchisor nor any person listed in Item 2 of the disclosure document is subject to any currently effective order of any national securities association or national securities exchange, as defined in the Securities Exchange Act of 1934, 15 U.S.C.A. 78a et seq., suspending or expelling this or these persons from membership in such association or exchange.
10. Section 31125 of the California Corporations Code requires the Franchisor to give the franchisee a disclosure document, in a form and containing such information as the Commissioner may by rule or order require, before a solicitation of a proposed modification of an existing franchise.

11. Our website at www.senorpollomexgrill.com has not been reviewed or approved by the California Department of Financial Protection and Innovation. Any complaints concerning the content of the website may be directed to the California Department of Financial Protection and Innovation at www.dfpi.ca.gov.

12. The franchise agreement provides for waiver of a jury trial. This may not be enforceable in California.

13. Section 31512.1 Franchise Agreement Provisions Void as Contrary to Public Policy. Any provision of a franchise agreement, franchise disclosure document, acknowledgement, questionnaire, or other writing, including any exhibit thereto, disclaiming or denying any of the following shall be deemed contrary to public policy and shall be void and unenforceable:

- (a) Representations made by the franchisor or its personnel or agents to a prospective franchisee.
- (b) Reliance by a franchisee on any representations made by the franchisor or its personnel or agents.
- (c) Reliance by a franchisee on the franchise disclosure document, including any exhibit thereto.
- (d) Violations of any provision of this division.

14. Franchisees owning 25% or greater must sign a personal guaranty, making you and your spouse individually liable for your financial obligations under the agreement if you are married. The guaranty will place your and your spouse's marital and personal assets at risk, perhaps including your house, if your franchise fails

15. Item 6 under Late Fees is amended to include the following: "The highest interest rate allowed in California is 10% annually."

16. 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.

17. If you are approved to offer and sell alcoholic beverages, mandatory compliance with the California Department of Alcohol Beverage Control laws pertaining to the sale and consumption of alcoholic beverages related to the franchisor's business. Franchisee must comply with the requirements set forth in the Alcoholic Beverage Control Act and the California Code of Regulations for the sale of alcoholic beverages.

**EXHIBIT “A”
TO THE FDD
FRANCHISE AGREEMENT**



FRANCHISE AGREEMENT

By and Between

SEÑOR POLLO MEXICAN GRILL INC.

and

(Franchisee)

© 2023, The Franchise & Business Law Group, LLC

This Agreement and the Schedules and Exhibits attached hereto are subject to the copyright of The Franchise & Business Law Group, LLC.



**SEÑOR POLLO MEXICAN GRILL™
FRANCHISE AGREEMENT**

TABLE OF CONTENTS

ARTICLE		PAGE
I	Award of Franchise	3
II	Term and Successor Franchise	5
III	Intellectual Property	6
IV	Construction, Commencing Operations, and Lease	10
V	Fees and Reports	12
VI	Franchisee's Operational Covenants	15
VII	Franchisor's Operational Assistance	24
VIII	Purchase of Products and Equipment	25
IX	Manuals	26
X	Marketing	27
XI	Breach and Termination	29
XII	Termination and Expiration	32
XIII	Purchase Option	35
XIV	Sales or Transfers of the Franchise	37
XV	Relationship of the Parties	41
XVI	Covenant not to Compete	42
XVII	Dispute Resolution	44
XVIII	Notices	46
XIX	Construction and Jurisdiction	47
XX	Miscellaneous	48
XXI	Definitions	51

Exhibits

A-1	Territory
A-2	Company Representations and Warranties
A-3	Fee Chart
A-4	Brand Protection Agreement for Principals
A-5	Employee Brand Protection Agreement
A-6	Landlord's Consent to Assignment
A-7	Authorization Agreement for Direct Payments (ACH Debits)
A-8	Guaranty and Assumption of Obligations
A-9	Digital and Social Media Authorization for Assignment
A-10	State Specific Addenda



SEÑOR POLLO MEXICAN GRILL INC. FRANCHISE AGREEMENT

THIS FRANCHISE AGREEMENT (“Agreement”) is entered into and made effective as of _____ by and between **SEÑOR POLLO MEXICAN GRILL INC.**, a Utah corporation (“Franchisor” or “We,” “Us” or “Our” as further defined in Article XXI below) and _____ (“Franchisee” or “You” or “Your” as further defined in Article XXI below).

WHEREAS, We have developed a system for the operation of a restaurant known as Señor Pollo Mexican Grill™, utilizing the Marks and System, and offering to the public quick serve Mexican food, beverages, and other related products and services (“Franchise Business”); and

WHEREAS, You are desirous of entering into an agreement with Us so as to be able to obtain the rights to operate a Franchise Business using the System.

NOW, THEREFORE, in consideration of the mutual covenants, agreements, recitals, obligations, terms and conditions herein contained, and the acts to be performed by the respective parties hereto, the parties hereto agree as follows:

ARTICLE I AWARD OF FRANCHISE

1.1 Award of Franchise. We hereby grant to You, and You accept, subject to the terms, conditions and obligations herein, the non-exclusive, non-sublicensable personal right to establish and conduct a Franchise Business as a Señor Pollo Mexican Grill™ franchisee and the right to use the System and the Marks only as specifically set forth herein. This right is granted for use only at a single location approved by Us (“Premises”) within Your Territory listed on Exhibit “A-1” (“Territory”). You must operate Your Franchise Business in strict compliance with the terms and conditions of this Franchise Agreement and the Manuals.

1.1.1 Territory Rights. Except as set forth in this Agreement, during the term of this Agreement, We will not establish or operate a traditional company-owned outlet or grant to any person or entity a franchise within the Territory using the same System and Marks as that licensed by this Agreement.

1.1.2 Territory Adjustment. We have the right to adjust the boundaries of Your Territory if the population in Your Territory increases by 50,000 or more as measured from the date of this Agreement. In such case, any adjustment will not result in Your Territory having less than a population base of approximately 50,000 people. We also have the right to adjust the boundaries of Your Territory based on inadvertent error in the creation of Your Territory, or in an effort to more accurately reflect the target population after Your Premises have been selected and approved, or for other reasons that We may specify from time to time in the Manuals.

1.1.3 Annual Minimum Revenue. Your rights under this Agreement are dependent upon Your achievement of an annual minimum revenue volume after Your first 24 months of operation. Your minimum annual revenue quota is included in Exhibit “A-3” of this Agreement. If



You do not achieve the minimum Gross Sales in Your Territory after Your third full year of operations, You will be given a notice of default and a six-month period to cure by being on pace to hit the minimum Gross Sales during this time. If You do not cure within the cure period, We have the right to terminate or sell Your franchise. If You do not cure within the six-month cure period, We have the right to terminate this Agreement and sell Your franchise. We also have the right to allow You to continue to operate Your Franchise Business under the terms of this Agreement while We sell Your franchise. If We sell Your franchise, We are entitled to a fee equal to 10% of the sales price to compensate Us for time and expenses to sell Your franchise. You shall also be required to pay the required transfer fee and training fee for us to train the new franchisee. If We have not sold or terminated Your franchise within six months of Us giving You notice of Your second consecutive default, You may cure the default by achieving the minimum Gross Sales by the end of that six-month period.

1.2 Scope of Franchise Operations. You must at all times comply with Your obligations hereunder and must continuously use Your best efforts to promote and operate Your Franchise Business.

1.3 Our Reservation of Rights. All rights not specifically granted to You in this Agreement are reserved to Us. You expressly acknowledge and agree that this license is non-exclusive, and that We retain, among other rights, the right, in Our sole discretion: 1) to establish and license others to establish and operate Señor Pollo Mexican Grill™ businesses outside Your Territory; 2) to operate and license others to operate businesses anywhere that do not operate under the Señor Pollo Mexican Grill™ brand name; and 3) to use the Marks in connection with the manufacture and sale of products at wholesale and at retail.

1.3.1 Non-Traditional Outlets. We reserve the right to open or sell franchises for outlets located in non-traditional locations within Your Territory. These outlets Include locations at convention centers, military bases, universities, sporting arenas, airports, and other similar locations.

1.4 Rights to Use Channels of Distribution. Except for the rights expressly given to You, there will be no limitation on Our rights to deal with potential or actual customers located anywhere. We and Our affiliates expressly reserve the right to Market in Your Territory and elsewhere using Marketing strategies and distribution channels Including websites, the Internet, Social Media, apps, direct marketing, telemarketing, catalog sales, direct sales, national accounts, retail location, wholesale locations, and co-branding with other outlets. You may not sell Our products and/or services using such reserved Marketing strategies and distribution channels without Our prior written permission. Your customers may only purchase and receive Your products and services at Your location. We may also provide You the right to use such Marketing and distribution channels as further set forth in this Agreement and as otherwise directed and pre-approved by Us in writing.

1.5 Restriction of Territory Rights. The rights and privileges granted to You under this Agreement are personal in nature. This Agreement is granted solely for the operation of a Franchise Business at the Premises and do not extend to the operation of a Franchise Business or any other use of the System from any other location within or outside Your Territory, or in any other manner, including a mobile or off-site service except as may be allowed by this Agreement and Our Manuals. You may only service customers at the Premises. You cannot operate any other business from the

Premises other than the Franchise Business. You may provide services to customers from anywhere so long as that service is provided at Your premises and are services We approve.

1.6 National Accounts. We expressly reserve the right to sell, market, and distribute the Señor Pollo Mexican Grill™ products and related products to all National Accounts, both within and without Your Territory. A “National Account” is defined as a company with multiple units or outlets located in more than one geographical area or territory. We also reserve the right to allow You to manage a National Account in Your Territory. We will designate if and how franchisees will sell or service National Accounts.

ARTICLE II TERM AND SUCCESSOR FRANCHISE

2.1 Term. This Agreement will be effective when executed by both You and Us. The franchise term will be for a period of 10 years unless terminated earlier pursuant to Article XI herein. If We are required by law or otherwise to give You notice before the Termination of this Agreement and fail to do so, this Agreement will remain in effect from month-to-month until We have given the required notice.

2.2 Successor Franchise. You do not have the right to renew. If You are in good standing, at the end of the franchise term, We may at our discretion, enter into a new successor Franchise Agreement (“Successor Franchise”) with You for an additional term of ten years. In addition, in order for You to be considered eligible to enter into a Successor Franchise, You must meet the following conditions: 1) You are not in default of this Agreement; 2) You have complied with and timely met material terms and conditions of this Agreement throughout the initial term; 3) You have complied with Our material operating and quality standards and procedures and any required modification to such standards and procedures; 4) You have timely paid all monetary obligations owed to Us during the term of this Agreement; 5) You are not subject to any pending litigation or governmental proceeding which could have a material adverse effect upon You or Your Franchise Business; and 6) You give Us written notice of Your intent to renew at least six months and not more than 12 months prior to the expiration date of the term hereof. Your Successor Franchise Agreement may also provide for a successive franchise term. Your failure to give such notice will constitute an election not to enter into a Successor Franchise Agreement (defined below). If You fail to enter into a Successor Franchise Agreement for any reason but continue to operate Your Franchise Business, at Our election, You will be deemed to have renewed on a month-to-month basis, requiring You to abide by Our then-current Fees. In addition to Our rights to terminate as set forth in Article XI, Your month-to-month Franchise Business may be terminated by Us upon 30 days’ prior written notice to You for any reason whatsoever.

2.2.1 Commencement Date for Successor Franchise Term. Unless another date is specified in a Successor Franchise Agreement, which date will supersede, said Successor Franchise term, including, any month-to-month term, will commence on the day following the expiration date of the initial or applicable Successor Franchise term.

2.2.2 Notice of Non-Approval. Upon receiving Your election to enter into a Successor Franchise, We will have 45 days to provide written notice in the event You do not qualify for a Successor Franchise or as otherwise required by law.



2.2.3 Successor Franchise Agreement. If approved as a Successor Franchise, You must execute Our then-current form of Our successor franchise agreement (“Successor Franchise Agreement”). The Successor Franchise Agreement Includes personal guarantees and a general release of all claims against Us arising from this Agreement, the relationship created herein, and Your Franchise Business. If You fail to execute such a release, the signing of the Successor Franchise Agreement will be the equivalent of the granting of such a release. The Successor Franchise Agreement will supersede in all respects the terms and conditions of this Agreement, and You will be obligated to pay royalties and other continuing Fees at the then-existing levels required to be paid by new franchisees. You must sign and return to Us the Successor Franchise Agreement within 90 days prior to the expiration of this Agreement, or You will, at Our election, be deemed to have withdrawn Your request to enter into a Successor Franchise Agreement, and this Agreement will Terminate at the expiration of the term then in effect. **You acknowledge that You will be bound by the form of the Successor Franchise Agreement in effect at the time which may contain Fees and charges, territorial, and other changes in material provisions different from those contained in this Agreement, Including terms affecting payments to Us or Our affiliates.**

2.2.4 Successor Franchise Fee. If approved for a Successor Franchise, You shall pay to Us a non-refundable Successor Franchise Fee set forth in Exhibit “A-3,” payable in full at the time of execution of the Successor Franchise Agreement.

2.2.5 Upgrading Your Franchise Business. As a condition to Us approving You entering into a Successor Franchise Agreement, at Your expense, You are required to Update Your Franchise Business and Premises to the extent and in the manner specified by Us to conform with and bring it up to the standards, image, and capabilities of new Señor Pollo Mexican Grill™ outlets/restaurants/businesses being opened at the time the Successor Franchise takes effect. Unless otherwise waived by Us, such improvements must be made within six months of signing the Successor Franchise Agreement. You shall make all necessary arrangements to continue the occupancy of Your existing Premises through the Successor Franchise term(s) unless We give written permission to relocate Your Premises.

2.2.6 Successor Franchise Training. As a condition to Us approving You entering into a Successor Franchise Agreement, Your Operating Principal, and/or other key personnel may also be required to attend and successfully complete trainings, certifications, and other programs at such times and locations as We specify. You may be required to cover the expense of travel, meals, lodging, and other related costs for such training and certifications.

ARTICLE III INTELLECTUAL PROPERTY

3.1 Intellectual Property and Confidential Information. You acknowledge that: 1) as between You and Us, We have the sole rights in and to the Intellectual Property and Confidential Information; 2) Your right to use the System is granted by Us solely pursuant to the terms of this Agreement; and 3) as between You and Us, We have the sole right to license and control Confidential Information and Intellectual Property. Our Intellectual Property and Confidential Information provided to You by or through Us will remain Our sole property. You acknowledge that Our Confidential

Information and Intellectual Property are unique and/or confidential and contain trade secrets and other material proprietary to Us.

3.2 Use of Confidential Information and Intellectual Property. You have a non-exclusive right to use the Confidential Information and Intellectual Property and only in connection with Your Franchise Business and in accordance with Our Manuals and this Agreement. You understand and agree that the use of Our Confidential Information, Intellectual Property, and goodwill are all temporary benefits and expire with the Termination of this Agreement. You expressly covenant that during the term of this Agreement and after the Termination thereof, not to: 1) directly or indirectly contest or aid in contesting the validity of Our ownership of, or rights in, the Confidential Information or Intellectual Property; 2) in any manner interfere with or attempt to prohibit Our use of the Confidential Information or Intellectual Property and derivatives thereof or any other name, trademark or service mark that is or becomes a part of Our System; or 3) interfere with the use of Our Confidential Information or Intellectual Property by Our other franchisees or licensees at any time.

3.3 Our Marks. You acknowledge that as between You and Us, the Marks and derivatives thereof are valid trade names, trademarks and service marks owned by Us or licensed to Us.

3.4 Use of Marks and System. You have the non-exclusive right to use Our Marks and the System as directed by Us. You shall only use Our Marks licensed by this Agreement and only with the letters “TM,” “SM” or “®,” as appropriate, approved and as instructed by Us, whenever and wherever such Marks are used. You shall not use Your own name or any other name service or product in connection with any of Our Marks without Our prior written consent. You are prohibited from using any Mark in connection with the performance or sale of any unauthorized service or product. You cannot use the Marks or System in any manner, or otherwise take any action (or inaction) that would or may cause the Marks or the System to be subject to any ill repute or negative publicity. You cannot use the Marks on any intercompany documents to identify Your Franchise Business or entity (Including in or on employee manuals, handbooks, emails, letterhead) or on business checks or bank accounts. All communications with Your employees must be under Your entity name.

3.4.1 Cooperation. You shall execute any and all additional papers, documents and assurances in connection with the Marks as reasonably requested by Us and agree to cooperate fully with Us and any of Our other franchisees or licensees in securing all necessary and required consents of any state agency or legal authority for the use of the Marks or any other name, trademark, service mark, logo or slogan that is now or later becomes a part of Our System. You shall immediately notify Us as soon as You become aware of any infringement or apparent or alleged infringement of the Marks, Our Confidential Information, or any part of Our Intellectual Property.

3.4.2 Use in Marketing. The use of the Marks in Marketing is set forth in Article X.

3.4.3 Modification of Marks. We have the right, in Our reasonable discretion, to require You to change, modify, or discontinue the Marks or to use one or more additional trademarks, service marks, logos, and/or other symbols in connection with the operation of the Franchise Business. In that event, You must bear the cost of using such additional or modified Marks or items in accordance with Our reasonable directives.

3.4.4 No Registration. You cannot make application for registration, domain name, or other protection of any of the Marks, or any other trademarks, service marks, symbols, names, slogans, logos, trade names or any items that are similar or derivatives therefrom in any jurisdiction without Our prior written consent and then only upon the terms and conditions specified by Us in connection therewith.

3.5 Copyrights. All right, title and interest in and to Copyright Materials are Our sole and exclusive property and cannot be reproduced or replicated either during or after this Agreement. You have no rights to make any direct or indirect use of the Copyrighted Materials except as allowed under this Agreement.

3.6 Sole Control. As between You and Us, We will have the sole control over any legal or administrative action concerning the Confidential Information or Intellectual Property. You must promptly notify Us in writing of any unauthorized use of Our Confidential Information and Intellectual Property, or of any claim, demand or suit by any person, corporation or other entity based upon or in connection with any of Our Confidential Information or Intellectual Property licensed hereunder in which We have an interest.

3.6.1 Indemnification. If You use Our Confidential Information and Intellectual Property in accordance with this Agreement, then (i) We will defend You (at Our expense) against any legal action by a third party alleging infringement by Your use of Our Confidential Information or Intellectual Property, and (ii) We will indemnify You for expenses and damages if the legal action is resolved unfavorably to You.

3.7 Goodwill. You acknowledge that valuable goodwill is attached to the Marks and System, and that We have invested and continue to invest time and capital into promoting the System and that such promotion creates goodwill and customer association which benefits Us, You, and all other franchisees in the System. Furthermore, even goodwill associated with the Marks and System that might be deemed to have arisen through Your activities is Our sole property and inures directly and exclusively to Our benefit, except as otherwise provided herein or by applicable law.

3.7.1 Customer Data. All Customer Data is Our sole property and inures directly and exclusively to Our benefit. You have a royalty-free, non-exclusive right to use the Customer Data during the term of this Agreement. You must gather, upload, and/or store all Customer Data as required by Us. To the extent that We do not otherwise have access, You must provide Us copies of all Customer Data upon request. You must abide by all applicable laws pertaining to the privacy of consumer, employee and transaction information, and do not contact laws. If We allow You to use the Customer Data to transmit advertisements to customers and potential customers, You are solely responsible to comply with the laws pertaining to calling or texting customers, the sending of emails, or any other transmission of information, including any anti-spam legislation.

3.8 Fictitious Business Name. You must not use Our Marks or any other name similar thereto in the name of any partnership or entity owned or formed by You, whether to own or operate Your Franchise Business or otherwise. However, within 30 days of signing this Agreement, You must file for a certificate of assumed or fictitious name or a “doing business as” name (“DBA”) using our Marks as designated by Us, and in the manner required by state law so as to notify the public that You are operating Your Franchise Business as an independent business pursuant to this Agreement and

must Include Your assigned franchise designation in such filing. You must provide Us with a copy of Your DBA registration and/or certificate upon receipt of the same, and upon Our request from time to time.

3.9 Maintaining Secrecy. You shall: 1) fully and strictly adhere to all security procedures prescribed by Us in Our sole discretion for maintaining the secrecy of Our Confidential Information; 2) disclose such information to Your employees only to the extent necessary to Market Our products and services and for the operation of the Franchise Business in accordance with this Agreement; 3) not use any such information in any other business or in any manner not specifically authorized or approved in writing by Us; and 4) exercise the highest degree of diligence and make every effort to maintain the absolute confidentiality of all such information during and after the term of this Agreement.

3.9.1 Trade Secret Information: Trade Secret Information is also part of Confidential Information and includes recipes from Señor Pollo, including its marinade and salsa recipes, whether written or oral, for use in the foods the Señor Pollo Restaurant serves to customers and clients and the public as a whole, not being generally known and not being readily ascertainable by proper means by, other persons who can obtain economic value from its disclosure or use and is the subject of reasonable efforts by the Senor Pollo and its affiliates to maintain its secrecy.

3.9.2 Non-Disclosure of Trade Secret Information. You and Your employees, ownership, agents and affiliates, shall not disclose any Trade Secret Information to any individual except for those needed to produce any products authorized to provide from Us. Specifically, We agree that only Your designated on-site manager shall be allowed to review the Trade Secret Information. Any other individuals that need to review the Trade Secret Information not identified in this Agreement needs written consent from Us and the basis as to why it needs to review the Trade Secret Information as well as the name and title of the individual. Any written Trade Secret Information given to the individuals identified in this section shall be sent via an encrypted file that shall be password protected and only the individuals identified in this section shall have access to or know the password. The individuals identified in this section shall ensure no other individuals of Recipient shall know or have access to the password. The individuals identified in this section shall ensure that upon receipt of any electronic Trade Secret Information, that it remains in an encrypted password protected folder, one a separate password, protected USB drive, that has no other information saved on it, without divulging the password to any individuals not identified in this section. The Trade Secret Information may not be saved on any server, computer hard drive or mobile phone of Recipient or its employees and affiliates and can only be accessed through the USB drive. If the Trade Secret Information is sent via email, the Trade Secret Information must saved on the USB drive and must be encrypted with a password and then the email must be immediately deleted. If any of the named individuals in this section receives a hard copy of the Trade Secret Information, or on a USB drive, that information shall be place in a folder, or box, that is clearly marked in red on the front of the folder or box: CLASSIFIED FOR REVIEW OF On-Site Manager only. The individuals in this section shall keep any hard copy of the Trade Secret Information physically locked and secured where no other individual not named in this section shall have access to it and access to the means to unlocking the secured space. If any of the named individuals writes down the Trade Secret Information, if We give the Trade Secret Information to the named individuals orally, or if it makes a copy from a hard copy or electronic copy, it must first have the written permission from Us to write down the Trade Secret Information. Any information an individual writes down also must be kept secret under the same procedures identified in this section

for hard copies and electronic copies of the Trade Secret Information. Once the individual no longer works as an on-site manager, it must destroy and only disclose the Trade Secret Information and how to access it to the new on-site manager after written permission is given from Us to do so. If this Agreement is Terminated, You must destroy all Trade Secret Information within 24 hours of Termination, or if We direct you to destroy any Trade Secret Information during this Agreement.

3.10 Changes to the System. You shall fully disclose all Innovations to Us, without disclosing the Innovation to others and shall obtain Our written approval before using or implementing an Innovation. All Innovations are owned by Us and considered a “work-made-for-hire.” If all or part of any Innovation that You create is for any reason deemed not to be a work-made-for-hire, then You hereby irrevocably transfer and assign to Us or Our affiliate all right, title, interest and ownership, Including license rights, in the Innovation, and You agree to execute any document necessary to effectuate the transfer and assignment. To the extent You have any moral or similar rights in an Innovation or derivative thereof, You expressly waive those rights. Any Innovation may be used by Us and all other franchisees without any obligation to compensate You. We reserve the right to make application for and own Intellectual Property relating to any Innovation, and You shall cooperate with Us in securing these rights. We may also consider an Innovation as part of Our trade secret. At Our discretion, We may authorize You to utilize Innovations that may be developed by You, Us, or other franchisees.

3.11 Association with Causes; Co-Branding. You cannot, without first receiving Our written approval, in the name of the Franchise Business or in any manner associated with the Marks: (i) donate money, products, or services to any charitable, political, social, religious, or other for-profit or non-profit organization, cause, or position, or (ii) act in support of or against any such organization, cause, or position. You cannot “co-brand” or use the Marks or Your Franchise Business to associate any other business activity in a manner which is likely to cause the public to perceive the activity to be related to or sponsored by the brand or System.

ARTICLE IV CONSTRUCTION, COMMENCING OPERATIONS, AND LEASE

4.1 Location of Premises. You must select a site within the designated search area listed on Exhibit “A-1” (“Search Area”). You must have a site approved by Us within 60 days of signing this Agreement. Although We must approve of Your site, We do not warrant or guarantee the success of the site. You must not commit to purchase or lease any real property or commence construction unless and until You have Our written approval of the proposed location. Your Premises must strictly comply with local zoning, state and federal laws, rules, and regulations.

4.1.1 Location Approval. We must approve Your proposed site. However, it is Your responsibility, at Your sole cost and expense, to select the site within the Search Area. You must provide Us with the street address of the proposed site and such other information as We request, Including pictures or existing brochures of the proposed site. **We do not prepare demographic studies or otherwise evaluate the need for Our products and services in Your Territory, nor do We provide You with a site checklist or other similar information.** Site approval or disapproval should be completed by Us within 30 days after You have submitted a proposed site to Us.



4.2 Lease. A Lease must be in place within 75 days from the date of this Agreement. We have the right to review all leases relating to Your Franchise Business prior to execution. You must also deliver an executed copy of the Lease to Us within 15 calendar days after execution.

4.2.1 Assignment of Lease. You hereby assign and transfer all rights and interest in and to the Lease to Us to be effective upon Our election when this Agreement Terminates. In such an event, We will have the right, but not the obligation, to accept the assignment and assume the Lease or execute a lease with You as provided below. We also have the right to assign the Lease to another franchisee or an affiliate of Ours. If You own the Premises, You hereby agree to lease the facilities to Us upon Termination of this Agreement at a rate not to exceed its fair market rental value, and on commercially reasonable terms and conditions. Your Lease must Include a provision allowing the assignment of the Lease to Us or Our nominee, at Our option, in the event this Agreement is Terminated for any reason, and You are required to have Your landlord sign the attached Landlord's consent to an assignment of the Lease before the Lease is signed. The Landlord's consent is attached hereto as Exhibit "A-6."

4.2.2 Assumption of Lease. We will have 60 days from the date of Termination of this Agreement, to exercise Our right and option to take and assume the Lease for the Premises. If the option is exercised, We will notify You and the Landlord of Our exercise within the option period. In such event, You agree to bring all obligations under the Lease current as of the date of possession by Us as well as to indemnify Us against all losses and costs arising by virtue of, attributable to, or in any way related to the period of Your possession of the Premises. All taxes, utilities and rentals will be prorated between Us and You as of the date of Our possession. We will not be obligated to pay Your arrearages. After the date of possession, We agree to indemnify You against all Lease obligations solely attributable to the period of Our possession of the Premises. You agree that no compensation for the Lease is payable by Us to You unless the Premises are owned by You. The Lease will be transferred to Us without payment of any kind to You by Us for the Lease other than the indemnification provided above.

4.3 Construction. Any construction of the Premises must be done in strict accordance with the specifications approved by Us, but it is Your responsibility to verify that the plans conform to federal, state, and local laws. We do not assist in the actual construction, remodeling, or decorating of Your Franchise Business. You must commence construction within 15 days from the signing Your Lease, and construction must be completed within six months from the date of this Agreement.

4.3.1 Design of Premises. At Your own expense, and unless waived in writing by Us, You are required to follow Our interior and exterior design standards and specifications. All changes and modifications to the plans We provide must be approved by Us in writing prior to Your commencing construction. You are also responsible for obtaining any required permits.

4.3.2 Setting Up the Premises. You shall arrange the fixtures, signs, furniture and décor of the Premises in strict compliance with the format and color schemes recommended by Us and to work with Our approved suppliers providing such items. We must approve Your Premises setup prior to opening, and if any elements of the Premises do not meet Our specifications, You will, at Your cost, be required to make the required adjustments.

4.3.3 Abandonment of Construction. Abandonment of construction or stoppage of construction for six or more weeks due to Your fault or neglect will be grounds for terminating this Agreement.

4.3.4 Approval of Construction. You may not operate Your Franchise Business if construction, improvements and fixturation do not conform to Our approved specifications and failure to correct any unauthorized variance for such plans and specifications within 30 days after written notice from Us will be grounds for terminating this Agreement. We have the right to supervise and inspect all construction to assure compliance with approved plans and specifications.

4.4 Commencing Operations. You are required to commence operations not later than 14 days following completion of Your Premises and in no case later than nine months from the date of this Agreement. You must give Us not less than 30 days' prior written notice of the opening date. We have the right to inspect and approve Your Premises and other aspects of Your operations relating to Your compliance with this Agreement prior to opening.

4.5 Relocation of Premises. You are not allowed to relocate Your Premises without Our prior written approval. We have the right to deny any relocation request. Approval to relocate will be based upon the same criteria used in approving a new franchisee's proposed site. In Our sole discretion, You may be required to attend an initial training program if You choose to move Your Premises. Additionally, You must pay Us a relocation Fee to cover Our costs to review and approve the relocation. See Exhibit "A-3." We have the right to deny a request for relocation in Our sole discretion.

4.6 Failure to Meet Deadlines. If You fail to meet a deadline and fail to cure, this Agreement is subject to Termination by Us, at Our option. However, You may be granted an extension at Our discretion if You demonstrate a good faith effort in complying with this Article.

ARTICLE V FEES AND REPORTS

5.1 Initial Franchise Fee. You shall pay Us the initial franchise fee listed in Exhibit "A-3" in one lump sum at the time of execution of this Agreement. The initial franchise fee must be paid by wire transfer or certified check. The initial franchise fee is fully earned by Us and is non-refundable. No rights or privileges under this Agreement exist until the initial franchise fee is paid in full.

5.1.1 Additional Franchises. During the term of this Agreement, You may purchase additional franchises at a discounted initial franchise fee per location as listed in Exhibit "A-3." This option will only be available to You if there are franchise territories available, You meet Our then-current criteria for new franchisees, You are current and not in default of this Agreement, and, in Our sole discretion, We determine to sell You another franchise. You will be required to sign Our then-current franchise agreement, which may have material terms different from this Agreement.

5.2 Royalty. You shall pay Us a non-refundable, on-going, weekly monthly royalty as listed in Exhibit "A-3." The royalty is in consideration of Your right to use Our Intellectual Property and certain Confidential Information in accordance with this Agreement and not in exchange for any specific services We render.



5.2.1 Change in Law. In the event there is a change in the law or a discovery of a law affecting the collection of payments to Us, You agree to allow Us to modify the definition of “Gross Sales” and the calculation of other Fees due to Us in order to comply with the law. However, in no event will the modification of the term “Gross Sales” or the calculation of other Fees due to Us result in Your payment in excess of the Fees listed in Exhibit “A-3.”

5.3 Marketing Fees.

5.3.1 Brand Development Fund Fee. You shall pay Us the monthly Brand Development Fund Fee listed in Exhibit “A-3” for Our Marketing programs as further described in Section 10.1 below. This fee is payable on the same terms as the royalty. Upon 90 days’ written notice to You, We may increase this amount up to 2% of Your Gross Sales. This increase may be increased at one time or in stages.

5.3.2 Marketing Cooperative. In the event a local or regional marketing cooperative is formed, You will be required to contribute to the marketing cooperative as established and assessed by the marketing cooperative. See Section 10.2 below.

5.4 Calculation and Reporting. The calculation, reporting and payment of the Fees specified in Sections 5.2 and 5.3 above will be made as follows:

5.4.1 Payments; Due Date. Royalties and Brand Development Fund Fees are due on the first week of each month. All payments to Us must be paid in accordance with Our then-current electronic funds transfer, ACH or other automatic withdrawal program or as specifically directed by Us. Currently, the Fees as shown and calculated on the Gross Sales Report are due and payable and must be received by Us or credited to Our account by pre-authorized bank debit and automatically withdrawn from Your Operating Account not later than 5:00 pm Mountain Time by 7th of each month for the previous month’s sales (Monday through Sunday). Our current ACH agreement is attached hereto as Exhibit “A-7” and may be modified by Us at any time in Our sole discretion. We reserve the right to change the payment due date or require an alternative payment frequency payment for any or all Fees in the future. You agree that Your obligation to pay all Fees due under this Agreement are absolute and unconditional.

5.4.2 Operating Account. You shall not have more than one Operating Account associated with the Franchise Business. If You fail to timely report Gross Sales, We may automatically sweep or debit an estimated amount of Fees due to Us. You shall pay Us any amount owing if We underestimate Your payment to Us, and We will credit You with any overage that We charge. You must maintain a minimum of \$25,000 in Your Operating Account at all times, even after royalties are paid, for business emergencies, provided that in any 30-day period, the Operating Account may have less than such amount for a period of not more than five days. You are required to provide Us with view-only access to Your Operating Account.

5.4.3 Late Fees. You will be charged a late Fee if a required Fee, payment to Us or an affiliate, or report is not timely received by Us or an affiliate, and You will be charged per bounced check or insufficient funds transfer. See Exhibit “A-3.” These Fees are due upon demand or with Your next royalty payment. These amounts may be adjusted by Us from time to time in the Manuals.

5.4.4 Interest. In addition, all Fees not paid when due will be assessed and accrue interest from the due date to the date of payment, both before and after judgment at the rate of 18% per annum or the maximum rate allowed by law, whichever is less. In no event will any amounts be charged as interest or late fees or otherwise exceed or violate any applicable legal restrictions. Unpaid interest charges will compound annually.

5.4.5 Sales or Use Tax. If there is hereafter assessed any nature of sales tax or use tax or other value added tax on Fees, You pay to Us, You shall also pay Us the applicable tax when invoiced.

5.5 Reports and Financial Statements. You must submit the following reports by the following due dates. We reserve the right to require all reports to be submitted at more frequent intervals.

TYPE OF REPORT	DUE DATE	REMARKS
Gross Sales Report	due Monthly	You must submit this report in a form we approve or require.
Monthly Financial Statements	The 20th day of the following month	These financial statements do not need to be prepared by your accountant or audited unless requested by us.
Annual Financial Statements	On or before January 31 of each year	This is a complete financial statement for the preceding calendar year, including a profit and loss statement and balance sheet. These financial statements do not need to be prepared by your accountant or audited unless requested by us.
Federal Tax Return	Within 30 days of submission with the IRS.	
Other Reports	Upon request	Those additional reports that We may from time to time require, Including by way of example and not limitation, sales and cost data and analyses, advertising budget and expenditures.

5.5.1 Access and Use of Financial Records. We or Our certified public accountants or other duly authorized agent, have the right during normal business hours to conduct computer and other audits and to examine and make copies of Your books, records, financial statements and sales and income tax returns, and You must keep complete and accurate books and records of the operation of Your Franchise Business. You shall provide Us with access to, or copies of, all financial records in the time We require.

5.5.2 Audit of Books and Records. If any audit or investigation discloses a deficiency of 2% or more of the Gross Sales in the computation or payment of Fees due to Us, You shall immediately pay Us the amount of the deficiency, the appropriate Fee for late charges, and You shall reimburse Us for the total expense of the audit or investigation, Including the charges for the accountant and the travel expenses, room, board, and other costs incurred in connection with the audit. Your failure

to report Gross Sales for any period, or Your failure to retain and have available, readable, and organized required records will be deemed an understatement by more than 2%.

5.6 Application of Payments. We can apply any payments received from You to any past due or then-current indebtedness of Yours for any payments owing to Us.

5.7 No Refunds. Unless otherwise stated above, the Fees set forth in this Agreement are not refundable.

5.8 Funding. You are solely responsible for obtaining all funding for Your Franchise Business. Failure to obtain sufficient initial funding for opening Your Franchise Business is grounds for termination of this Agreement.

5.9 Non-Compliance Fines. In Our sole discretion, as an alternative to placing You in default, as determined on a case by case basis, Including for failure to cure a prior default even if a fine has been imposed, We may issue You a fine for certain violations of this Agreement and/or the Manuals. See Exhibit “A-3.” The fines are set forth in Our Manuals and are paid to Us to reimburse Us for Our administrative and management costs for Us to address the violation and is not a penalty or estimate of all damages arising from Your breach. If You do not correct the violation within the time required by Us, We have the right to put You in default. We are not obligated to charge You a fine before putting You in default. All fines and charges are to be paid upon billing or in accordance with Our electronic funds or automatic withdrawal program, if established. Such fines are not Our sole remedy. Our decision to impose or not to impose a fine for Your non-compliance does not constitute a waiver of any other right that We may have under this Agreement, Including Termination of this Agreement.

ARTICLE VI FRANCHISEE’S OPERATIONAL COVENANTS

6.1 Business Operations. In addition to other obligations, requirements, and covenants set forth in this Agreement:

6.1.1 Compliance with Applicable Laws. You are solely responsible for ensuring compliance with all applicable laws, ordinances and regulations or ruling of every nature whatsoever which in any way regulate or affect the operation of Your Franchise Business. You must also comply with federal, state, and local health and consumer protection laws and regulations governing the food service industry and concerning food preparation, handling, storage, truth in menu laws concerning menu item names and product labeling, nutritional claims, and local labor regulations, Including minimum age and minimum wage laws.

(i) Permits and Licensing. You shall obtain and maintain all required permits and licenses for the operation of Your Franchise Business. You agree that We have not made and You have not relied on any representation that no permits or licenses, or only certain licenses, permits, etc., are necessary in connection with the operation of Your Franchise Business.

6.1.2 Appearance; Customer Service. You shall establish and maintain the Premises in a clean, attractive, and repaired condition; perform work competently and in a workmanlike manner;



give prompt, professional, courteous and efficient service to the public adhering to the highest standards of honesty, integrity, fair dealing, and ethical conduct; and otherwise operate Your Franchise Business in strict compliance with Our System, policies, practices and procedures contained in the Manuals or otherwise communicated to You so as to preserve, maintain and enhance the reputation and goodwill of Our System. We reserve the right to require that Your employees comply with any dress code, Mark, or other brand-related standards that We may require. You shall arrange the fixtures, signs, furniture, and décor of the Franchise Business in strict compliance with the format recommended by Us.

6.1.3 Signage. You must have the number of interior and exterior signs as required by Us and according to Our specifications. All signs to be used on, in, or in connection with Your Franchise Business must meet Our specifications and must be approved in writing by Us prior to use by You. You shall maintain all signs in good condition and undertake such repairs and or replacements at Your expense as We reasonably determine to be necessary. You understand and acknowledge that while You are required to purchase and display signage, Including signage displaying Our Marks, You do not own rights to use of the signs following Termination.

6.1.4 Training. Your Operating Principal and Your designated managers, if other than Your Operating Principal, are required to attend and successfully complete Our training program at least three weeks prior to opening Your Franchise Business. The length of training is generally 1 to 2 days but could be longer if Your Operating Principal or Your designated manager fails to successfully complete the training. Successful completion will be determined by Our trainers but may Include demonstrating knowledge of basic techniques, knowledge of policies and procedures, food preparation and assembly, daily operations, record keeping, computer system competency, Marketing, and customer service. Failure to successfully complete training is a default of this Agreement. There is no training fee for up to 3 attendees. We also allow up to one additional person to attend the initial training. The cost for additional trainees to attend the initial training is listed in Exhibit “A-3.” Each person must attend the same training session. Trainees, who do not pass training may retake the initial training for a Fee listed in Exhibit “A-3.” You must cover the travel, food, and lodging costs as well as compensation for Your attendees.

(i) Replacement Training. Any new Operating Principal must complete the initial training program prior to taking over as the Operating Principal. Your Operating Principal may train new managers unless We require training through Us if We reasonable believe such training would be in the best interest of Your franchise. The Fee for this training is listed on Exhibit “A-3.” Depending on availability and advanced written notice, this training may take place at Your location, but more likely the training will take place at or near Our headquarters or at an affiliate’s location. You must also cover the travel, food, and lodging for Your attendees or Our representatives, as applicable.

(ii) Additional In-Person Training. Depending on availability and advanced written notice, if You would like additional in-person training, We may provide this training to You. We have the right in Our sole discretion to limit additional training to a certain number of days, attendees, and/or representatives at a time. We can also require Your Operating Principal and/or other key personnel to attend additional trainings if You are in default, or if We reasonably believe such training would be in the best interest of Your Franchise Business. At Our discretion, in the event You do not pass an inspection, or We determine, in Our sole discretion, that You need additional training, You shall attend a refresher training. Our current Fee for this refresher training is listed in Exhibit “A-



3.” Our current Fee for additional training is listed in Exhibit “A-3.” For all training, You shall also bear the costs of travel, food, lodging and compensation of Your attendees or Our representatives (as applicable) in connection with training.

(iii) Non-Disclosure. All attendees at a training must sign a non-disclosure agreement acceptable to Us before attending a training.

(iv) Rescheduling Fee. You shall pay Us the rescheduling Fee listed in Exhibit “A-3” plus Our incurred costs to reschedule the training, if You cancel, postpone, or reschedule a training within 7 days of the scheduled date, or if You fail to complete certain requirements prior to a training.

6.1.5 Opening Assistance. You must provide Us a valid certificate of occupancy for the Premises before We send any representatives to provide any opening assistance. If You postpone or reschedule Your opening, or if You fail to provide a valid certificate of occupancy before the scheduled opening training, You must pay the rescheduling fee (see Exhibit “A-3”). Additional details on the opening assistance are set forth in Section 7.4 below.

6.1.6 Other Agreements. You must execute all other agreements required under this Agreement or as reasonably requested by Us from time to time and to provide Us with a copy within 15 days of execution.

6.1.7 Management. Your Franchise Business must be managed by either Your Operating Principal or a designated manager who will be required to devote their full time, attention, and best efforts to the management and operation of Your Franchise Business. Your designated manager is not required to have an equity interest with You. You must have at least one manager on site during regular business hours. You must disclose the identity of Your Operating Principal to Us, and You must immediately notify Us in writing if Your Operating Principal is no longer acting in such capacity. We must approve of Your Operating Principal and any replacement Operating Principal.

(i) Unless Your Operating Principal will act as the full-time manager of the Franchise Business, Your Operating Principal is not required to work a certain or minimum number of hours; however, Your Operating Principal must maintain sufficient inventory, supplies and products and work sufficient hours to operate Your Franchise Business or supervise Your managers and employ adequate personnel to operate Your Franchise Business at its maximum capacity and efficiency.

(ii) Although We do not require Your Operating Principal to be involved in the day-to-day, on-premises management, Your Operating Principal is required to participate in Your Franchise Business as follows: (i) be directly responsible for overseeing all accounting, reporting and bookkeeping, and all financial components of the Franchise Business; (ii) attend and complete all training and retraining courses required by Us; (iii) attend any annual or special meetings of franchisees called by Us; (iv) be directly involved with site selection, construction, and Updates, (v) be directly involved in all personnel decisions affecting the Franchise Business; and (vi) conduct frequent inspections of the Franchise Business operations to ensure the highest standards of professionalism, cleanliness and general pleasant appearance in compliance with Our approved methods.

(iii) Your Operating Principal must devote their primary attention to the

Franchise Business, and You, Your Operating Principal and Your manager(s) must keep free from any conflicting or competing enterprises or any other activities that would be detrimental to or interfere with the operation of Your Franchise Business.

6.1.8 Operational Hours. You shall operate Your Franchise Business seven days per week throughout the year and at the hours We may designate.

6.1.9 Remodel and Upgrades. You shall Update Your Franchise Business and Premises from time to time as We may reasonably direct, but not more often than every five years between required Updates (except for required changes to the Marks and equipment, which We may require at any time) to conform to the building design, color schemes and presentation of trade dress consistent with Our then-current public image. This can Include structural changes, new flooring, wall treatments, signage, new equipment, new furnishings, fixtures and décor, and such modifications to existing improvements as may be reasonably necessary, such that all Señor Pollo Mexican Grill™ locations will have a generally similar look, appearance and capabilities. You must complete all such Updates within six months of notice from Us. You shall also complete any day-to-day maintenance issues as they occur. In the event You relocate Your Premises to a new approved location, or sign a Successor Franchise Agreement, You must bring Your new Premises up to Our then-current standards.

6.1.10 Your Employees. You, Your principals, and Your employees are not Our employees. You are solely responsible for the hiring, firing, compensation, benefits, managing, and training of Your employees. Other than management training, We do not assist You in employment related decisions, or in creating any policies or terms and conditions related to the management of Your employees or their employment. We may provide You with a sample employee guide or manual, but it will only be an example of certain employment matters unless otherwise expressly provided by Us. It is Your responsibility to comply with local and federal labor and employment laws.

6.1.11 Insurance.

(i) Minimum Limit Requirements. You shall at all times during the entire term of this Agreement and at Your own expense keep in full force, by advance payment(s), the following minimum insurance policies, obtained from a company rated “A-” or better by A.M. Best & Company, Inc.

Type of Insurance	Minimum Required Amount(s)
Commercial General Liability Insurance	\$1,000,000 per occurrence and \$2,000,000 in the aggregate, whichever is greater
Property Insurance	100% of the full replacement cost against loss or damage from fire and other risks normally insured against in extended risk coverage
Commercial Automobile Insurance	At least \$100,000 per person and \$300,000 per occurrence (combined single limit for personal injury, including bodily injury or death, and property damage)
Liquor Legal Liability or “Dram Shop” Insurance (Required if You are approved to offer liquor, beer, and/or wine)	\$2,000,000 per occurrence

Government Required Insurances	You must maintain and keep in force all worker's compensation and employment insurance on Your employees that is required under all federal and state laws.
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(ii) Policy Requirements. Other than worker's compensation, these policies must insure You and Us [Senor Pollo Mexican Grill Inc. 11017 South Greenvale Ct. South Jordan, Utah 84009] and Our nominees as additional insureds, without regard to any other insurance program that We may have in effect, against any liability that may accrue by reason of or relating to Your ownership, maintenance, or operation of the Franchise Business wherever it may be located. These policies must stipulate that We will receive a 30-day written notice prior to renewal or termination, and We must receive a 30-day notice of any modifications. Original or duplicate copies of all insurance policies, certificates of insurance, or other proof of insurance acceptable to Us must be furnished to Us together with proof of payment prior to You beginning operations and within 15 days of any request which We may make from time to time.

These insurance coverage requirements are only minimums. You need to make an independent determination as to whether increased amounts or additional types of insurance are appropriate. If You fail to obtain insurance and keep the same in full force and effect, We may obtain insurance at Our discretion, and You must reimburse Us the premium costs, plus an administration Fee for Our time (see Exhibit "A-3"). We may periodically increase the amounts of coverage required and/or require different or additional coverage. If Your Premises are damaged and covered by insurance, You must use the proceeds to restore the facility to its original condition no later than 160 days from receiving the proceeds.

6.1.12 Pricing. We may, to the degree permitted by law, suggest retail prices and specify maximum and/or minimum pricing You may charge for products and services. If We impose a maximum price for any product or service, You may charge any price for the product or service up to and Including the maximum pricing We impose, but You may not charge any price in excess of the maximum pricing. If We impose minimum pricing for any product or service, You may charge any price down to and Including the minimum pricing imposed, but You may not charge any price below the minimum pricing set by Us. Unless otherwise agreed to by Us in writing, You cannot advertise or promote prices lower than, or inconsistent with, Our suggested prices outside of Your Premises. Our pricing policies are intended to benefit the System as a whole and may not maximize Your profits.

6.1.13 Computer and POS System. At Your expense, You must purchase or lease the computer and point of sale ("POS") system and other computer hardware and software systems designated by Us in strict accordance with Our specifications, and We can mandate the forms of payment that You can or must accept. If Your franchise location has a drive-thru, You must have at least two point of sale terminals. If We adopt a different computer system, POS system or other system in the future, You must adopt it at Your expense. You must maintain, repair, modify and upgrade, all such items, at Your sole expense. You must provide Us full 24-hour/7-day a week access, Including online access, and the right to "upload" or "download" information to and from all POS, computer, and other systems, and to the information and data contained in them. There is no contractual limitation on Our right to receive information through Your computer, POS or other systems or to the frequency and cost of the obligation to upgrade and maintain them. You hereby waive any claim against Us or Our affiliates for any loss, damage, liability, or expense caused by or related to failures, errors, acts,

omissions, or otherwise of any computer, POS, hardware or software system (not related to Our or an affiliate's acts or omissions).

(i) Retention of Records. You must record all sales at the time of the sale in Your computer and/or POS system, or other sales recordation system approved or designated by Us. You must have high speed broadband Internet access at the levels required in the Manuals. You must retain all POS and computer records, charge account records, sales slips, orders, return vouchers, sales tax reports and all of Your other business records and related back-up material, tax returns and financial reports for at least five years following the end of the year in which the items pertain, Including after the Termination of this Agreement.

(ii) Accounting. You must have Your own accountant handling the bookkeeping for Your franchise Business. You must use the accounting software designated by Us. You are required to follow Our accounting procedures, line items, and templates and charts of accounts as provided and updated in Our Manuals. We can require that We have independent, view-only access to Your account and books. We can require that We have independent access to Your accounting software account.

(iii) Merchant Account. At Your expense, You must participate in Our merchant account and other point of sale programs as set forth in Our Manuals. You must pay all monthly, annual, service and upgrade fees for the merchant account. Our designated provider may change at any time, and You are required to comply with any changes and pay all fees associated to be in compliance.

(iv) Data Security Standards. At Your cost and expense, You must investigate and ensure that You comply with all payment card industry ("PCI") and data security standard ("DSS") standards, regulations, and requirements; however, We reserve the right to approve of the vendor You use for compliance. You must meet the requirements of, and comply with enhancements and changes to, the PCI and DSS and maintain PCI compliance with the current version of the PCI and DSS. We reserve the right to require an audit (and to designate the auditor) to verify compliance. You must reimburse Us for all costs related to the audit if You are not in compliance. You are responsible to use all required tools, systems, and vendors to complete ongoing PCI requirements, Including quarterly external security scans and annual self-assessment questionnaires. You are solely responsible for all costs relating to PCI compliance and data security issues, Including, security threats, breaches, and malware. It is Your responsibility to alert Us, not later than 24 hours following a suspected or confirmed data security breach, so that appropriate action can be taken to protect Customer Data and to notify relevant parties. You are not permitted to collect, store, transfer, etc., any unnecessary customer information.

(v) Compliance Monitoring System. You are required to install a compliance monitoring system in Your Premises, as designated by Us. You are solely responsible for the monitoring, maintenance and upgrades to this system. Both You and We must have the right to online access to the system, but We are not required to monitor Your location for safety or compliance. You may not install any cameras in places where employees and customers have a reasonable expectation of privacy, e.g., bathrooms, changing rooms, etc. By installing the monitoring system, You and Your employees are waiving their right to privacy in non-private areas of the Premises, and You agree to include a provision in all Your employment applications and other applicable documents

requiring Your employees to sign and waive their right to privacy with respect to the use of the compliance monitoring system in non-private areas of the Premises. You agree to indemnify and hold Us harmless from and against any claim related to Your compliance monitoring system.

6.1.14 Conferences and Seminars. At Our discretion, We may hold conferences or seminars on a regional or national basis for all franchisees in good standing. The conferences and seminars may be held at various locations chosen by Us. If held, You may be required to attend, and You must pay all travel, lodging, food, and other expenses for each of Your attendees.

6.1.15 Required Software. You must use and pay for all software (Including a customer relation management “CRM”) as required by Us, which may be changed from time to time. You must input all required information into Our designated software as set forth in Manuals. You must follow all laws and regulations in storing Customer Data and in submitting information to Us.

6.2 Quality Control.

6.2.1 Correction of Defects. You shall immediately correct defects, deficiencies or unsatisfactory conditions in the appearance or conduct of Your Franchise Business. You shall establish and maintain an image and reputation for Your Franchise Business consistent with the standards set forth in this Agreement, in the Manuals, or as otherwise specified by Us.

6.2.2 System Compliance. You shall strictly follow Our System, the Manuals, Recipes, and other directives promulgated or provided by Us from time to time.

(i) Email Address. You must at all times use and maintain the email address provided by Us or approved by Us for use in relation to Your Franchise Business, frequently checked by You to facilitate Our communications, and that You must use as the sole email for all Franchise Business-related communications and accounts. If We provide You with an email account/address, We have the right to access Your email account at any time and without notice to You, and You understand and acknowledge that You have no expectation of privacy in the assigned email accounts.

(ii) Incentive Programs. If We adopt a loyalty, coupon, gift card/certificate, free giveaways, fundraising programs, membership or subscription model, or other discount or incentive program, You are required to implement and honor such programs in Your Franchise Business. You are not allowed to implement any sort of coupon, loyalty, membership, subscription model, gift card program, etc., without Our prior written permission. The method of sales and pooling and reconciling the funds for all such programs will be determined by Us at Our sole discretion as set forth in the Manuals.

(iii) Modifications. We have the right to modify, delete, add to and otherwise make systematic and other changes to the System, Intellectual Property, Manuals, operations, etc. We may issue new specifications and standards for any aspect of Our System, or modify existing specifications and standards, at any time by revising Our Manuals and/or issuing new written directives (which may be communicated to You by any method We choose). You must accept, comply with, use, and implement any and all such changes to the System or operations. The modifications may obligate You to invest additional capital in Your Franchise Business and to incur

higher operating costs. You must incorporate all such modifications within the time that We specify. Other than modifications due to health or governmental mandates or guidelines, or public concerns, We will not obligate You to invest additional capital at a time when the investment cannot in Our reasonable judgment be amortized during the remaining term of this Agreement. You are prohibited from making modifications to the System or Your Franchise Business without Our prior written approval.

(iv) Inspections and Visits. We may conduct periodic evaluations, inspections, and audits of any or all aspects of Your Franchise Business at reasonable intervals by Our duly authorized representative for compliance with the System, reporting, customer service and the standards and procedures set forth in the Manuals. These inspections may be conducted in person or through remote access such as video or live video conferencing. Our inspections may Include Your Premises, business records, bank accounts, Venmo or similar accounts, operating procedures, reports, computer drives, electronic storage devices, POS system, account records, tax records, etc., related to the Franchise Business. We also have the right to speak with and interact with Your employees and customers, and to remove samples of products, supplies and materials. Immediately upon Our request, You must provide to Us video and/or images of the interior and exterior of Your Premises, and any specific pieces of equipment or other areas of the Premises and business vehicles as may be more fully set forth in the Manuals.

(v) Online Ordering and Delivery. You must participate in any online ordering program for takeout or delivery, whether provided by Us or one or more third parties designated by Us. You will not participate in any third party delivery platform unless approved by Us. You must use all required software or other equipment required by Us or any such third party necessary to provide the services as designated and as may be updated, supplemented or changed. You shall also provide Us with any login information necessary to access any third-party delivery provider accounts, and You agree that We will have unrestricted access to review the information in such accounts at any time. Any such software or equipment must be purchased by You at Your cost. You understand and acknowledge that any third party providers may also charge fees or commissions for their services, and You shall pay all such costs or fees.

6.2.3 Interim Management. If We give You notice of default and You fail to cure (or as set forth in Section 14.10), We have the right at Our sole discretion (but not the obligation) to step in to manage Your Franchise Business for up to six months, as We deem advisable for a Fee. See Exhibit “A-3.” You must also pay all travel, lodging, food and other expenses for Our representative(s) and other expenses that may be incurred by Us to perform such services, plus royalties, advertising fees and other applicable fees.

(i) Operations, Access to Information and Operating Account. During the Interim Management Period, You hereby grant Us authority to assist You in managing any or all aspects of Your Franchise Business. We will work directly with Your Operating Principal and Your manager, and We may require additional training for Your Operating Principal, Your manager, employees, and other contracted personnel. You shall cooperate to provide Us with all pertinent information regarding Your Franchise Business and access to the applicable operating accounts to enable Us to efficiently assist with management operations. All accounts must remain in Your name during the Interim Management Period, but You shall add Us or Our representative as a co-signer on certain accounts. You shall cooperate with Us in communicating with all vendors and suppliers related

to Our interim management. You hereby grant Us permission to speak directly with Your landlord, suppliers, banks, IRS, state agencies, creditors, etc., regarding Your Franchise Business, and You shall cooperate with Us to facilitate such communication. We may require You to establish a new bank account for Your Franchise Business during the Interim Management Period into which all operating income will be deposited. You and We (at Our option) will have authority over this account, and You or We will make payments on Your accounts payable as cash is available, but only with Your prior authorization and direction when possible. You are ultimately responsible for all operating costs both before and during the Interim Management Period. You shall provide Us with a list of all accounts payable with direction on which accounts are to be paid, but with the understanding that all taxing authorities will be paid first. Any excess funds in the Operating Account or any new account after all applicable costs and Fees have been paid and after an additional amount has been set aside sufficient for the Franchise Business to fulfill its business purposes as determined by Us, will be transferred to You monthly. We may provide monthly internal profit and loss statements to You. We have no obligation to infuse capital into Your Franchise Business, but if We do, such amounts will be treated as a loan, which must be repaid within an agreed upon time and bear market interest as agreed. We have the right to direct Your employees and contract personnel during the Interim Management Period. Both You and We agree that in no way does Our interim management create a relationship of trustee, beneficiary or any type of fiduciary relationship over or in relationship to Your Franchise Business.

(ii) Your Obligation to Cure. During the Interim Management Period, You are obligated to cure all applicable defaults within the applicable cure periods as set forth in this Agreement. We have the right to terminate this Agreement during the Interim Management Period for defaults not cured within the applicable cure periods.

6.3 Personal Guarantees. If Your Franchise Business is owned by a business entity, each individual owner, partner, shareholder, and member, respectively, who owns 25% or greater interest, (and their spouse or domestic legal partner), must each personally sign an agreement not to compete and must personally guarantee the performance of all Your obligations under this Agreement and agree to be personally bound by, and liable for, the breach of every provision of this Agreement See Exhibit “A-8” Guaranty and Assumption of Obligations.

6.4 Standards and Control. Any required standards exist to protect Our interest in the System and the Marks and not for the purpose of establishing control or duty to take control over those matters that are reserved to You.

6.5 Required Notices. You shall provide Us with prompt notice (within five business days of receipt) of any default with regards to late payment of any taxes, government fines, payments owing to any vendors, landlords, or amounts owing to employees or contractors.

6.6 Non-Contravention; Non-Disparagement. You shall not undertake any action or inaction to circumvent, contravene, or undermine the purposes of this Agreement. Additionally, during and after the term of this Agreement, You shall not in any way, form, or medium, disparage Us, the System, the brand, or Our officers, owners, partners, directors, members, managers, representatives, agents or employees.

6.7 Minimum Performance Standards. At all times during the term of this Agreement, You must maintain the minimum performance standards (“Minimum Performance Standards”) set forth in

this section and Section 6.2. Failure to maintain these standards will result in termination of this Agreement or We may elect to assist You in the management of Your Franchise Business as set forth in Section 7.6 below.

(i) You must, at all times, maintain a balance in Your Operating Account of \$25,000 or more even after royalties are paid; provided that in any three-day period the Operating Account may have less than \$25,000 for a period of not more than one day.

(ii) You must keep Your rent current at all times, within the time frame specified in Your Lease. You must provide Us with ongoing evidence of rent payments within 5 days of the due date.

(iii) You must timely pay all withholdings and FICA taxes and state sales taxes. You must provide Us with evidence of such payments by sending Us a copy of the quarterly (or monthly) tax return.

(iv) You must timely pay all designated suppliers as set forth in the Manuals.

(v) After the first 24 months of operations of Your Franchise Business, You must generate a minimum annual gross sales of \$720,000 from the operations of Your Franchise Business (see Paragraph 1.1.3 and Exhibit “A-3”).

6.8 Non-Delegation. You may not outsource to a third party, any part of Your obligations to Us or services to customers, Including to another franchisee, without Our prior written approval.

ARTICLE VII FRANCHISOR’S OPERATIONAL ASSISTANCE

7.1 Layout and Design. We shall provide You with general specifications for the Premises layout, signs, equipment and interior décor.

7.2 Suppliers and Products. We shall provide You with a list of specifications for approved products and a list of approved suppliers. We reserve the right to add to or discontinue working with any of Our suppliers.

7.3 Operations Assistance. We shall furnish You with guidance relating to the general operation of Your Franchise Business, and upon Your reasonable request, make Ourselves available to consult with You by telephone, email, video conference, teleconferences, or website posting during regular business hours during the continuing operation of Your Franchise Business. Other than initial training and the opening assistance, We are not required to provide additional training to You. If You feel additional training is necessary (such as management training), We will provide such training to You based on advance notice, availability of personnel, and Your payment of a per day, per person Fee. See Exhibit “A-3.” You shall be responsible to cover the cost of travel, food, wages, lodging and other costs incurred by Your trainees or Our representatives, as applicable.

7.4 Initial Training. We shall train Your Operating Principal and other attendees in the various practices, policies and procedures of operation of Your Franchise Business. This training will



take place in Taylorsville, Utah or as designated by Us. The training program is described in Paragraph 6.1.4.

7.4.1 Opening Assistance. We will provide You with one of Our representatives, who will provide You with up to five days of opening assistance. We shall determine in our sole discretion the number of days you will need for opening assistance. You must cover the cost of travel food and lodging for Our representative. If You reschedule the opening assistance, You will be responsible to cover Our cost to reschedule the opening assistance.

7.5 Additional Guidance. Additional guidance, at Our sole discretion, will be furnished in the form of written Manuals, videos, audio recordings, bulletins or other written materials, telephone consultations and/or consultations at Our offices or at Your Franchise Business. We have the right to communicate directly with Your Operating Principal, designated managers, and assistant managers concerning operational matters that We reasonably believe may affect Our goodwill, Marks, or the System.

7.6 Website Maintenance. We shall maintain a website for the Señor Pollo Mexican Grill™ brand that will include Your business information and telephone number for Your location.

ARTICLE VIII PURCHASE OF PRODUCTS AND EQUIPMENT

8.1 Approved Products and Services; Suppliers. You shall purchase, use, provide, and sell only those goods and services that meet Our specifications and/or that are purchased from Our approved suppliers. You shall timely pay all suppliers, Including Us and Our affiliates for purchased goods and services. The prices, delivery terms, terms of payment, and other terms relating to the sale of such goods and services are subject to change by the supplier (Including Us and affiliates) without prior notice at any time. Items purchased from Us or an affiliate requires immediate payment to Us and are non-refundable. In no event will We or an affiliate be liable to You for unavailability of or delay in shipment or receipt of merchandise due to temporary product shortages or unavailability, order backlogs, production difficulties, delays in or unavailability of transportation, fire, strikes, work stoppages, or other such causes. A list of approved goods, services, and suppliers may be set forth in Our Manuals, which list We may update from time to time. No product or service may be added to, altered, or discontinued by Your Franchise Business unless it is first approved by Us in writing. Any additional goods or services that are unique to Your area requires written approval from Us before such goods and/or services are offered. For the purpose of this Article, “goods” means any product, good, inventory, supply item, equipment, tool, item, etc.

8.1.1 Delivery and Installation. For delivery and installation, You are required to work directly with the manufacturer or supplier of these items. We do not assist in delivery or installation of any required or approved purchases.

8.2 Supplier Compensation. We or Our affiliate may derive revenue through mark-ups in prices from the sale of required goods and services You purchase from Us or an affiliate. We or an affiliate may also receive compensation or discounts from a third-party supplier of Your purchase of goods and services from the supplier. No compensation is due to You for compensation or discounts We receive from You or suppliers.



8.3 Unapproved Suppliers. If You desire to purchase any goods or services from an unapproved supplier, You must submit to Us a written request for such approval or request the supplier itself to do so. We may require You to submit samples, Including ingredient lists and other data to permit Us to ascertain whether any such supplier meets Our specifications. We will notify You in writing and within 30 days of completing Our evaluation as to whether that supplier has been approved. A supplier who is able to meet Our specifications may, as determined in Our sole discretion, become an approved supplier. We may make changes in the standards and specifications for approved suppliers. At Our discretion, We may revoke Our approval of an approved supplier upon 30 days' prior written notice.

8.4 Equipment. You shall maintain all inventory, vehicles, and equipment of Your Franchise Business in good working order.

8.5 Vehicles or Trailer. At this time, We do not require You to purchase a company vehicle or trailer with a vehicle or trailer wrap but we reserve the right to do so in the future. If required, You must purchase or lease at least one vehicle(s) and or trailer for the operation of Your Franchise Business. Your vehicle and or trailer, which must be a flatbed truck unless otherwise approved by Us, must be maintained in good condition and repair with no external damage or unreasonable wear and tear, must not be more than 10 years old, must accommodate all the necessary equipment, must be kept clean and well-maintained at all times, and must be approved by Us. You are solely responsible to provide the required licenses, insurance, maintenance, and upkeep for all vehicles.

8.5.1 Vehicle or Trailer Wrap. If required, You shall wrap Your vehicle or Trailer with a high-quality wrap advertising Your Franchise Business as directed by Us. You shall keep Your vehicle wrap in good condition, free from unsightly or unprofessional wear and tear. Each vehicle used in the operation of Your Franchise Business must be wrapped no later than 30 days after signing this Agreement and must display the approved colors, logos and signage.

8.6 Warranties; Support. You must look to the respective manufacturers or suppliers for issues related to warranties, defective products, training, and support for any third-party goods purchased for Your Franchise Business. We will replace defective items purchased directly from Us pursuant to Our standard limited warranty, if any.

ARTICLE IX MANUALS

9.1 Manuals. We shall loan You a copy or provide electronic access to Our Manuals. Our Manuals may consist of a series of online videos, webpages, online drives, or other forms designated by Us. You may not copy any part of the Manuals either physically or electronically. The Manuals are confidential and remain Our property. The Manuals may be used by You only in association with Your Franchise Business and only during the term of this Agreement. We have the right to revise the Manuals at Our sole discretion. You must promptly and continuously comply, at Your expense, with all provisions of, and modifications to the Manuals. The master or most updated copy of the Manuals maintained by Us will be controlling in the event of a dispute relative to the contents of the Manuals. If You require replacement of the Manual We provided to You, there will be a Fee payable to Us. (See Exhibit "A-3".)



9.2 Standards and Procedures. We may establish performance procedures, standards and specifications, Recipes, for products, services and Marketing (“Standards”) for the operation of Your Franchise Business. We may change these Standards at Our discretion, and You must strictly follow and implement all such Standards within the periods required by Us.

ARTICLE X MARKETING

10.1 Brand Development Fund. You shall contribute to Our national Marketing and brand development fund “Brand Development Fund” for Marketing activities as We, in Our sole discretion, may deem necessary or appropriate to Market the System and may Include the development of point-of-sale items such as t-shirts, hats, posters, and other items. The Fees for the Marketing Fund are listed in Exhibit “A-3.” We can terminate or postpone the Brand Development Fund at any time. Upon termination of the Brand Development Fund, the unused funds will either be returned to those that contributed the funds, or We will cease to collect new funds while We spend the remainder of funds within the Brand Development Fund.

10.1.1 Brand Development Fund Administration. We will direct all such programs, with sole discretion over: 1) the creative concepts, materials, endorsements and media used in connection with such programs; 2) the source of the Marketing or public relation efforts; 3) the placement, timing, and allocation of such programs; and 4) the composition of all geographic territories and market areas for the development and implementation of such programs. The Brand Development Fund can be operated through an entity separate from Us that has all of Our rights and duties relating to the Brand Development Fund. We are not liable for any act or omission with respect to the Brand Development Fund or otherwise that is consistent with this Agreement, or which is done in subjective good faith. The Brand Development Fund may be used, in Our reasonable discretion, to reimburse Us for costs related to the administration of the Brand Development Fund and Marketing efforts intended to benefit the System. We have the right to loan money to the Brand Development Fund to cover any deficits. The Brand Development Fund is not in the nature of a trust, fiduciary relationship or similar special arrangement, and We disclaim any such relationship.

10.1.2 Use of Brand Development Fund Fees. We may use the Brand Development Fund to offset a portion of direct costs to manage and maintain the Brand Development Fund, Including the payment of staff salaries and other expenses for those groups who may be involved in the Brand Development Fund activities. We may receive payment for providing goods or services to the Brand Development Fund. We reserve the right to use fees from the Brand Development Fund to place Marketing in national or regional media. We are not required to spend any amount on Marketing directly in Your area or Territory, and We do not have any obligation to ensure that expenditures are or will be used equally in each region or that they will be equivalent to contributions to the fund by other franchisees operating in any geographic area. We make no representations that Marketing expenditures will benefit You or any other franchisee directly, on a pro-rata basis, proportionally, or at all. Any unused Brand Development funds in any calendar year will be applied to the following year’s fund. You may request (in writing) an unaudited annual report of Marketing expenditures within 90 days of the end of each year.

10.2 Marketing Cooperative. You are not required to participate in a local or regional advertising cooperative.

10.3 Local Marketing Requirement. At this time You are not required to Market locally. However, if We institute a local Marketing requirement, You shall participate. In addition, and upon request, if required to engage in local Marketing, You must submit an itemized report to Us documenting proof of expenditures for local Marketing in a form We may require.

10.4 Sample Marketing and Promotional Materials. We may provide You samples of Marketing materials developed by Us from time to time. Additional copies will be made available at cost, plus 10%, plus shipping and handling.

10.5 Your Obligations to Market. Neither We nor You are restricted from Marketing in the Territory. You are not permitted to Market or sell to customers in another franchisee's territory or in a territory of a company owned location. Nonetheless, You may market and sell products and services outside of Your Territory if such territory has not been granted to another franchisee.

10.5.1 Approval of Marketing. You may develop Marketing and promotional materials and digital Marketing programs for Your use at Your cost, but You must submit to Us, prior to publication, copies of all Marketing materials, proposed to be used by You, Including any use of the Internet, or other digital, electronic or Social Media along with a description of how it will be used, by what media published, and such other information as may be reasonably requested by Us. All such materials must be approved by Us in advance and in writing in accordance with Our Manuals. Submitted Marketing materials will be deemed unapproved if You do not receive Our written approval or disapproval within two weeks days of the date We receive the submission. We have the right to disapprove previously approved Marketing materials at any time.

10.5.2 Marketing Compliance. All Your Marketing and promotional activities must be done in strict compliance with Our Manuals and in good taste and must reflect favorably upon the brand and System. You shall participate in all Marketing, email, and other programs as developed by Us, Including the collection of Customer Data and participation in using and promoting apps, as developed by Us.

10.6 Internet and Social Media. You must strictly comply with Our policies and procedures regarding websites, Social Media sites, and Internet Marketing. We reserve the right to restrict Your use of these mediums in the future.

10.6.1 Use of the Internet. You may not create a website for Your Franchise Business or use or obtain a domain name consisting of all or any part of the Marks, or that would be confusingly similar to all or any part of the Marks without Our prior written permission. However, You may be allowed to place pre-approved information concerning Your Franchise Business on Our website, as developed by Us. Additionally, You cannot Market on the Internet, Including posting for resale, items on third party resale or auction-style websites such as eBay, Craigslist, or Amazon without Our prior written permission. We have the right (but not the obligation) to manage and control all online reviews for Your Franchise Business. You may not claim any web listing on sites such as Yelp.

10.6.2 Social Media. We will own and control all Social Media related to the brand,



but We may allow You to manage certain aspects of Social Media related to Your Franchise Business. In all cases, We will have administrative access, and access to account information, and any other information related to Your Social Media activities related to the Señor Pollo Mexican Grill™ brand. You cannot change any login/password information without Our prior written approval, and You must supply Us with all changed/updated login/password information. We have the right to remove or alter or require You to remove or alter any content We deem inappropriate or inconsistent with the Señor Pollo Mexican Grill™ brand. Additionally, You must sign the Digital and Social Media Authorization for Assignment attached as Exhibit “A-9.”

ARTICLE XI BREACH AND TERMINATION

11.1 Default and Termination. We may terminate this Agreement before the expiration of its term if You breach this Agreement and fail to cure, if curable. If curable, You must cure a default within the times set forth below after receiving notice of default. If the default is one which is incapable of cure, Termination is effective as of the date of the notice of default.

No Cure Period:

A. Insolvency. You become insolvent or commit an act of bankruptcy or make a general assignment for the benefit of creditors or to an agent authorized to liquidate Your property or assets, or become or are adjudicated bankrupt, or voluntarily file a petition in bankruptcy or for reorganization.

B. Repeated Breaches. You repeatedly breach (defined as three or more times during the term of this Agreement) the same or different conditions of this Agreement or the Manuals.

C. Unauthorized Use. You duplicate the System or use Our Confidential Information or Intellectual Property other than in connection with the operation of Your Franchise Business.

D. Misrepresentations. You make any material misrepresentations relating to the acquisition of the Franchise Business, or Your misrepresentation to customers, Including deception relating to the source, nature, or quality of goods sold or services provided.

E. Abandonment. You abandon Your Franchise Business or You state or clearly demonstrate any intent not to operate the Franchise Business.

F. Unauthorized Transfer. You Transfer or attempt to Transfer all or any part of this Agreement, Your Franchise Business, or any material portion of the property associated with Your Franchise Business, or an unapproved percentage of Your franchise entity, or You sublicense or attempt to sublicense to another any of the rights licensed to You hereunder, or You otherwise fail, refuse or neglect to obtain Our prior written consent or approval required hereunder.

G. False Reporting. You knowingly or intentionally conceal revenues, maintain false books or records, (Including purposely uploading or storing incorrect or incomplete information on a designated platform) or submit any false report or payment or otherwise defraud Us.

H. Crimes and Adverse Behavior. You commit or are convicted of or plead guilty or no contest to, or enter into a plea in abeyance, stipulated order of continuance, or related agreement, to a felony, a crime involving moral turpitude, or You engage in any conduct or behavior that We believe is reasonably likely to have an adverse effect on the System, the Marks, the goodwill associated therewith, or Our interest therein; or You make disparaging remarks against Us, Our management, employees, the System, or Our brand to Our other franchisees or in a public forum, Including radio, television, newspapers, the Internet, or Social Media.

I. Unauthorized Competition. You fail to comply with the covenant not to compete during the term of this Agreement or intentionally or recklessly disclose or use Our Confidential Information or Intellectual Property in violation of this Agreement.

J. Termination of Lease Agreement. Your Lease for the Premises is terminated.

K. Illegal Drug Use/Intoxication on the Job. You or Your officers, directors, members, managers or principals use illegal drugs or abuse prescription medication or refuse to submit to a drug test. Additionally, You go to a job or provide services while intoxicated whether by use of alcohol, illegal or legal drugs.

L. Failure to Obtain Financing. You fail to qualify for or fail to receive the necessary financing to open and operate Your Franchise Business.

M. Unauthorized Modification. You modify in any degree by adding to or taking from or changing the contents, amounts, or flavor of any Recipe or other food item as well as using any substitute ingredients or procedures in violation of the Manuals or this Agreement.

N. Termination of Another Agreement. Another agreement between Us or an affiliate of Ours and You or with an affiliate of Yours is terminated due to Your failure to cure any breach after notice, or for Your incurable breach of such agreement.

24-Hour Cure Period:

O. Public Safety. Your maintenance or operation of Your Franchise Business results in a threat or danger to public health or safety, You fail to cure a health code or safety violation within 24 hours of an inspection by Us or the applicable governmental agency.

5-Day Cure Period:

P. Unauthorized Closure or Relocation. Your Franchise Business is closed for a period of three or more consecutive business days or not open for the business hours as required under this Agreement for three or more business days in any 30-day period without Our prior written approval, which consent will not be unreasonably withheld or delayed, or You move the location of Your Franchise Business Premises without Our prior written approval.

Q. Failure to Use or Provide Access to a Designated Account. You refuse to use, or to enable, or to allow Us access to Your account for a designated platform or software, Social Media account, or branded email account.

15-Day Cure Period:

R. Failure to Pay. You fail to pay any Fee or an amount due to Us, any of Our affiliates, or other designated, approved or other suppliers or assigns, within the time specified for such payments by this Agreement, the Manuals or an agreement specifying the payment concerned.

S. Failure to Accurately Report. You fail to accurately report or fail to submit any reports or records required under this Agreement or the Manuals.

T. Default Notice of Lease Agreement. You receive a notice of default under Your Lease.

U. Act in Contravention. You perform or undertake any action to undermine or circumvent this Agreement, the System, or Us.

30-Day Cure Period:

V. Other Breaches. Except as otherwise provided herein, You fail to comply with any other provision of this Agreement or the Manuals.

11.1.1 Adequate Assurance. When reasonable grounds for insecurity arise with respect to the performance of Your obligations under this Agreement, We may demand adequate assurance of due performance, and, until We receive such assurance, We may reasonably suspend any performance of Our obligations. Failure to provide Us with adequate assurances within 30 days, when properly demanded, will be considered a default of this Agreement for which no additional cure period will be granted.

11.2 Event of Default. In the event of any default by You, We will give You written notice of default specifying the default(s) and, if curable, state what You must do to cure the specific default(s) within the cure period. Notwithstanding anything to the contrary herein, We have the right, to be exercised in Our sole discretion, to grant You an extended period of time to cure. Any such extension will not be construed as a waiver of Our rights in the future.

11.3 Failure to Cure. If You fail to cure any default within the time allotted, We may proceed to enforce any or all of the following non-exclusive remedies in accordance with this Agreement, and the pursuit of any one remedy will not be deemed an election or waiver by Us to pursue additional remedies:

11.3.1 Actionable Claim. Bring an action or claim for the balance of any monies due hereunder, Including penalties and interest as provided for in this Agreement and for all other damages sustained by Us as a result of Your breach of this Agreement. As part of any such action, We may accelerate and bring an action for the balance of any outstanding installment obligation due hereunder.

11.3.2 Injunctive Relief. Bring an action for temporary or permanent injunctions and orders of specific performance enforcing the provisions of this Agreement and otherwise stop You from engaging in actions prohibited hereby.

11.3.3 Termination. Terminate this Agreement and proceed to enforce Our rights under the appropriate provisions. Such Termination will be effective upon delivery of a notice of Termination to You without further action by Us.

11.3.4 Other Remedies. Seek any other remedy available to Us at law or in equity, Including lost profits.

11.4 No Right of Termination. You may not terminate this Agreement; however, some states may allow You to terminate as permitted by state law.

11.5 Opportunity to Cure. Prior to taking any action against Us, You must first give Us 60 days' prior written notice and an opportunity to cure any alleged act or omission. If such act or omission cannot be cured within such 60-day period, and We are diligently continuing efforts to attempt to cure such alleged act or omission, You must give Us such additional time as is reasonably necessary to cure.

ARTICLE XII TERMINATION AND EXPIRATION

12.1 Upon Termination of this Agreement for any reason, You immediately cease to be Our franchisee. To be compliant with Your Termination obligations, You shall sign a termination agreement in a form provided and acceptable by Us and You and must:

12.1.1 Payments Due. Immediately pay for all product purchases, Fees, and other obligations owed or accrued to Us, Our affiliates or designated suppliers.

12.1.2 Cease Use. Not hold Yourself out as a Señor Pollo Mexican Grill™ franchisee or business and immediately and permanently cease to Market or in any way use Our Intellectual Property or Confidential Information, provided by or licensed to You by Us or in any way connected with the Franchise Business or System.

12.1.3 Trade Secret and Confidential Information and Products. Except as provided below in Paragraph 12.1.7, within five days, You must demonstrate with video proof sent to Us that You have permanently destroyed all information and/or products that We deem trade secret or confidential, or in the alternative, provide proof to Us that You have sold such products or information to Us or another System franchisee.

12.1.4 Disassociation. Within 5 days of Termination, take all necessary steps to disassociate Yourself from the System and Your Franchise Business, Including the removal of signs, destruction or removal of letterheads, Marketing material, the change of Your Franchise Business telephone listings, telephone numbers, email addresses, URLs, Internet websites, and any other property that bears Our brand or is affiliated with Our brand. All such property and listings, excluding Your operating assets and inventory that are associated with and considered part of Our brand, Intellectual Property, and System revert back to Us upon termination of this Agreement. If any of Your Operating Assets and inventory bear Our brand and Marks to Our System, You must take the steps necessary to dissociate it all from Our brand, Marks, and Intellectual Property. You shall assist Us to assign, transfer, or disconnect (at Our option) the telephone listing, telephone numbers, Marketing



accounts, email addresses, URL's, Internet sites, web pages, and Social Media to Us. If You fail or refuse to do so, the telephone company, URL and hosting companies, and other listing agencies may accept this Agreement as evidence of Our exclusive rights in and to such telephone number(s), Internet websites, URL's, email accounts, and Social Media and listing and its authority to direct their transfer. You hereby appoint Us as Your attorney-in-fact for the above transfers, which appointment is coupled with an interest. You must not identify any present or future business owned or operated by You as having been in any way associated with Us or the System.

12.1.5 Cancel DBA. Within 10 days of Termination, take such action as will be necessary to amend or cancel any assumed name, fictitious or business name or equivalent registration, which contains any Mark of Ours or in any way identifies You as being affiliated with Our System.

12.1.6 Notify Suppliers; Communication with Customers. Immediately notify all suppliers, utilities, creditors and concerned others that You are no longer affiliated with Us or the System and provide proof to Us of such notification. All communications with customers and clients of the Franchise Business must be pre-approved by Us, and We can require that all such communication be handled by or through Us. We also have the right to communicate directly with all customers and clients of the Franchise Business.

12.1.7 Return Materials. At Your cost, permanently delete electronic copies and return to Us by first class prepaid United States Mail (Including originals and any copies), physical copies of Our Manuals, all training materials, Marketing materials, and all other printed and electronic materials and any other Confidential Information obtained by You from Us pertaining to the operation of Your Franchise Business.

12.1.8 Modification of Premises. You must remove all signage within 48 hours of Termination and keep such signage in good condition and in storage until We determine if We will exercise Our right to purchase any Operating Asset, Including signage. Any signs containing any of Our marks that You are unable to remove from the Premises despite Your best efforts shall be completely covered by Franchisee from view within 48 hours and fully removed within five days of Termination. If We do not exercise Our right to purchase Your Operating Assets or assume Your Lease upon Termination, then You shall alter, modify and change both the exterior and interior appearance of the Premises to Our satisfaction, so that it will be easily distinguished from a Señor Pollo Mexican Grill™ business and shall cease using the signs, décor, displays, advertisements, promotional materials and the like that are unique or distinctive to the System.

12.1.9 Modification of Service Vehicles. If We do not exercise Our right to purchase Your Operating Assets, then You must remove all vehicle wraps and make modifications to Our satisfaction, so that such service vehicles will be easily distinguished from the standard or common appearance of a Señor Pollo Mexican Grill™ service vehicle.

12.1.10 Customer Data. To the extent We do not have access, You shall provide Us with (and then permanently destroy) the Customer Data for all current, prior, and expectant customers of the Franchise Business.

12.1.11 Evidence of Compliance. Otherwise furnish evidence satisfactory to Us or in the manner required by Us of Your full compliance with this Section 12.1 within 30 calendar days after the Termination of this Agreement or on the timeline We may provide at Termination.

12.1.12 Financial Inspections. You must provide Us with access to all Your financials, books, and other accounting records for 12 months following the date of Termination.

12.1.13 Pay Damages and Costs. Pay to Us all costs, damages and expenses, Including post-term expenses and reasonable attorney's fees incurred by Us to enforce the provisions of this Agreement, Including to obtain injunctive or other relief to enforce any provision of this Agreement. In the event You fail to comply with this Section 12.1, You will be charged \$250 per day for non-compliance and at Your expense, We may hire a third-party or use Our own personnel to carry out Your obligations on Your behalf. (See Exhibit "A-3").

12.2 Upon Termination of this Agreement, for any reason:

12.2.1 No Compensation. No payment is due to You from Us or any source on account of any goodwill, intangible assets or other equity claimed by You arising from or relating to Your operation or ownership of Your Franchise Business, or otherwise. All goodwill connected in any way with Your Franchise Business or the System belongs now and, in the future, exclusively to Us.

12.2.2 No Refund. No Fees, charges, or other payments of any kind from You to Us are refundable in whole or in part.

12.2.3 No Equity. You will have no equity or other continuing rights to use the System, Confidential Information, Intellectual Property, or goodwill of the Franchise Business.

12.3 Survival of Provisions. All of the provisions of this Agreement, which by implication apply following the Termination of this Agreement are enforceable following Termination of this Agreement, Including Your obligation to indemnify Us and pay all amounts owed and Your obligations to dissociate from Our brand. You shall also still be bound to the confidentiality, brand protection, indemnification, non-disparagement, non-competition, non-solicitation, arbitration and dispute resolution, choice of forum and law selections clauses and other restrictions of this Agreement that have terms or duties owing after Termination of this Agreement.

12.4 Make Premises Available to Us. In addition to those obligations set forth above, upon Termination, You must make the Premises and computer systems accessible and available for Us to examine and verify Your compliance with Your post-termination obligations, and/or to operate a New Business at the Premises (see Paragraph 13.1.1(i) below) if We, in Our sole discretion, choose to do so.

12.5 Liquidated Damages. If this Agreement is Terminated, other than for non-renewal or mutual termination, in addition to other remedies available under this Agreement, We will be entitled to liquidated damages, not as a penalty, and solely to compensate Us for lost future royalties. You and We recognize the difficulty of calculating damages caused by lost future royalties but nevertheless recognize and agree that such damages could arise, and You and We hereby agree to the following formula as a compromise on the calculation of such damages. Liquidated damages will be equal to the

average royalty payment from the previous 12 months multiplied by the lesser of 24 months or the remaining term of this Agreement. You and We agree that such amount will be reduced to the present value of such payments as of the date of termination utilizing an interest rate of 5% compounded annually. This amount is payable within 10 days of Termination.

12.5.1 Fee for Non-Compliance; Payment of Our Costs in Securing Compliance. In addition to any other remedy We may have under this Agreement and under law, in the event You fail to comply promptly with any of Your post-termination obligations: (a) You agree to pay Us a Fee for each day that You are in default, as a reasonable estimate of the damages suffered by Us; and (b) to prevent further injury, We may hire a third-party or use Our own personnel to de-identify Your Premises and/or to carry out any other post-termination obligations on Your behalf, for which costs you will be responsible. These costs will include any attorneys' fees and costs incurred and associated with enforcing Your post-termination obligations. We have the right to automatically debit by EFT or other electronic withdrawal means, Your bank account for these payments. This post-termination Fee obligation will not affect Our right to obtain appropriate injunctive relief and other remedies to enforce this Article XII, Our trademark rights, or the covenants to not compete. In the event You fail to modify Your Premises, You will be charged \$250 per day and We may hire a third-party or use Our own personnel to de-identify Your unit and/or to carry out any other obligations on Your behalf.

12.5.2 Additional Non-Compliance Costs. In addition to the daily post-termination non-compliance Fee, You will pay to Us: (a) the amount of expenses reasonably incurred by Us to perform any obligation that You failed to perform, calculated on hourly rates of Our personnel, and time, travel, lodging, food and other expenses where applicable; and (b) all damages, costs and expenses, Including attorneys' fees and costs incurred by Us in obtaining injunctive or other relief. Upon Your Termination, We have the right to transfer from Your account by EFT or other electronic withdrawal means, a payment of \$10,000 in respect and anticipation of the post-termination non-compliance Fees and expenses referred to in Section 12.6. Upon completion of de-identification of the Premises to Our reasonable satisfaction and payment of the expenses provided in Section 12.6, We will refund to You any unused portion of the \$10,000 remaining. If the \$10,000 is insufficient to satisfy Your monetary obligations to Us, You will pay the balance owing within 30 days of Our invoice to You.

12.6 Additional Equitable Remedies. The amounts contemplated under Section 12.5 do not represent a price for the privilege of not performing nor does the payment represent an alternative manner of performance. Accordingly, as a purely liquidated damages provision, Section 12.5 does not preclude and is not inconsistent with a court granting Us specific performance, other damages set forth herein, or any other equitable remedies, such as an injunction, to prevent future breaches.

12.7 Cumulative Rights. Our rights provided above are cumulative and in addition to any other right or remedy available at law or in equity.

ARTICLE XIII PURCHASE OPTION

13.1 Purchase Option. Upon Termination of this Agreement, You hereby grant to Us the right to:

13.1.1 Acquisition of Assets. Acquire, in Our sole discretion, all or any part of Your Operating Assets at the then-existing fair market value of such item or items as of the date of Termination of this Agreement. You hereby grant Us permission to speak directly with Your landlord and other creditors, Including suppliers, banks, the IRS and state agencies (and You will cooperate with Us to facilitate such communication), regarding any loans and/or liens or obligations that would encumber Your Operating Assets. If the fair market value is not agreed to between us, the fair market value will be established by an independent appraisal. The appraisal will be done at Our expense by an appraiser selected by Us. No goodwill will be considered associated with Your Franchise Business or said items. We must exercise this option within 60 days of such Termination or within 15 days of the establishment of the price of the Operating Assets, whichever is later (“Option Period”), by giving written notice to You of Our intent to exercise Our option to purchase. During this option period, in association with Your duties under Paragraph 12.1.3, You must keep all signs in storage. The purchase of any of Your Operating Assets will be done through an asset purchase agreement. Unless otherwise agreed by You, the purchase price as determined hereunder will be paid within 30 days of providing notice of Our intent to purchase.

(i) Interim Management During Option Period. We have the right, but not the obligation, to use Your Operating Assets and Premises (if the Lease is still in effect, and in such case, We will obtain this right from the landlord as applicable), and to hire Your personnel to operate the business during the Option Period. You and We understand and agree that We will not be operating Your Franchise Business during this time, but We will be using Your Operating Assets and the Premises to operate Our own, separate Señor Pollo Mexican Grill™ business (“New Business”) in order to keep the business open during the Option Period. We will pay You the fair market rental value for such use of the Operating Assets as agreed, but not to exceed fair market rental value, and if We use the Premises, We may pay rent directly to the landlord for Our use of the Premises. For any inventory or other items sold or consumed by Us during the Option Period, We will reimburse You the actual price You paid for such items. You will be required to cooperate to provide Us with all pertinent information regarding Your Franchise Business, as We deem necessary. We will establish Our own bank accounts and other accounts for the New Business during the Option Period. During the Option Period, We will pay all costs and expense of the New Business, and all proceeds of the New Business will belong to Us. We will not assume any of Your debts or obligations, and We will not be responsible to pay any debts or expenses incurred by Your Franchise Business. You shall indemnify and hold Us harmless from and against any and all claims, damages, losses, deficiencies, liabilities and costs, Including attorney’s fees, of or related in any way to the Franchise Business prior to Us operating the New Business at the Premises, and We will indemnify and hold You harmless from and against any and all claims, damages, losses, deficiencies, liabilities and costs arising solely from the New Business. If necessary, We have the right to change the locks and exclude You from the Premises during this Option Period.

13.1.2 Assumption of Lease. We have the right, during the Option Period, to assume Your Lease under the provisions of Section 4.2 above.

13.1.3 Warranties. The purchase contract for the Operating Assets, as set forth in Paragraph 13.1.1 above, will include standard representations, warranties, covenants and indemnities from You as to the Operating Assets being purchased, Including warranties of good title, absence of liens, compliance with laws, absence of defaults under contracts, litigation and tax compliance.

ARTICLE XIV

SALES OR TRANSFERS OF THE FRANCHISE

14.1 **Our Right of Assignment.** This Agreement and all rights and obligations hereunder are fully assignable and transferable, whether in part or whole, by Us, and if so assigned or transferred, will be binding upon and inure to the benefit of Our successors and assigns. We may be sold, or We may sell any part of or all of Our Confidential Information and/or Intellectual Property or other assets to a competitive or other entity. In addition, We may go public, may engage in a private or other placement of some or all of Our securities, may merge, acquire other entities or assets which may be competitive with the System or not, be acquired by a competitive or other entity, and may undertake any refinancing, leveraged buy-out or other transaction, Including arrangements in which: 1) the territories, locations or other facilities are, or are not, converted to the System or other format or brand (Including using the System or Marks), or 2) the System is converted to another format or brand, maintained under the System or a different system. You waive all claims, demands and damages with respect to any transaction or otherwise allowed under this Section or otherwise. You shall fully cooperate with any such proposal, merger, acquisition, conversion, sale or financing.

14.2 **No Assignment by You Without Our Approval.** This Agreement is personal as to You and is being entered into in reliance upon and in consideration of Your qualifications and representations, Including representations of all current owners. Therefore, none of Your Franchise Assets may be Transferred in any manner by You or anyone else unless Our prior written approval is obtained. You shall provide Us with all documentation relating to the Transfer of Your Franchise Assets. Said approval will not be unreasonably withheld but will be conditioned upon Our satisfaction with the qualifications set forth in Section 14.3 below of the proposed transferee and its owners and officers.

14.2.1 **Transfers to Competitors Prohibited.** You cannot Transfer any part of Your Franchise Assets to a Competing Business without Our written permission. Any such Transfer without Our written approval is considered void ab initio.

14.3 **Qualifications of Transferee.** In determining the acceptability of the proposed transferee, We will consider, among other things, Our then-current standards for new franchisees, Including the net worth, financial resources, credit worthiness, health, background, training, personality, reputation, and business experience of the proposed transferee, Including that of the new Operating Principal, the terms and conditions of the Transfer, and any circumstances that would make the Transfer not in the best interests of Us or the System, Including the proposed purchase price. We may meet and candidly discuss all matters relating to Your Franchise Business with the potential transferee, Including providing a proposed transferee with corrected information or information in addition to what You have provided. In no case will You or a proposed transferee rely on Us to review or evaluate any proposed Transfer. Neither We nor Our affiliates will be liable to You or the transferee or any other person or entity relating to the Transfer, and You shall indemnify and hold Us harmless from any liability whatsoever relating thereto.

14.4 **Application for Transfer.** You must provide Us written notice of Your intent to Transfer prior to listing or offering part of the Franchise Assets for sale, and upon any proposed Transfer of Your Franchise Assets, or any interest therein. You must also submit to Us an application in the form specified by Us on behalf of the proposed transferee.

14.5 Transfer Fee. As a condition of Our approving the Transfer of any part of Your Franchise Assets, You shall pay Us the non-refundable Transfer Fee listed in Exhibit “A-3” at the time of the approved Transfer.

14.6 Minority Interest Transfers. If a proposed Transfer is for less than 40% of Your entity (cumulative during the term of this Agreement), there will be no transfer Fee, but You must reimburse Us Our legal and corporate fees incurred related to the Transfer, and We will not be entitled to exercise Our right of first refusal set forth in Section 14.9 below. However, all guarantors will remain guarantors to this Agreement unless otherwise released by Us, in Our sole discretion. Each ownership certificate of a corporation or limited liability company franchisee must have endorsed upon its face that a Transfer is subject to the restrictions of this Agreement. Additionally, any new Operating Principal and other applicable personnel are required to complete the necessary training as required by Us. Any new owner, along with their spouse or legal domestic partner, with an ownership of 25% or more in Your Franchise Business or Your entity must personally guarantee the obligations of this Agreement.

14.7 Involuntary Transfers Void. Involuntary Transfers of this Agreement by You, such as by legal process, are not permitted, are not binding on Us, and are grounds for termination of this Agreement. Using this Agreement as security for a loan, or otherwise encumbering this Agreement is prohibited unless We specifically consent to any such action in writing prior to the proposed transaction. You cannot grant a sub-franchise under this Agreement nor otherwise seek to license or permit others to use this Agreement or any of the rights derived by You under it. Any attempt to Transfer any part of the Franchise Assets, whether or not binding on Us, will be grounds for the immediate Termination of this Agreement unless such Transfer is authorized in writing by Us.

14.8 Conditions of Transfer. Prior to the effective date of Transfer of any part of Your Franchise Assets and as a condition for Our approval of any Transfer:

14.8.1 Compliance. You must be in full compliance with this Agreement and not be in default hereunder, and You must comply with Our policies related to a Transfer as set forth in the Manuals. All accounts payable and other monetary obligations to Us or Our affiliates or subsidiaries must be paid in full. You must have submitted to Us all required reports, financial statements, and other documents.

14.8.2 Written Proposal. The terms and conditions of the proposed Transfer must be provided in writing to Us within the time frames specified by Us and a fully executed copy of the final agreement between You and the transferee shall be delivered to Us prior to the transfer being accepted by Us. The price and other proposed terms of the Transfer must not, in Our reasonable business judgment, have the effect of negatively impacting the future viability of the Franchise Business.

14.8.3 Assumption of Obligations. All Your obligations in connection with the Franchise Assets must be assumed by the transferee, Including assuming Your Lease obligations, if applicable, in a form acceptable to Us.

14.8.4 Sign a Consent to Transfer. You and the transferee must sign Our Consent to Transfer in a form and format provided by Us. Failure to sign will void any transfer.

14.8.5 New Franchise Agreement. At Our discretion, the transferee must sign the then-current form of the franchise agreement for a term equal to the remaining term of this Agreement, the remaining term of the existing Lease, or the term set forth in the then-current franchise agreement, and fully Update the Franchise Business and Premises to the level required of new franchisees.

14.8.6 Training. The transferee must pay for and complete the training or certification program required of new franchisees. See Exhibit “A-3.” The transferee is also responsible for the cost of travel, food and lodging for Our representatives or the transferee’s attendees. You and the transferee and We must coordinate on the timing of training, so that the Franchise Business does not have a gap in properly trained management.

14.8.7 Transfer Fee. You shall pay the Transfer Fee set forth on Exhibit “A-3.”

14.8.8 General Release. You must execute a general release releasing Us of any claims You may have against Us.

14.8.9 Pre-paid Services. You must provide Us and the proposed transferee with an accounting of all outstanding Prepaid Services as of the date of Termination, which must be taken into account and handled as a part of the transfer agreement.

14.8.10 Survival of Covenants. Your non-competition, indemnity, confidentiality obligations, the provisions relating to dispute resolutions, and other applicable terms of this Agreement, will survive any Transfer.

14.9 First Right of Refusal.

14.9.1 Right of First Refusal. You hereby grant to Us the right of first refusal to purchase Your Franchise Assets on such terms and conditions specified in a bona fide written offer from a third-party, who would satisfy the criteria for approval under Section 14.3. You must notify Us in writing of the terms and conditions of the Transfer, Including the Franchise Assets proposed to be Transferred, the purchase price or other consideration, any creditor financing terms being extended by You, the date of the proposed Transfer, and all other pertinent provisions of the proposed Transfer. In addition, a copy of any contract, agreement, memorandum of sale, deposit receipt, letter of intent and the like, must also be forwarded to Us as soon as it is signed by You. Following receipt of all pertinent data and documents concerning the proposed Transfer and data concerning Your Franchise Business, financials, employee information, and lease information, We will have 45 days in which to advise You in writing of Our election to have the Franchise Assets transferred and assigned to Us on the terms and conditions agreed to by the prospective transferee. Should We elect to purchase the Franchise Assets proposed to be Transferred pursuant to Our right of first refusal, You and We agree to cooperate to accomplish the Transfer as set forth in the provisions submitted to Us by You, provided that the date for the completion of the Transfer can be extended at Our option for up to 30 days beyond the date originally indicated for the completion of the Transfer in order to allow the completion of the transaction in a manner more convenient to Us. We have the right to off-set any amounts You owe to Us against the purchase price.

14.9.2 Non-Election of Rights. If We do not elect to purchase the Franchise Assets proposed to be Transferred, You may complete the proposed Transfer on the terms and conditions set



forth in Your notice to Us subject to Our right to approve the proposed transferee and the terms and conditions set forth under this Article. However, if there are any material changes in the terms and conditions of the proposed Transfer, and any of those changes are more favorable to the purchaser, You must notify Us of the changes in writing, and We will have an additional 10 days to elect to purchase the Franchise Assets proposed to be Transferred on the revised terms and conditions. Additionally, if Your Franchise Business is not Transferred to such third-party within five months after We elect not to purchase the Franchise Assets, You must re-offer the Franchise Assets to Us before You may Transfer to an approved third-party. We have no obligation to purchase Your Franchise Assets.

14.10 Death or Incapacity and Interim Management. In the event of the death or incapacity of an individual franchisee or the majority owner of the franchisee entity (the term “incapacity” means any physical or mental infirmity that prevents the person from performing the obligations under this Agreement: (i) for a period of 60 or more consecutive days, or (ii) for 100 total days during a calendar year), the heirs or personal representative will have the right to continue Your Franchise Business; provided that within a reasonable time (not more than 160 days) after such death or incapacity (or such longer period required by the laws of the state where Your Franchise Business is located) the heirs appoint a representative to act in behalf of the heirs in all matters pertaining to Your Franchise Business as provided for new Operating Principals, designated managers, or franchisees, Including the requirements to have the representative trained and accepted by Us in accordance with Our standards. The heirs or personal representatives, instead of operating Your Franchise Business themselves under the foregoing procedures may choose to Transfer Your Franchise Business. If a decision to Transfer is made, the Transfer procedures explained above will apply. If We are required to operate Your Franchise Business for a time due to death or incapacity, or as otherwise allowed under this Agreement, the provisions of Paragraph 6.2.3 above will apply.

14.11 Assumption of Obligations. The parties agree that in the event a court of competent jurisdiction orders You to Transfer to Your spouse, domestic partner, or a third-party all or any part of Your Franchise Assets, such an order will constitute a Transfer of this Agreement and will cause the transferee to be subject to all of the terms and conditions concerning Transfers set forth herein above.

14.12 Acquisitions. If We receive an offer to acquire a majority of the franchises or to purchase a majority of Our assets or stock, or to merge or go public or similar transactions, We have the option, but not the obligation, to purchase all of Your rights and interests in and under this Agreement and Your Franchise Business at fair market value payable on terms as reasonably negotiated. The purchase price will not Include compensation for any successor term or goodwill. All goodwill belongs to Us. If the purchase option is exercised, You must execute a general release to Us. We will close Our purchase and make payment within 60 days after closing or as soon thereafter as reasonably practical.

14.13 Transfer for Convenience of Ownership. If You are an individual or individuals, You may Transfer this Agreement to a corporation or limited liability company formed for the convenience of ownership (without paying a transfer fee to Us), provided You: 1) give Us at least 15 days’ prior written notice of the proposed Transfer; 2) send Us copies of the entity’s charter documents, bylaws (or operating agreement), ownership interests of the owners, and similar documents, as We may request for Our review; and 3) own all equity and voting securities of the corporation or limited liability company. Additionally, You and the new entity must sign an assumption and assignment agreement in

the form required by Us, whereby the transferee assumes all obligations of this Agreement, and all personal guarantors remain as personal guarantors after the Transfer. Furthermore, Your Operating Principal must continue in the same capacities as before the Transfer.

ARTICLE XV RELATIONSHIP OF THE PARTIES

15.1 Independent Contractors. In all matters, You are an independent contractor. Nothing in this Agreement or in the franchise relationship constitutes You as Our partner, agent, employee, joint employer, or joint venturer with Us, and this Agreement does not create a fiduciary relationship between You and Us. Neither party is liable for the debts, damages, losses, liabilities, taxes, duties, obligations, defaults, compliance, intentional acts, wages, negligence, errors or omissions of the other. You are solely responsible for the management and control of Your Franchise Business, Including its daily operations, managing and directing employees, contractors, and salespersons, and paying all costs and expenses of Your Franchise Business. The parties agree not to hold themselves out by action or inaction contrary to the foregoing and to indemnify each other for any liability, cost or expense, Including attorney's fees, incurred by either of them for any act, omission, finding or result to the contrary. None of Your employees will be deemed to be Our employee and each employee will be so notified by You. Neither party has the authority to act as agent for the other, and neither You nor We guaranty the obligations of the other or in any way become obligated for the debts or expenses of the other unless agreed to in writing. You must post promptly and maintain any signs or notices specified by Us or by applicable law indicating the status of the parties as described above.

15.2 Indemnification. You shall defend, indemnify, and hold Us harmless from any and against any and all losses, liabilities, damages, costs and expenses whatsoever, Including reasonable attorney's fees, arising out of or related to, or in any way connected with You or Your acts, errors, negligence, or omissions in the operation of Your Franchise Business or Your Franchise Business generally, Including any allegation that You are Our employee, or that We are a joint employer or otherwise responsible for the acts or omissions relating to Your employees, and other laws regarding public accommodations for persons with disabilities. You agree not to file any crossclaim or counterclaim against Us for any action made by a third-party or make any response that would infer or represent We are liable as a party or defendant to any action that is contrary to this Section. This Agreement and the terms in this Article and related terms in this Agreement is a bona fide defense to any claim You may contradictorily make against Us as to Our liability or proportion of fault. You shall bear all costs to defend Us from claims raised by a third-party. If We incur any costs or liabilities to any third-party, You shall reimburse Us for costs associated with Our defense to those claims. We have the right to defend any such claim against Us by employing counsel of Our choice, subject to full reimbursement of all legal fees by You. We will use Our reasonable efforts to cooperate with You in any litigation, judicial or administrative proceeding to avoid duplication of time, effort or expenditure to the greatest extent possible without compromising Our interest in such matter. You are not required to indemnify Us for liability caused by Our willful misconduct or gross negligence. This indemnity will continue in full force and effect subsequent to and notwithstanding the Termination of this Agreement.

ARTICLE XVI COVENANT NOT TO COMPETE

16.1 In-Term Covenants. During the term of this Agreement and for any extensions or Successor Franchises hereof, You, Your Principals, and Your Immediate Family shall not, directly or indirectly, be a Participant, assist, or serve in any other capacity whatsoever or have any interest in a Competing Business in any capacity, territory, or location, except with Our prior written consent. Your Principals must each execute the standard Brand Protection Agreement for Principals attached as Exhibit “A-4,” and all employees with access to the Recipes must execute the Employee Confidentiality Agreement attached hereto as “A-5.” (Although We provide You this form, You are responsible to conform them to the laws and regulations of Your state.) A copy of all such agreements must be promptly delivered to Us within 10 days of hiring of the respective employee.

16.2 Confidentiality. During the term of this Agreement and any extensions or Successor Franchises hereof, and at any time after the Termination of this Agreement, You and those over whom You have control shall not make any unauthorized disclosure or use of Our Confidential Information or Intellectual Property other than as authorized by this Agreement. You shall adopt and implement all reasonable procedures, and the procedures We implement, to prevent unauthorized use or disclosure of the Confidential Information and Intellectual Property, which procedures may be prescribed from time to time by Us. You shall never contest the validity of Our exclusive ownership of and rights to Our Intellectual Property or Confidential Information. Without limiting the foregoing, any communication (email, paper, etc.) from Us to You cannot be forwarded to another email account You control or share, or forwarded to anyone, including employees, without first receiving Our express written consent.

16.2.1 Prior Disclosures. You acknowledge and agree that prior to the execution of this Agreement, You may have received information and met and corresponded with Our principals, agents and/or representatives, and that any such Confidential Information obtained or received is subject to the protection and restrictions of this Agreement.

16.2.2 Confidentiality of this Agreement. You agree that all terms of this Agreement that are not otherwise made public under franchise disclosure laws will remain confidential, and You will not make any public announcement, issue any press release, publicize, make any confirmation of statements made by third parties concerning the terms of this Agreement, or make any other disclosures without Our prior written consent. It is agreed and understood that You may disclose the confidential terms of this Agreement only to Your professional lenders and advisors.

16.3 Post-Term Covenants. Upon Termination of this Agreement and for a continuous, uninterrupted period of three years thereafter, You, Your Principals, and Your Immediate Family shall not, directly or indirectly, be a Participant, assist, or serve in any other capacity whatsoever, or have any interest in a Competing Business in any capacity, territory, or location within Your Territory or within 15 miles of Your Territory or within 15 miles of the territory of any Señor Pollo Mexican Grill™ business operation at the time of Termination of this Agreement.

16.4 Non-Solicitation. During the term of this Agreement and for three years after the Termination of this Agreement, You, Your Principals, and Your Immediate Family shall not, directly or indirectly, contact any customer serviced by the Franchise Business, a prospective customer, third-



party vendor, or any former or then-current customer of Ours (with whom You had contact during the term of this Agreement), any of Our employees, Your employees, or of Our affiliates, or any employees of any other franchisee in Our system, or its ownership, management and affiliates, or any other person, entity or agent or affiliate that has a relation or affiliation with Our system, for the purpose of soliciting any such person or entity from working for and with the franchise business including to a Competing Business. For clarity, a “prospective customer” does not mean any possible customer. It means a potential customer who has been engaged in some way, or has provided some personal information, or has elected to receive some communication, but who has not yet done business to be considered an actual customer.

16.5 Survival of Covenants; Tolling of Covenants. The foregoing covenants survive the Termination of this Agreement and apply regardless of whether this Agreement was Terminated by lapse of time, by default of either party, or for any other reason. In addition to other remedies available to Us, in the event You violate a non-competition and/or non-solicitation covenant, the applicable non-competition or non-solicitation period will be tolled for the period of Your violation.

16.6 Acknowledgement of Harm. You acknowledge that Your violation or breach of the covenants and provisions of this Article is likely to cause substantial and irreparable harm to Us and the System. You agree that the restrictions contained in this Agreement are reasonable and necessary for Our protection and the protection of other franchisees in the System, and that the existence of any claims You may have against Us, whether or not arising from this Agreement, will not constitute a defense to Our ability to enforce the covenants set forth in this Article.

16.7 Enforceability. It is the desire and intent of the parties to this Agreement that the provisions of this Article be enforced to the fullest extent permissible under applicable laws. If any of the restrictions of this Article are determined to be unenforceable because of duration, scope or coverage or otherwise, then the scope of any covenant set forth above or any portion thereof shall be construed as reduced to the highest parameters that are permissible under applicable law..

16.8 Breach of Non-Competition. You and We recognize the difficulty of calculating damages caused by Your breach of Your non-competition obligations and agree that such damages could arise, and You and We hereby agree to the following as a compromise on the calculation of such damages. If You operate a Competing Business in violation of this Agreement, in addition to any other remedy We may have under this Agreement and under law, You shall pay Us the liquidated damages Fee listed on Exhibit “A-3.”

16.9 Additional Equitable Remedies. The amount contemplated under Section 16.8 does not represent a price for the privilege of not performing nor does the payment represent an alternative manner of performance. Section 16.8 does not preclude recovery for damages for other breaches of this Agreement and is not inconsistent with a court granting Us specific performance or any other equitable remedies, such as an injunction, to prevent future breaches. Additionally, We have the right to automatically debit by EFT or other electronic withdrawal means, Your bank account for the amounts payable to Us under Section 16.8.

ARTICLE XVII DISPUTE RESOLUTION

17.1 Quick Resolution. You and We understand that there is always a possibility of differences of opinion or other disagreements in any business relationship and agree that it is important to resolve any Disputes amicably, quickly, inexpensively, and professionally and to return to business as soon as possible.

17.2 Manner of Handling Disputes. In the event any Dispute arises between Us and You in connection with, arising from, or with respect to, any provision hereof, the relationship created herein, or the validity of this Agreement or any provision hereof, or the offer and sale to You, such Dispute will be:

17.2.1 Face-to-Face Meeting. First discussed in a face-to-face meeting between You and Us in Salt Lake City, Utah, or at Our then-current headquarters, within 30 days after either You or We give written notice to the other proposing such a meeting. We have the right, in Our sole discretion, to waive this requirement.

17.2.2 Mediation. If, in the opinion of either You or Us, the face-to-face meeting has not successfully resolved such Dispute, and if desired by either You or Us, the Dispute will be submitted to non-binding mediation before Franchise Arbitration and Mediation Services ("FAM") or as otherwise mutually agreed. The mediation will be conducted exclusively in Salt Lake City, Utah. On election by either party, arbitration as provided below may proceed forward at the same time as mediation. The mediator will be disqualified as a witness, consultant, expert, or counsel for any party with respect to the Dispute and any related matters.

17.2.3 Arbitration. If in the opinion of either You or Us the mediation has not successfully resolved such matters, at the request of either You or Us, the Dispute will be submitted for arbitration to the offices of the American Arbitration Association in accordance with its commercial arbitration rules in effect. All arbitration hearings will be conducted exclusively in Salt Lake City, Utah. The arbitrator will have the power and jurisdiction to decide such dispute solely in accordance with the express provisions of this Agreement. The arbitrator will render a written opinion setting forth the facts found, law applied, and reasons for the decision.

(i) Arbitration Procedures. In any arbitration, the parties will be entitled to specific performance of the obligations under this Agreement. The arbitrator may award or otherwise provide for temporary restraining orders, preliminary injunctions, injunctions, attachments, claim and delivery proceedings, temporary protective orders, receiverships and other pre-judgment, equitable and/or interim relief as appropriate pending final resolution by binding arbitration of a Dispute, as well as in connection with any such final resolution, and may issue summary orders disposing of all or part of a Dispute at any point. Each party consents to the enforcement of such orders, injunctions, etc., by any court having jurisdiction. Offers and/or other communications made in connection with, or related in any way to, mediation, possible settlement or other resolution of a Dispute will not be admitted into evidence or otherwise used in connection with any arbitration or other proceeding, and any arbitration award in violation of this provision will be vacated by the arbitration appeal panel (described below) and/or any court having jurisdiction. The arbitrator will have the power to order compliance with such discovery procedures, as well as assess sanctions for non-compliance with any order. Discovery will

be controlled by the arbitrator and will be permitted to the extent set out in this Paragraph. Each party may submit in writing to the other party, and the other party will respond, to a maximum of any combination of 25 (none of which may have subplots) of the following: interrogatories, demands to produce documents, and requests for admission. You and We are also entitled to take the oral deposition of one individual of the other party. Additional discovery may be permitted upon mutual agreement of the parties. The arbitrator, and not a court, will decide any questions relating in any way to the parties' agreement or claimed agreement to arbitrate, Including a claim for fraud in the inducement or otherwise. Each participant must submit or file any Dispute that would constitute a compulsory counterclaim (as defined by the applicable rule under the Federal Rules of Civil Procedure) within the same proceedings as the Dispute to which it relates. Any such Dispute that is not submitted or filed in such proceedings will be forever barred. The award and findings of the arbitrator will be conclusive and binding upon all parties hereto and the judgment upon the award may be entered in any court of competent jurisdiction.

(ii) Individual Disputes. All Disputes must be conducted and resolved on an individual basis only and not on a class-wide, multiple plaintiff or similar basis between You and Us and will not be consolidated with any other arbitration or court proceeding involving Us and any other party. You hereby fully waive any right You may have to any potential class action claim and agree that any legal action will only be on an individual party basis.

(iii) Agreed Limitations. Except for payments owed by one party to the other, claims attributable to Your underreporting of sales, indemnification under Article XV, or claims related to an act of Yours allowing Us to immediately terminate this Agreement, any legal action or arbitration proceeding (Including the offer and sale of a franchise to You) brought or instituted with respect to any Dispute hereunder must be brought or instituted within one year from the date upon which a party discovered, or should have discovered, the facts giving rise to an alleged claim; provided that no claim may be brought more than two years after the first act or omission giving rise to an alleged claim. The initiation of mediation or arbitration hereunder will toll the applicable statute of limitations for the duration of any such proceedings.

(iv) Limited Damages. You and We waive any right or claim of any consequential, punitive, or exemplary damages against each other and agree that in the event of a Dispute between You and Us, each will be limited to the recovery of actual damages sustained. We will not be liable for any act or omission which is consistent with this Agreement, or which is done in subjective good faith.

(v) Exceptions to Arbitration. You and We agree that nothing in this Agreement obligates Us to arbitrate or mediate Disputes or issues relating to: (a) the validity of the Marks, or any trademarks, service marks or other Intellectual Property; (b) rights to obtain a writ of attachment or other prejudgment remedies; (c) rights to receive and enforce a temporary restraining order, preliminary injunction, permanent injunction or other equitable relief; or (d) Disputes solely for fees and other monies owed by one party to the other under this Agreement.

(vi) Appeals. If any party to an arbitration wishes to appeal any final award by an arbitrator (there will be no appeal of interim awards or other interim relief), that party can appeal, within 30 days of such final award, to a three-person arbitrator panel to be appointed by the same organization as conducted the arbitration to be held exclusively at the same location as specified above.

The issues on appeal will be limited to the proper application of the law to the facts found at the arbitration and will not include any trial *de novo* or other fact-finding function. The party requesting such appeal must pay all costs and fees of the arbitrators and arbitration proceedings, subject to reimbursement as set forth below.

(vii) Sharing of Fees. Except for an appeal, the parties to the Dispute or action will share the fees and expenses of the mediation and the arbitration equally during the mediation and arbitration. If a party is unable or unwilling to pay its share of the cost of the mediation or arbitration, the other party has the right to cover those costs; however, the prevailing party in arbitration, including on appeal, will be awarded costs and attorney's fees as set forth in Section 19.3 below.

(viii) Federal Arbitration Act. You and We mutually agree that all issues relating to arbitrability are governed exclusively by the Federal Arbitration Act and the federal common law of arbitration to the exclusion of any state statutes or common law and will be decided by the arbitrator. All provisions of this Agreement pertaining to venue, choice-of-laws, dispute avoidance and resolution will be strictly enforced, and You and We will rely on federal preemption under the Federal Arbitration Act.

17.3 Continued Performance. During the pendency of any Dispute or any such interim relief proceeding, the parties shall continue to perform their respective obligations under this Agreement.

ARTICLE XVIII NOTICES

18.1 Notices. All notices permitted or required under this Agreement must be in writing and delivered as follows with notice deemed given as indicated: (i) by personal delivery when delivered personally; (ii) by overnight courier upon written verification of receipt; (iii) by facsimile transmission when confirmed by facsimile transmission, during normal business hours, Monday through Friday, holidays excepted; (iv) by sending an email to the email address below or other verified email address when confirmed by receipt verification, which verification will not be withheld or otherwise denied; or (v) by certified or registered mail, return receipt requested, addressed as follows:

FRANCHISOR:	FRANCHISEE:
Senor Pollo Mexican Grill Inc. 1775 W. 5400 S. Taylorsville, Utah 84129 (or Our then-current headquarters) Email: SENORPOLLO18@GMAIL.COM	_____ _____ LLC/Inc. _____ _____
With a courtesy copy to (which will not act as notice or service to Senor Pollo Mexican Grill Inc.): The Franchise & Business Law Group Attn: Kara Martin 222 South Main Street, Suite 500 Salt Lake City, Utah 84101 Email: KMARTIN@FBLGLAW.COM	Email : _____

18.2 Delivery. If You refuse or fail to accept any certified or overnight delivery, acceptance will be deemed to have occurred 48 hours after rejection or failure to accept such notice. Any notice delivered by mail in the manner herein specified will be deemed delivered and received three days after mailing.

18.3 Listed Addresses. The address specified herein for services of notices may be changed at any time by the party making the change by giving written notice to the other party by certified mail or as otherwise agreed by You and Us. Any notice to You may be delivered to the address set forth above or to the address of Your Franchise Business or office.

ARTICLE XIX CONSTRUCTION AND JURISDICTION

19.1 Governing Law. Except as provided in Section 19.5, this Agreement will be governed, construed and interpreted in accordance with the laws of the state of Utah without giving effect to its conflicts of law provisions. You and We agree that the provisions of this Agreement will control the state or provincial laws by which this Agreement will be governed and any provisions of state or provincial law to the contrary or any statements in Our franchise disclosure document or otherwise required as a condition of registration or otherwise. If the governing law requires terms other than or in addition to those in this Agreement, then such terms will be deemed incorporated herein but only to the extent necessary to prevent the invalidity of this Agreement or any of the provisions hereof or the imposition of civil or criminal penalties or liability. To the extent permitted by the laws of the state whose laws govern this Agreement, You hereby waive any provisions of law or regulations which render any portion of this Agreement invalid or unenforceable in any respect.

19.2 Jurisdiction. In order to facilitate our joint interests in having franchise issues determined in a consistent manner for application throughout the System, without in any way limiting or otherwise affecting Your and Our obligations regarding mediation and arbitration in accordance with the provisions of Article XVII, if there is any litigation between us, You and We hereby irrevocably consent to the exercise of general personal jurisdiction in the courts of record of the state of Utah even though it may be otherwise possible to obtain jurisdiction elsewhere, and You and We



agree that Salt Lake City, Utah will be the exclusive venue for any litigation between Us and You. Each party waives any objection they may have to the personal jurisdiction of or venue in the state and federal courts of Utah.

19.3 Costs and Attorney's Fees. In the event any action in law or equity or any arbitration or other proceeding is brought for the enforcement of this Agreement or in connection with any of the provisions of this Agreement, the successful or prevailing party or parties are entitled to reasonable attorney's fees and other costs reasonably incurred in such action or arbitration or litigation proceeding. The costs of mediation will also be awarded to the prevailing party in arbitration or litigation, if applicable. For purposes of this Agreement, "prevailing party" Includes the party which obtains a judgment in their favor or agrees to dismiss an action or proceeding upon the other's payment of sums allegedly due or performance of the covenants allegedly breached, or which obtains substantially the relief sought. Reimbursement is due within 30 days of written notice after prevailing.

19.4 No Jury Trial. You and We waive, to the fullest extent permitted by law, all rights to trial by jury in any action or Dispute, whether at law or in equity, brought by either party.

19.5 Exception. Notwithstanding the foregoing, the Federal Arbitration Act (9 U.S.C. §§ 1 Et. Seq.) and the United States Trademark Act (Lanham Act, U.S.C § 1051 Et. Seq.) will apply to this Agreement and the relationship of the parties and preempt any state law to the contrary.

ARTICLE XX MISCELLANEOUS

20.1 Headings. Headings used in this Agreement are for reference and convenience purposes only and are not to be used in construing the provisions of this Agreement. As used herein, the male or female gender will include the other and the neuter. The singular will include the plural and the plural will include the singular as appropriate.

20.2 No Third-Party Rights. The parties intend to confer no benefit or right on any person or entity not a party to this Agreement and no third parties will have any right or claims, benefit or right or a third-party beneficiary under this Agreement or any provision hereof. Similarly, You are not entitled to claim any rights or benefits, Including those of a third-party beneficiary, under any contract, understanding or agreement between Us and any other person or entity, unless that contract, understanding, or agreement specifically refers to You by name and specifically grant rights or benefits to You.

20.3 Authority. Where an entity is a party to this Agreement, the person or persons signing this Agreement on behalf of the entity warrant to Us that they have the requisite authority to sign this Agreement. At Our request, the concerned company signatory agrees to promptly provide Us with a certified copy of the resolution authorizing the execution of this Agreement and naming the officers, directors, members, or managers of the entity who are authorized to sign this Agreement on behalf of the entity. No field representative or salesperson has the right or authority to sign this Agreement or make oral representations or written modifications hereof on Our behalf.

20.4 No Partial Payments. No payment by You or receipt by Us of any amount less than that required to be paid under this Agreement, or otherwise, to Us or any person or entity affiliated with



Us, will be deemed to be anything except payment on account, regardless of any endorsement to the contrary contained on any such payment or in any oral or written communication transmitted in connection therewith.

20.5 Joint and Several Liability. If more than one person, corporation, limited liability company, partnership or other entity, guarantor or any combination thereof, sign this Agreement on behalf of the franchisee, the liability of each will be joint and several. All members of a general partnership and all members of any association or other unincorporated entity, which is part of the franchisee hereunder, are jointly and severally liable for Your performance hereunder.

20.6 No Off-Set or Withholdings. You shall not offset or withhold the payment of any Fees, payments or other amounts due to Us or Our affiliates or suppliers on grounds of the alleged non-performance by Us of any of Our covenants or obligations hereunder, any Dispute of any nature or otherwise.

20.7 Disclosure. We can disclose, in disclosure documents or otherwise, information relating to Your Franchise Business, Including Your name, address, phone numbers, financial information, copies or reports, and other information.

20.8 Binding Agreement. This Agreement is binding upon the heirs, administrators, personal representatives, assigns and successors in interest to the parties hereto.

20.9 Force Majeure. Neither party will be liable by reason of any failure or delay in the performance of such applicable party's obligations hereunder on account of strikes, fires, flood, storm, explosion, or other similar causes which are beyond such party's reasonable control. This Section will not be interpreted to relieve You from Your obligation to pay Us when due all payments required to be made by You under this Agreement.

20.10 Entire Agreement. The parties intend this Agreement and all attached exhibits hereto to be the full and complete agreement between Us and You and the entire integration of all our understandings of every nature concerning the matters contained in this Agreement or in any way related thereto, whether oral or written, and whether occurring before or contemporaneously with the execution of this Agreement. You represent and acknowledge that no agreements, representations, negotiations, promises, commitments, inducements, assurances, terms, conditions, or covenants of any nature exist between You and Us except as specifically set forth in this Agreement, whether pertaining to this Agreement or to any future, further, or additional rights of either You or Us. Nothing in this Agreement, or in any related agreement, is intended to be a disclaimer of the representations We made to You in the franchise disclosure document. If any term of this or Agreement is determined as void and unenforceable, the remaining terms and duties under this Agreement will still be considered enforceable and severable as if it was its own separate agreement from the voided term.

20.11 Amendments. No amendment, change, or variance from this Agreement will be binding on either party unless executed in writing and signed by both parties; however, the Manuals and policies and procedures may be modified by Us from time to time as set forth in this Agreement and are binding.

20.12 Effective Date. Delivery of a draft of this Agreement to You does not constitute an offer. This Agreement will become effective only when fully executed and accepted by Us.

20.13 No Course of Dealing. No course of dealing between You and Us will affect Your or Our rights under this Agreement or otherwise.

20.14 No Representations. You understand that the success or failure of Your Franchise Business depends, in major part, upon Your efforts. You agree that We have not made nor have You received any promise, representation or warranty that: 1) any payments by You are refundable at Your option; 2) We will repurchase any rights granted hereunder; 3) You will achieve any particular sales, income or other levels of performance, or that You will be successful in Your Franchise Business licensed by this Agreement; 4) You will have any exclusive rights of any type other than as expressly set forth herein; 5) You will receive any level of Marketing assistance, site location, development or other services, operational assistance, or otherwise other than as expressly set forth in this Agreement; 6) You will not be required to obtain any licenses or permits in order to operate Your Franchise Business; 7) any location or territory will be successful; or 8) that You will be awarded additional or further franchises or other rights, except as expressly set forth in a written document signed by Us.

20.15 Variances. You understand and agree that: 1) We may have offered franchises in the past, may currently be offering franchises, or may offer franchises in the future, on economic or other terms, conditions and provisions which may significantly differ from those offered by this Agreement and any related documents; and 2) there may be instances where We have varied, or will approve exceptions to or changes in the uniform standards, or the terms on which We offer franchises, the charges We make, or otherwise deal with Our franchisees to suit the circumstances of a particular transaction as We believe necessary or desirable under particular circumstances. You have no right to object to such variances or to obtain the same variances for Yourself.

20.16 No Misrepresentations. You further represent to Us, as an inducement to Our entry into this Agreement, that You have made no misrepresentations in obtaining the award of this franchise.

20.17 Representations of Non-Violation. You represent and warrant that You can enter into this Agreement and that the execution and performance of this Agreement will not be in violation or breach, or cause the violation or breach, of any agreement or covenant between any third-party, or the violation or breach of any order, decree or judgment of any court or administrative agency.

20.18 FDD Acknowledgement. You represent that You have had a copy of Our franchise disclosure document (“FDD”) for at least 14 calendar days or 10 business days, whichever is applicable in Your state, prior to signing this Agreement or making any payment to Us.

20.19 Waiver. We may, in writing, unilaterally waive any of Your obligations or requirements under this Agreement. Waiver by Us of any particular default by or obligation of You does not affect or impair Our rights with respect to any subsequent default by You or any of Our other rights to declare the same or subsequent acts a breach or default. Unless otherwise agreed to by Us in writing, Our acceptance of any payments due from You does not waive any prior defaults.

20.20 Counterpart and Electronic Signatures. This Agreement and its exhibits may be signed in counterparts by facsimile, electronic signature, or scanned and emailed signature, or similar

electronic means, which will be deemed the same as an original signature with full legal force and effect and may be used for all purposes as if it were an original.

20.21 Owners of the Franchise. You represent and We rely upon Your representations in entering into this Agreement that the individuals in Exhibit “A-2” are the owners of and sole holders of a legal and beneficial interest in the franchise entity and in Your Franchise Business.

20.22 Drafting. You acknowledge that You have read this Agreement, have had the opportunity to review it with an attorney of Your respective choice and have agreed to all of its terms. The rule of construction that a contract be construed against the drafter will not be applied in interpreting this Agreement.

ARTICLE XXI DEFINITIONS

“Competing Business” means a fast-food restaurant, at wholesale or retail or a business offering products or services the same as or substantially similar to those offered at Your Franchise Business or as part of the System during the term hereof or at the time of Termination. Such products and services Include the selling and offering to the public as a whole, food products, including but not limited to chicken, Mexican and other related products including a sit-down restaurant or through a delivery service. It also Includes the selling of salsa and chicken marinade products Including the use of the same type of or similar recipes We use as well as food prep method and type of food used. It also Includes the selling of fast-food merchandise products under Our own name brand or affiliated name brand or the license to sale other similar brands under a license agreement. It also Includes online sales, in-person sales or sales through a commercial showroom. It also includes a business that enters into similar or substantially similar agreements with vendors, clients or potential clients and vendors We would target in this type of market and have made plans to target or have targeted or have agreements with or plans to enter into agreements in a specific market. This is in addition to a business that is affiliated with clients or vendor base that would be known to compete for the same type of market share and sales as a Señor Pollo Mexican Grill™ business.

“Confidential Information” means any non-public information (through no fault of Yours) relating to Our products or services, or operation of a Señor Pollo Mexican Grill™ business, the System, or relating to the System as a whole, Including: (i) methods, techniques, formats, specifications, procedures, and systems; (ii) hardware, software, proprietary technology, and equipment; (iii) sales and Marketing programs, sales techniques, pricing, bidding methods, etc.; (iv) the development and operation of Señor Pollo Mexican Grill™ businesses; (v) knowledge of, specifications for, and suppliers of, certain Señor Pollo Mexican Grill™ products, materials, supplies, equipment, furnishings and fixtures; (vi) operating results, margins, expenses, and financial performance of Señor Pollo Mexican Grill™ businesses; (vii) Our strategic plans and concepts for the development, operation, or expansion of Señor Pollo Mexican Grill™ businesses; (viii) the contents of Our Manuals; (ix) all Customer Data; (xi) login, passwords, access information, etc., to Our email accounts, Social Media, Manuals or other internal sites or shared documents (xii) Our Intellectual Property that is generally deemed confidential; (xiii) all Innovations; (xiv) Our Recipes; and (xiv) any other information obtained from Us in confidence at any time by virtue of the franchise or license relationship.



“Copyright Materials” means all writings, video and audio recordings, materials, Manuals, artwork, websites, logos, Marketing materials, apps, and designs used with the Marks or in association with the System.

“Customer” and “Client” whether or not capitalized have interchangeable meanings in this Agreement.

“Customer Data” means any and all customers, and customer and prospective customer data and lists, Including phone numbers, emails, mailing addresses, name and contact information for key personnel of the customer, Social Media followers’ information, etc., even if maintained by You or deemed to have arisen through Your activities. For clarity, a “prospective customer” does not mean any possible customer. It means a potential customer who has been engaged in some way, or has provided some personal information, or has elected to receive some communication, but who has not yet done business to be considered an actual customer.

“Dispute” any claim, controversy, disagreement, or dispute of any type whatsoever.

“Fees” refers to those fees, payments, and costs You are required to pay to Us, as more fully set forth on Exhibit “A-3.”

“Formulation(s)” means Our formulas, solutions, supplements, compositions, measurements, flavors, preparation techniques, ingredients, etc., related to Our menu items, marinade or salsas or any other elated food item.

“Gross Sales” Includes the total of all sales of all products, merchandise, goods and services sold, traded, bartered, or rendered by You and income of every kind and nature, Including the value of a trade or other bartering, arising from Your Franchise Business and tangible property of every kind sold by You during the term of this Agreement. “Gross Sales” excludes bona fide credits or returns and excludes amounts paid by You for sales or use taxes on the sale of any products or services.

“Franchise Assets” means this Agreement or any of its rights or privileges, or any shares or units in the ownership of Your entity, Your Franchise Business, or substantially all of Your assets.

“Immediate Family” refers to and Includes each of Your spouses, domestic partners, parents, stepparents, children, stepchildren, sons-in-law, and daughters-in law.

“Innovation” means any idea conceived or developed, or any actual improvement, change, modification, enhancement, or addition to the System, Including to Your Franchise Business, Copyrighted Materials, Manuals, Confidential Information, website, Social Media, Marketing materials, apps or any other documents or information pertaining to or relating to the System, or any Intellectual Property related to the System, or any creative concepts, Marketing ideas, or inventions related to the System, and all derivatives thereof, whether implemented in the System or not.

“Including” or “Includes” means “including but not limited to,” “including, without limitation,” and similar all-inclusive and non-exhaustive meanings.

“Intellectual Property” means all Marks, trade dress, names, Copyrighted Materials, systems, patents, patent applications, trade secrets, websites, Social Media, apps, and software.

“Interim Management Period” refers to the period of time during which We step in to manage Your Franchise Business as allowed under this Agreement.

“Internet” means any present or future interactive system for electronic communications, using lines, cables, wireless, satellite, radio or any other technology; and which involves one or more of the following: the system of interconnected computer networks that use the internet protocol suite (TCP/IP) or its successor; websites or similar remotely-accessible electronic information sources (whether password protected or not); use of domain names, other locators, or emails that use our trademarks; internet phone services; cellular or similar messaging; mobile applications; social networks or Social Media; or wikis, podcasts, online content sharing communities, or blogging.

“Lease” means a commercial lease or other document of occupancy of the Premises.

“Manuals” means one or more guides or manuals, Including an operations manual, brand standards manual, and/or policies and procedures manual, technical bulletins, online drives or portals, or other written materials as may be developed, modified and supplemented by Us periodically. The Manuals may be printed or in an electronic format.

“Marketing” or “Market” Includes advertising, brand development, promotion, public relations campaigns, content creation, influencer incentives or compensation, market research, and other related processes.

“Marks” means the federally registered and common law trademarks and service marks owned by Us or licensed to Us, whether now or later developed. “Marks” also Includes any and all names, trade names, trademarks, slogans, service marks, logos and/or other commercial property or symbols licensed to You pursuant to this Agreement or used in connection with the System or later added to the System.

“Operating Account” means that account into which all receipts of Your Franchise Business must be deposited.

“Operating Assets” means Your assets, contracts, inventory, supplies, furniture, equipment, signs, service vehicles, accessories, and other personal property relating to Your Franchise Business.

“Operating Principal” is: a) You if You as the franchisee are an individual; or b) if You are an entity, an individual that owns at least 25% of the ownership and voting interests in the franchisee entity (unless You obtain Our written approval of a lower percentage), has authority over all business decisions related to the Franchise Business, and has the power to bind You in all dealings with Us.

“Participant” means an owner, operator, shareholder, director, partner, member, manager, consultant, agent, employee, contractor, advisor, officer, lessor, lessee, licensor, or licensee.

“Prepaid Services” means gift cards, gift certificates, prepaid services, etc., sold at or through Your Franchise Business for which We allow You to manage the accounting and pooling on such

cards, gift certificates, prepaid services, etc.

“Principal” means shareholders, owners, partners, directors, members, managers, officers, and principal employees and contractors.

“Recipes” means Our recipes, kitchen books, ingredients, flavors, compositions, mixes, batters, syrups, spices, sauces, fillings, frostings, toppings, dressings, cook temperatures, cook or mix times, measurements, menus, preparation techniques, methods, and formulas, etc., related to Our food or drink products and menu items.

“Shall” when used in this Agreement (even if not capitalized) means must or other similar affirmative obligation, as the context requires.

“Social Media” means any and all websites, apps and web or Internet pages for social interaction, business operation, Marketing, and other online information communications, whether now or later developed.

“System” Includes the Franchise Business, specific Marks, interior design, store layout and décor, color schemes, standards, Manuals, Recipes, processes, services, know-how, operating procedures and Marketing concepts, business formats, specifications for and the use of certain equipment, food and supply items, and the use of proprietary and Confidential Information and other Intellectual Property.

“Termination” or “Terminate” Includes expiration, non-renewal, repurchase of Your rights, non-granting of a Successor Franchise, non-renewal, Transfer, or any other means by which this Agreement is no longer in effect, and You are no longer a franchisee of the Señor Pollo Mexican Grill™ System.

“Transfer” Includes any direct or indirect assignment, transfer, division, trade, sale, gift, pledge, sublicense, mortgage, granting of any security interest, or sale at judicial sale or under power of sale, conveyance or retention of collateral in satisfaction of debt, or other procedure to enforce the terms of any pledge, encumbrance, or security interest.

“Update” Includes renovations, remodeling, redecorating, redesigning, refixturing, upgrading, refurbishing, modernizing, etc.

“We,” “Our(s)” or “Us” only as applied to Paragraphs 2.2.3, 10.1.1, 10.1.2, and 14.8.7, Sections 3.1, 3.5, 6.6, and 16.4, and Articles XI and XV Includes Our predecessors, parents, affiliates, subsidiaries, successors, and assigns and Our officers, directors, shareholders, members, managers, employees, agents, development agents, or others with whose conduct We are chargeable, as applicable.

“You” or “Your” Includes all signers of this Agreement, all current and subsequent guarantors, all subsequent and current members, Operating Principals, owners, partners, shareholders, managers, directors, officers, agents, affiliates, principal employees and with those whose conduct You are chargeable.

WE CANNOT RELIABLY PROJECT YOUR FUTURE PERFORMANCE, REVENUES OR PROFITS, AND YOU REPRESENT, COVENANT AND AGREE THAT WE HAVE MADE NO REPRESENTATIONS OR WARRANTIES CONCERNING YOUR SUCCESS AS A FRANCHISEE, AND WE DISCLAIM ANY WARRANTY OR REPRESENTATION AS TO THE POTENTIAL SUCCESS OF THE BUSINESS OPERATIONS UNDER THIS FRANCHISE AGREEMENT. THE SUCCESS OF YOUR BUSINESS IS LARGELY DEPENDENT ON YOUR PERSONAL EFFORTS.

WE EXPRESSLY DISCLAIM THE MAKING OF ANY EXPRESS OR IMPLIED REPRESENTATIONS OR WARRANTIES REGARDING THE SALES, EARNING, INCOME, PROFITS, GROSS SALES, BUSINESS OR FINANCIAL SUCCESS, OR VALUE OF YOUR FRANCHISE BUSINESS.

YOU ACKNOWLEDGE THAT YOU HAVE HAD AN OPPORTUNITY TO HAVE THIS AGREEMENT AND RELATED DOCUMENTS REVIEWED BY YOUR OWN ATTORNEY.

IN WITNESS WHEREOF, the parties have respectively signed this Franchise Agreement effective as of the day and year first written above.

FRANCHISOR:

SEÑOR POLLO MEXICAN GRILL INC.

By: _____
(Signature)

Name: _____

Title: _____

FRANCHISEE:

By: _____
(Signature)

Name: _____

Title: _____

If the franchisee is not an entity, each person must sign personally.

By: _____
(Signature)

Name: _____, personally

By: _____
(Signature)

Name: _____, personally



(Check if applicable) At the same time as the parties execute this Agreement, they are also executing an Addendum to Franchise Agreement pursuant to:

_____ California

**THE SIGNATURE OF EACH PERSON AND/OR COMPANY SIGNING
THE FRANCHISE AGREEMENT MUST BE NOTARIZED
(Unless signed electronically)**

COMPANY ACKNOWLEDGMENT:

STATE OF _____ :

: .ss

COUNTY OF _____ :

On this ____ day of _____, 20____, personally appeared before me _____, whose identity is personally known to me (or proven on the basis of satisfactory evidence) and who by me duly sworn/affirmed, did say that he or she is the manager/officer of _____, and that said document was signed by him or her in behalf of said Company by authority of its members/shareholders, and said manager/officer acknowledged to me that said Company executed the same.

NOTARY PUBLIC

STATE OF _____ :

: .ss

COUNTY OF _____ :

On this __ day of _____, 20____, before me, _____, a notary public, personally appeared _____, who duly acknowledged to me that he or she executed the above Franchise Agreement individually.

NOTARY PUBLIC

STATE OF _____ :

: .ss

COUNTY OF _____ :

On this __ day of _____, 20____, before me, _____, a notary public, personally appeared _____, who duly acknowledged to me that he or she executed the above Franchise Agreement individually.

NOTARY PUBLIC



**EXHIBIT “A-1”
TO THE FRANCHISE AGREEMENT**

**SEARCH AREA AND TERRITORY:
(Map may be attached)**

1. Your Search Area in which to select Your Premises location is as follows:

(Numbers 2 and 3 to be filled out *after* a premises location has been approved)

2. You approved Premises is to be located at:

3. Your Territory is ____ miles from Your approved Premises location in all driving directions.

**Our approval of the Territory or a site is not a guarantee or a warranty
of the potential success of a territory or a site.**

Franchisee Initial and Date

Franchisor Initial and Date



**EXHIBIT “A-2”
TO THE FRANCHISE AGREEMENT**

COMPANY REPRESENTATIONS AND WARRANTIES

You make the following additional warranties and representations:

You are a (check one):

- | | |
|--|--|
| ☐ Partnership | ☐ Corporation |
| ☐ Sole Proprietorship | ☐ Limited Liability Company |

Name of your entity: _____

The state in which your entity was formed: _____

Date of formation: _____

EIN: _____

The names and addresses of each shareholder, partner, or member holding an ownership interest in the corporation, partnership, or limited liability company (please print or type the information and add extra lines if necessary):

Name	Address	Percentage of Ownership*

*Corporation: Percentage owned of outstanding voting stock.

*Partnership: Percentage owned in voting and in capital and profits.

*Limited Liability Company: Percentage owned in membership interest.

The names of the officers of the company (please print or type the information and add extra lines if necessary):

Name	Title

--	--

The address where Your corporate records are maintained is:

The name and address of the Operating Principal who has been approved by Us and who will be directly responsible for supervising Your business operations and who has authority to work with Us and make decisions relating to the operations of the Franchise Business:

Name: _____

Address: _____

Email: _____

Phone: _____

You must provide Us a copy of Your articles of organization and operating agreement or articles of incorporation and bylaws within one week of the date below.

Dated _____.

FRANCHISEE:

By: _____
(Signature)

Name: _____

Title: _____



**EXHIBIT “A-3”
TO THE FRANCHISE AGREEMENT**

FEE CHART¹

The following Fees are more fully described in the Franchise Agreement.

Type of Fee*	Amount	Section Reference
Initial Franchise Fee	\$35,000	See Section 5.1
Royalty	5% of Gross Sales	See Section 5.2
Brand Development Fund Fee	2% of Gross Sales	See Paragraph 5.3.1 and Section 10.1
Annual Minimum Revenue	\$720,000	See Paragraph 1.1.3
Successor Franchise Fee	\$25,000	See Paragraph 2.2.4
Relocation Fee	\$2,000	See Section 4.6
Late Fees and Interest	\$25 per day up to a maximum of \$500 per fee per month, plus 18% interest, or the maximum interest allowed by state law	See Paragraphs 5.4.3 and 5.4.4
Non-Sufficient Fund Fees	\$50 per bounced check or draft, or the maximum allowed by state law	See Paragraph 5.4.3
Sales or Use Tax	Sum equal to tax imposed	See Paragraph 5.4.5
Audit Charge	Cost of audit	See Paragraph 5.5.2
System Non-Compliance Fines and Charges	Amounts to be specified in the Manuals. Ranging between \$50 and \$2,500	See Section 5.9
Additional Trainees at Initial Training	\$200 per person/per day	See Section 6.1.4
New Operating Principal or New Manager Training	\$200 per person/per day	See Paragraph 6.1.4(i)
Additional In-Person Training	\$200 per person/per day	See Paragraph 6.1.4(ii)
Rescheduling Fee	\$250, plus all costs to reschedule training	See Paragraph 6.1.4(iv)
Insurance Reimbursement Fee	Varies	See Paragraph 6.1.11
Administrative Fee	\$50 per person, per hour	See 6.1.11
PCI and DSS Audit Reimbursement Fee	Reasonable costs of the audit	See Paragraph 6.1.13(iv)
Interim Management Fee	\$250 per person/per day	See Paragraph 6.2.3 and Section 14.10
Operational Assistance at Your Franchise Business Premises	\$200 per person/per day	See Section 7.3
Manual Replacement Fee	\$100, subject to change in the future	See Section 9.1
Additional Copies of	Our reasonable costs, plus	See Section 10.4

Marketing Materials	10%, and the costs for shipping and handling	
Fees on Default	Our costs associated with Your default	See Section 11.2
Post-Termination, De-Identification, Non-Compliance Fee and Damages	\$250 per day, plus third-party fees	See Paragraph 12.1.13 and 12.5.1
Early Termination Liquidated Damages	Average royalty from the previous 12 months multiplied by 24 months or the remaining term of the Franchise Agreement, whichever is less.	See Section 12.5
Transfer Fee	\$5,000	See Section 14.5
Minority Interest Transfer Fee	Legal and corporate fees and costs incurred	See Section 14.6
Transferee Training Fee	Our then-current fee for additional persons at initial training	See Paragraph 14.8.6
Indemnification	Varies	See Section 15.2
Non-Compete Violations Fee	\$2,000 per day for each competing business	See Section 16.8
Dispute Resolution Fees	Varies	See Section 17.2 and Section 19.3

¹ We may increase this Fee by up to 10% per year during the term of the Franchise Agreement. Costs charged by third parties are subject to change at any time and do not have an annual cap.

**EXHIBIT “A-4”
TO THE FRANCHISE AGREEMENT**

BRAND PROTECTION AGREEMENT FOR PRINCIPALS

This BRAND PROTECTION AGREEMENT FOR PRINCIPALS (the “Agreement”) is entered into and made effective as of the effective date listed below by SENOR POLLO MEXICAN GRILL INC. (“Franchisor”) and the undersigned (“Principals”).

WHEREAS, Principals or his or her or their company entered into an agreement with Franchisor so as to be able to obtain the rights to operate a Señor Pollo Mexican Grill™ Franchise Business using the System developed by Franchisor, Including certain Confidential Information of Franchisor (“Franchise Agreement”); and

WHEREAS, Principals will have access to certain parts of the Confidential Information; and

WHEREAS, Franchisor has developed Confidential Information, Including Recipes for the operation of a Señor Pollo Mexican Grill™ Franchise Business and may continue to develop new Recipes and revise current Recipes for use in association with the Señor Pollo Mexican Grill™ System; and

WHEREAS, Principals will have access to certain parts of the confidential and proprietary Recipes; and

WHEREAS, Principals recognize the value of the System and the intangible property rights licensed under the Franchise Agreement, and the importance of maintaining the Confidential Information, and recognize that the Franchisor’s entering into the Franchise Agreement is conditioned upon each Principal entering into this Agreement; and

WHEREAS, all capitalized terms used, but not defined, herein will have the respective meanings assigned to them pursuant to the Franchise Agreement.

NOW THEREFORE, in consideration of Franchisor entering into the Franchise Agreement with Principals or his or her or their company, the recitals and other good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged, the parties hereto agree as follows:

1. Acknowledgment. Principals individually acknowledge that he or she has obtained or may obtain access to Confidential Information and made available to Principals that is necessary and essential to the operation of the Franchise Business, without which information the Franchise Business could not efficiently, effectively, and profitably operate. Principals further acknowledge that such Confidential Information was not known to him or her prior to the association with Franchisor.

2. Non-Disclosure and Non-Use. Except as may be required or allowed under the Franchise Agreement, Principals and any of a Principal’s Immediate Family, shall not during the term of the Franchise Agreement and any time thereafter, directly or indirectly, use, or disclose to any third-party, or authorize any third-party to use, any information relating to the Franchise Business or interest of Franchisor, Confidential Information, including trade secrets, the System, or other information or



materials that he or she knows, or reasonably should know, is regarded as confidential to Franchisor. Principals shall also adopt and implement all reasonable procedures prescribed by Franchisor, from time to time, to prevent unauthorized use and/or disclosure of the Proprietary Information, including restrictions on disclosure to employees and other third parties. The parties intend that the information disclosed by Franchisor prior to the actual execution of this Agreement constitutes Confidential Information and is subject to all the terms and conditions of this Agreement (Including the covenants protecting against disclosures) as if such information had been disclosed following the execution of this Agreement.

2.1 Duty to Notify. Principals agree to notify Franchisor of any reasonably suspected attempts to violate the terms or purposes of this Agreement and further agree to require all personnel to report to it any reasonably suspected attempts to violate this Agreement. In the event it is discovered that Principals knew or had reason to know of any suspected attempts to violate this Agreement, Principals agree to indemnify Franchisor for all costs and fees associated with enforcement, and to reimburse Franchisor for those losses sustained due to such violation.

2.2 Employee Use of Recipes and Trade Secrets. Each employee authorized to use the Recipes in the operation of the Franchise will be required to sign a confidentiality agreement prior to use of the Recipes. Furthermore, Principals represent and warrant that they shall only authorize employees over the age of 18 to use or have access to the Recipes. A copy of all such signed agreements will be promptly (within 10 days) provided to Franchisor.

2.2.1 Trade Secret Information: Trade Secret Information is also part of Confidential Information and includes recipes from Franchisor, including its marinade and salsa recipes, whether written or oral, for use in the foods the Señor Pollo Restaurant serves to customers and clients and the public as a whole, not being generally known and not being readily ascertainable by proper means by, other persons who can obtain economic value from its disclosure or use and is the subject of reasonable efforts by Senor Pollo and its affiliates to maintain its secrecy.

2.2.2 Non-Disclosure of Trade Secret Information. Principals, Principals, employees, ownership, agents and affiliates, shall not disclose any Franchisor Trade Secret Information to any individual except for those needed to produce any products authorized to provide from Franchisor. Specifically, Only Principal's designated on-site manager shall be allowed to review the Trade Secret Information. Any other individuals that need to review the Trade Secret Information not identified in this Agreement needs written consent from Franchisor and the basis as to why it needs to review the Trade Secret Information as well as the name and title of the individual. Any written Trade Secret Information given to the individuals identified in this section shall be sent via an encrypted file that shall be password protected and only the individuals identified in this section shall have access to or know the password. The individuals identified in this section shall ensure no other individuals of Recipient shall know or have access to the password. The individuals identified in this section shall ensure that upon receipt of any electronic Trade Secret Information, that it remains in an encrypted password protected folder, one a separate password, protected USB drive, that has no other information saved on it, without divulging the password to any individuals not identified in this section. The Trade Secret Information may not be saved on any server, computer hard drive or mobile phone of Recipient or its employees and affiliates and can only be accessed through the USB drive. If the Trade Secret Information is sent via email, the Trade Secret Information must saved on the USB drive and must be encrypted with a password and then the email must be immediately deleted. If any of the named

individuals in this section receives a hard copy of the Trade Secret Information, or on a USB drive, that information shall be placed in a folder, or box, that is clearly marked in red on the front of the folder or box: **CLASSIFIED FOR REVIEW OF On-Site Manager only**. The individuals in this section shall keep any hard copy of the Trade Secret Information physically locked and secured where no other individual not named in this section shall have access to it and access to the means to unlocking the secured space. If any of the named individuals writes down the Trade Secret Information, if Franchisor gives the Trade Secret Information to the named individuals orally, or if it makes a copy from a hard copy or electronic copy, it must first have the written permission from Franchisor to write down the Trade Secret Information. Any information an individual writes down also must be kept secret under the same procedures identified in this section for hard copies and electronic copies of the Trade Secret Information. Once the individual no longer works as an on-site manager, it must destroy and only disclose the Trade Secret Information and how to access it to the new on-site manager after written permission is given from Us to do so. If this Agreement is Terminated, Principals must destroy all Trade Secret Information within 24 hours of Termination, or if Franchisor directs Principals to destroy any Trade Secret Information during this Agreement.

2.3 No Reverse Engineering. Principals shall not, either personally, in concert with others, or through other authorization, reverse engineer, decompile or deconstruct or attempt to reverse engineer, decompile or deconstruct any portion of the Confidential Information, including the Recipes, and shall not allow, encourage or permit any partner, owner, director, member, manager, agent, employee or other person to do so. For purposes of this Agreement, reverse engineering as it relates to the Recipes, Includes any deviations from the Recipes that make minimal changes to the process, procedure, or ingredients such that the final result is identical or substantially similar to the result that would reasonably be expected to result from the Recipes.

2.4 Limited Use. Principals shall limit their use of the Confidential Information, Including, their recollection of any part of the Recipes, Formulations, Confidential Information, to the performance of their duties as described in the Franchise Agreement, the Manuals, and any policies and procedures implemented by Franchisor and shall not use the Recipes, Formulations, Confidential Information for any personal use or gain.

3. Non-Competition; Non-Solicitation. The following covenants will be enforced during and after the term of the Franchise Agreement:

3.1 In-Term Covenant. During the term of the Franchise Agreement and for any extensions or Successor Franchises thereof, except as permitted under the Franchise Agreement, Principals and each Principal's Immediate Family, shall not be a Participant, assist, or serve in any other capacity whatsoever, or have any interest in a Competing Business in any capacity or location except with Franchisor's prior written consent.

3.2 Post-Term Covenant. Upon Termination for any reason of the Franchise Agreement, and any extensions thereof, or upon any Transfer or repurchase of a Principal's rights under the Franchise Agreement or the franchise entity, or a Principal's dissociation from the Franchise Business, and for a continuous, uninterrupted period of three years thereafter, Principals, and Principal's Immediate Family, shall not, directly or indirectly, be a Participant, assist, or serve in any other capacity whatsoever, or have any interest in a Competing Business in any capacity, territory, or location within the Territory or within 15 miles of the Territory or within 15 miles of the territory of



any System franchise or Señor Pollo Mexican Grill™ business operation at the time of Termination of the Franchise Agreement. The ownership of not more than 2% of the voting stock of a publicly held corporation will not be considered a violation of the foregoing provision. Principals agree that the Franchise Business attracts customers from up to 10 miles, and that such geographical restraint is not unreasonable.

3.3 Non-Solicitation. During the term of this Agreement and for three years after the Termination of this Agreement, You, Your Principals, and Your Immediate Family shall not, directly or indirectly, contact any customer serviced by the Franchise Business, a prospective customer, third-party vendor, or any former or then-current customer of Ours (with whom You had contact during the term of this Agreement), any of Our employees, Your employees, or of Our affiliates, or any employees of any other franchisee in Our system, or its ownership, management and affiliates, or any other person, entity or agent or affiliate that has a relation or affiliation with Our system, for the purpose of soliciting any such person or entity from working for and or doing business with the franchise business including to a Competing Business. All Customer Data belongs to the Franchisor. For clarity, a “prospective customer” does not mean any possible customer. It means a potential customer who has been engaged in some way, or has provided some personal information, or has elected to receive some communication, but who has not yet done business to be considered an actual customer.

4. Survival of Covenants; Tolling of Covenants. The foregoing covenants survive the Termination of this Agreement and apply regardless of whether this Agreement was Terminated by lapse of time, by default of either party, or for any other reason. In addition to other remedies available to Franchisor, in the event a Principal violates a non-competition and/or non-solicitation covenant, the applicable non-competition or non-solicitation period will be tolled for the period of that Principal’s violation. Principal shall also pay Franchisor liquidated damages of \$2,000 per day for each Competing Business for violation of Sec. 3.1 or 3.2. These liquidated damages do not represent a price for the privilege of not performing nor does the payment represent an alternative manner of performance. This Section does not preclude and is not inconsistent with a court granting Franchisor specific performance or any other equitable remedies, such as an injunction, to prevent future breaches. If any portion of section 3 is construed as too restrictive under any applicable law, then it shall be interpreted as the highest permissible restriction under that applicable law.

5. Return of Materials. Upon the Termination of the Franchise Agreement, or a Principal’s disassociation from the Franchise Business, each Principal agrees to deliver to Franchisor (and shall not keep a copy in his or her possession or deliver to anyone else) the Señor Pollo Mexican Grill™ Manuals and any and all Confidential Information.

6. Irreparable Harm. Principals hereby acknowledge and agree that any breach by him or her of any portion of Sections 1 through 5 above, inclusive, will cause damage to Franchisor in an amount difficult to ascertain. Accordingly, in addition to any other relief to which Franchisor may be entitled, Franchisor will be entitled to temporary, preliminary, and/or permanent injunctive relief for any breach or threatened breach by any Principal of any of the terms of Section 1 through 5 above, inclusive, without proof of actual damages that have been or may be caused to Franchisor by such breach and without the requirement of posting bond. Additionally, Principals agree that the existence of any claims a Principal may have against Franchisor, whether or not arising from this Agreement or the Franchise Agreement, will not constitute a defense to Franchisor’s ability to enforce the covenants set forth in this Agreement.



7. Reasonableness and Enforceability. Principals agree that the terms of this Agreement are fair and reasonable in light of the circumstances and were in part, based on the perceived or potential value of the System and the business relationship that Principals and/or his or her or their company have and will have with Franchisor. If any portion of this Agreement will be held invalid or inoperative, then, so far as is reasonable and possible, the remainder of this Agreement will be considered valid and operative, and effect will be given to the intent manifested by the portion held invalid or inoperative. Whenever the context so requires, the masculine will Include the feminine and neuter and the singular will Include the plural and conversely. Principals understand that a separate action may be brought or prosecuted against a Principal whether or not the action is brought or prosecuted against any other Principal or against the franchisee, or any or all of them, or whether any other Principal or the franchisee is or are joined in the action.

8. Governing Law and Jurisdiction. The validity, enforcement, construction, rights and liabilities of the parties and provisions of this Agreement will be governed by and interpreted in accordance with the laws of the state of Utah without giving effect to its conflicts of law provisions. If for any reason court action is filed, Principals individually consent to the jurisdiction of the courts of record in the state of Utah, and unless the enforcement of this Agreement is brought in connection with a Dispute under the Franchise Agreement (in which case this matter may be handled through arbitration as set forth in the Franchise Agreement), each Principal agrees that proper jurisdiction and venue for all Dispute resolution will be exclusively in the state and federal courts of Salt Lake City, Utah.

9. Attorney's Fees and Costs. In the event any action in law or equity or any arbitration or other proceeding is brought for the enforcement of this Agreement or in connection with any of the provisions of this Agreement, the successful or prevailing party or parties will be entitled to reasonable attorney's fees and other costs reasonably incurred in such action or proceeding.

10. Binding Agreement. This Agreement will bind the successors and assigns of a Principal and his or her heirs, personal representative, successors and assigns. No rights under this Agreement are assignable by any Principal, and any purported assignment will be null and void and of no force or effect.

11. Survival of Covenants. All covenants made in this Agreement by Principals survive the Termination of this Agreement or the Franchise Agreement or Principal's disassociation with the Franchise Business or the System in any way.

12. Modification of Agreement. This Agreement may be amended in whole or in part only by an agreement in writing signed by the parties.

13. Waiver. Each Principal understands and acknowledges that Franchisor can require the use of cameras at the business premises, and each Principal waives any expectation of privacy in non-private areas of the business premises, i.e., spaces that are not in a bathroom, changing room, etc.

14. Counterpart and Electronic Signatures. This Agreement may be signed in counterparts by facsimile, electronic signature, or scanned and emailed signature, or similar electronic means, which will be deemed the same as an original signature and may be used for all purposes as if it were an original.



PRINCIPALS INDIVIDUALLY ACKNOWLEDGE THAT HE OR SHE HAS READ THIS AGREEMENT AND UNDERSTANDS ITS CONTENTS.

IN WITNESS WHEREOF, the parties have executed this Agreement effective as of the date below.

DATED _____.

FRANCHISOR:
SEÑOR POLLO MEXICAN GRILL INC.

By: _____
(Signature)

Name: _____

Title: _____

PRINCIPALS:

By: _____

Name: _____

By: _____

Name: _____

By: _____

Name: _____

By: _____

Name: _____

[Brand Protection Agreement for Principals Signature Page]



**EXHIBIT “A-5”
TO THE FRANCHISE AGREEMENT**

EMPLOYEE BRAND PROTECTION AGREEMENT

This EMPLOYEE BRAND PROTECTION AGREEMENT (“Agreement”) is entered into as of _____, between _____ (“Franchisee”) and _____ (“Employee”), residing at _____.

A. Franchisee is the holder of a Señor Pollo Mexican Grill™ franchise developed by Senor Pollo Mexican Grill Inc. (“Franchisor”).

B. Franchisor has developed certain confidential and proprietary information for the operation of a Señor Pollo Mexican Grill™ franchise, including without limitation, processes, methods, trade secrets, systems, software, pricing, financial information, customer data and lists, manuals, marketing techniques, and procedures (“Proprietary Information”).

C. Included in the Proprietary Information are confidential and proprietary mixes, batters, recipes, fillings, frostings, toppings, flavors, ingredients, sauces, syrups, spices, processes, methods, formulas, temperatures, cook times, and measurements and other information relating to the preparation of food items (collectively “Recipes”) for use in the operation of a Señor Pollo Mexican Grill™ franchise businesses.

NOW, THEREFORE, in consideration of the employment of Employee by Franchisee, the parties hereto agree as follows,

1. Acknowledgement. Employee acknowledges that during the course of his or her employment by Franchisee he or she has obtained or may obtain knowledge of the Proprietary Information and other confidential matters and procedures developed, licensed to or owned by Franchisor and made available to Franchisee, which are necessary and essential to the operation of the business of Franchisee, which without such information, Franchisee could not efficiently, effectively and profitably operate its Señor Pollo Mexican Grill™ franchise. Employee further acknowledges that such Proprietary Information was not known to him or her prior to the association with Franchisee or its Señor Pollo Mexican Grill™ franchise.

2. Non-Use, Non-Disclosure. Except as may be required in the performance of duties for Franchisee, Employee shall not, during the course of his or her employment or at any time thereafter, directly or indirectly, use, or disclose to any third-party, or authorize any third-party to use any portion of the Proprietary Information, and agrees not to copy, transmit, recreate or otherwise reproduce all of any part of the Proprietary Information at any time.

2.2.1 Trade Secret Information: Trade Secret Information is also part of Confidential Information and includes recipes from Franchisor, including its marinade and salsa recipes, whether written or oral, for use in the foods the Señor Pollo Restaurant serves to customers and clients and the public as a whole, not being generally known and not being readily ascertainable by proper means by,

other persons who can obtain economic value from its disclosure or use and is the subject of reasonable efforts by Señor Pollo and its affiliates to maintain its secrecy.

2.2.2 Non-Disclosure of Trade Secret Information. Employee, shall not disclose any Franchisor Trade Secret Information to any individual except for those needed to produce any products authorized to provide from Franchisor. Employee shall also other employees, manager, agent owner or affiliate shall also not disclose Trade Secret Information. Only Principal's designated on-site manager shall be allowed to review the Trade Secret Information. Any other individuals that need to review the Trade Secret Information not identified in this Agreement needs written consent from Franchisor and the basis as to why it needs to review the Trade Secret Information as well as the name and title of the individual. If any employee not authorized by Franchisor gets a hold of trade secret information in any form, either written or oral, it shall not divulge any of that information to any other individual inside or outside the company. Any written Trade Secret Information given to authorized individuals identified in this section shall be sent via an encrypted file that shall be password protected and only the individuals identified in this section shall have access to or know the password. The individuals identified in this section shall ensure no other individuals of Recipient shall know or have access to the password. The individuals identified in this section shall ensure that upon receipt of any electronic Trade Secret Information, that it remains in an encrypted password protected folder, one a separate password, protected USB drive, that has no other information saved on it, without divulging the password to any individuals not identified in this section. The Trade Secret Information may not be saved on any server, computer hard drive or mobile phone of Recipient or its employees and affiliates and can only be accessed through the USB drive. If the Trade Secret Information is sent via email, the Trade Secret Information must saved on the USB drive and must be encrypted with a password and then the email must be immediately deleted. If any of the named individuals in this section receives a hard copy of the Trade Secret Information, or on a USB drive, that information shall be place in a folder, or box, that is clearly marked in red on the front of the folder or box: CLASSIFIED FOR REVIEW OF On-Site Manager only. The individuals in this section shall keep any hard copy of the Trade Secret Information physically locked and secured where no other individual not named in this section shall have access to it and access to the means to unlocking the secured space. If any of the named individuals writes down the Trade Secret Information, if Franchisor gives the Trade Secret Information to the named individuals orally, or if it makes a copy from a hard copy or electronic copy, it must first have the written permission from Franchisor to write down the Trade Secret Information. Any information an individual writes down also must be kept secret under the same procedures identified in this section for hard copies and electronic copies of the Trade Secret Information. Once the individual no longer works as an on-site manager, it must destroy and only disclose the Trade Secret Information and how to access it to the new on-site manager after written permission is given from Us to do so. If this Agreement is Terminated, Principals and employees must destroy all Trade Secret Information within 24 hours of Termination, or if Franchisor directs Principals to destroy any Trade Secret Information during this Agreement. Employee shall follow all direction from its employer as to Trade Secret Information that is not contrary to these terms.

2.2.3 No Reverse Engineering. Employee shall not, either personally, in concert with others or through other authorization, reverse engineer, decompile or deconstruct or attempt to reverse engineer, decompile or deconstruct any portion of the Proprietary Information, Confidential Information, trade secret information, including without limitation, the Recipes, and will not allow, encourage or permit any partner, owner, director, member, manager, agent, employee or other person to do so. For purposes of this Agreement, reverse engineering as relates to the Recipes will include any

deviations from the Recipes that make minimal changes to the process, procedure, or ingredients such that the final result is identical or substantially similar to the result that would reasonably be expected to result from the Recipes.

3. Limited Use. Employee shall not use the Proprietary Information at any time, place, or circumstance, except as directed by Franchisee or its authorized representatives. In no event shall Employee use the Proprietary Information, whether in part or in whole, outside of Employee's specific employment duties.

4. Duty to Notify. Employee agrees to notify Franchisor or Franchisee or Employee's immediate superiors of any reasonably suspected attempts to violate the terms or purposes of this Agreement or to otherwise disclose, copy, or reproduce any part of the Proprietary Information. In the event it is discovered that Employee knew or had reason to know of any suspected attempts to violate this Agreement and fails to report such knowledge, Employee agrees to indemnify Franchisor and Franchisee for all costs and fees associated with enforcement, and to reimburse Franchisor and Franchisee for those losses sustained due to such violation. Employee agrees to cooperate with Franchisor and Franchisee in its or their attempts to enforce the terms of this Agreement and to otherwise protect the Proprietary Information, and to cooperate with Franchisee and Franchisor to the extent Franchisee is obligated to cooperate with Franchisor's attempts to enforce its rights in and to the Proprietary Information.

5. Return of Materials. Immediately upon the termination of employment, Employee agrees to deliver to Franchisee (and shall not keep in his or her possession or deliver to anyone else whether in hard or electronic soft copy) any and all records, data, photographs, notes, manuals, lists, correspondence, specifications, materials, other documents or property, or reproductions relating to, directly or indirectly, to the Proprietary Information.

6. Management and Supervisor Employees. This Section 6 shall only apply if Employee is a management employee and/or acts in a supervisory role over other employees or to Employees that reside in states where such restrictive covenants below are prohibited.

6.1 Non-Competition. Employee shall not, during the course of his or her employment by Franchisee, and for one year thereafter, directly or indirectly in any capacity, without Franchisee's prior written consent, engage in a business, or plan for or organize a business, or have any financial interest in, or become and owner, officer, director, shareholder, partner, associate, employee, contractor, agent, representative or consultant in any offering or selling products or services the same or substantially similar to a Señor Pollo Mexican Grill™ business. Without limiting the generality of the foregoing, the minimum area of competitive nature will be that area within a 10-mile radius of Franchisee's place of business or any Señor Pollo Mexican Grill™ business in operation at the time of Employee's termination of employment 10 miles of any business or customer serviced by Franchisee. The ownership of not more than 2% of the voting stock of a publicly held corporation will not be considered a violation of the foregoing provision.

6.2 Non-Solicitation of Customers. Employee shall not, during the course of his or her employment and for one year thereafter, directly or indirectly, contact any customer or former customer of Franchisee for the purpose of soliciting such customer to be a customer of a business that is the same as or similar to a Señor Pollo Mexican Grill™ business. During the term of this Agreement



and for three years after the Termination of this Agreement, You, Your Principals, and Your Immediate Family shall not, directly or indirectly, contact any customer serviced by the Franchise Business, a prospective customer, third-party vendor, or any former or then-current customer of Ours (with whom You had contact during the term of this Agreement), any of Our employees, Your employees, or of Our affiliates, or any employees of any other franchisee in Our system, or its ownership, management and affiliates, or any other person, entity or agent or affiliate that has a relation or affiliation with Our system, for the purpose of soliciting any such person or entity from working for and or doing business with the franchise business including to a Competing Business. All Customer Data belongs to the Franchisor. For clarity, a “prospective customer” does not mean any possible customer. It means a potential customer who has been engaged in some way, or has provided some personal information, or has elected to receive some communication, but who has not yet done business to be considered an actual customer.

7. Irreparable Harm. Employee hereby acknowledges and agrees that any breach by him or her of any portion of Sections 1 through 6 above, inclusive, will cause damage to Franchisee and Franchisor in an amount difficult to ascertain. Accordingly, in addition to any other relief to which Franchisee may be entitled, either Franchisee or Franchisor will be entitled to enforce this Agreement and to seek temporary, preliminary, and/or permanent injunctive relief for any breach or threatened breach by Employee of any of the terms of Section 1 through 6 above, inclusive, without proof of actual damages that have been or may be caused to Franchisee or Franchisor by such breach, and without the requirement of posting bond. The existence of a claim against Franchisee or Franchisor will not constitute a defense to enforce the covenants of this Agreement.

8. Modification. Employee hereby agrees that, without limitation, any modifications, alterations, changes, or improvements conceived, designed, devised, developed, perfected or made by Employee, whether alone or in conjunction with others, and related in any manner to the actual or anticipated operation of the Franchisee, or the Señor Pollo Mexican Grill™ system, or to any area of research and development related to the operation of the business, must be promptly disclosed to the Franchisee and will become the property of Franchisor, and Employee hereby irrevocably assigns, transfers, and conveys any such to Franchisor.

9. Enforceability. If any portion of this Agreement will be held invalid or inoperative, then, so far as is reasonable and possible, the remainder of this Agreement will be considered valid and operative, and effect will be given to the intent manifested by the portion held invalid or inoperative. If any portion of section 6 is construed as too restrictive under any applicable law, then it shall be interpreted as the highest permissible restriction under that applicable law.

10. Survival of Covenants. All covenants made in this Agreement by Employee survive the termination of Employee’s employment with Franchisee or the expiration, transfer, or termination of this Agreement.

11. Modification of Agreement. This Agreement may be amended in whole or in part only by an agreement in writing signed by both parties.

12. Attorneys’ Fees. In the event any action in law or equity or any arbitration or other proceeding is brought for the enforcement of this Agreement or in connection with any of the provisions of this Agreement, the successful or prevailing party or parties will be entitled to reasonable

attorney's fees and other costs reasonably incurred in such action or proceeding.

13. Waiver. Employee understands and acknowledges that Franchisee may employ the use of cameras at the business premises, and Employee waives any expectation of privacy in non-private areas of the business premises, i.e., spaces that are not in a bathroom, changing room, etc.

14. Counterpart and Electronic Signatures. This Agreement may be signed in counterparts by facsimile, electronic signature, or scanned and emailed signature, or similar electronic means, which will be deemed the same as an original signature and may be used for all purposes as if it were an original.

15. Third-party Beneficiary. It is agreed and acknowledged that Franchisor is a third-party beneficiary to this Agreement.

EMPLOYEE ACKNOWLEDGES THAT HE OR SHE HAS READ THIS AGREEMENT AND UNDERSTANDS ITS CONTENTS.

IN WITNESS WHEREOF, the parties have executed this Agreement effective as of the day and year first herein above written.

FRANCHISEE:

By: _____

Name: _____

Title: _____

Date: _____

EMPLOYEE (if a minor, see next page):

By: _____

Name: _____

Title: _____

Date: _____

Age: _____

For persons under 18 years of age, a parent or legal guardian must sign and complete the following section.

I, _____ (Parent/Guardian), the undersigned and the parent and natural guardian of _____ (minor's name), hereby acknowledge that I have executed the foregoing Employee Brand Protection Agreement for and on behalf of the minor named herein. I represent that I have legal capacity and authority to act for and on behalf of the minor named herein. As the natural or legal guardian of such minor, I hereby bind myself, the minor, and our successors and assigns to the obligations and liabilities of the foregoing Employee Brand Protection Agreement.

DATED:_____.



Signature of Parent/Guardian: _____

Name of Parent/Guardian: _____

Address: _____

Phone: _____



EXHIBIT "A-6"
TO THE FRANCHISE AGREEMENT

LANDLORD'S CONSENT TO ASSIGNMENT

_____ ("Landlord") hereby consents to an assignment of the lease agreement ("Lease Agreement") to Senor Pollo Mexican Grill Inc. ("Franchisor") for the purpose of securing the obligations of _____ ("Lessee" and Franchisor's franchisee) to Franchisor. In the event of Lessee's breach of the Lease Agreement, Landlord agrees to provide Franchisor with written notice of any breach of the Lease Agreement that Landlord is required to provide to Lessee. Further, Landlord agrees it will not take any action to terminate said Lease Agreement without first giving Franchisor an opportunity, but not the obligation, to cure said breach for an additional 10 days beyond the applicable cure period granted to the Lessee under the Lease Agreement.

Landlord agrees to provide Franchisor with all information relating to amounts owing, settlement agreements, and all matters related to the Lease Agreement within five days of written request from Franchisor.

Landlord agrees that if the Lease Agreement or franchise agreement is terminated, Franchisor will have the right, but not the obligation, within 90 days after termination of the Lease Agreement or franchise agreement, to take possession of the premises, and to assume or reassign the Lease Agreement, or sublet the premises to another franchisee for the remaining term of the Lease Agreement; provided that Landlord will have the right to reasonably approve such reassignment or subletting.

Landlord further covenants that so long as Franchisor has not entered into possession of the leased premises, Franchisor will not be liable for rent or any other obligation under the Lease Agreement, but that Landlord will look to Lessee for all obligations under the Lease Agreement.

Notices to Franchisor will be sent to: _____
_____.

Landlord Contact Information:

Contact Person: _____

Mailing Address: _____

Email: _____

Phone: _____

LANDLORD:

By: _____

Title: _____

Name: _____

Date: _____



**EXHIBIT “A-7”
TO FRANCHISE AGREEMENT**

AUTHORIZATION AGREEMENT FOR DIRECT PAYMENTS (ACH DEBITS)

Business Name: _____

I hereby authorize Senor Pollo Mexican Grill Inc. hereinafter called (“Company”), to initiate debit entries to my checking account or savings account as indicated below at the depository financial institution named below, hereinafter called (“Depository”), and to debit the same to such account. I acknowledge that the origination of ACH transactions to my account must comply with the provisions of United States law.

Depository Name: _____ Branch: _____

City: _____ State: _____ Zip Code: _____

Routing Number: _____ Account Number: _____

Type of Account: Checking/Savings: _____

This authorization is to remain in full force and effect until the Company has received written notification from me of its termination in such time and in such manner as to afford the Company and Depository a reasonable opportunity to act on it.

Name: _____
(please print)

Title: _____

Signature: _____ Date: _____

NOTE: ALL WRITTEN DEBIT AUTHORIZATIONS MUST PROVIDE THAT THE RECEIVER MAY REVOKE THE AUTHORIZATION ONLY BY NOTIFYING THE ORIGINATOR IN THE MANNER SPECIFIED IN THE AUTHORIZATION.



**EXHIBIT “A-8”
TO FRANCHISE AGREEMENT**

GUARANTY AND ASSUMPTION OF OBLIGATIONS

This GUARANTY AND ASSUMPTION OF OBLIGATIONS (“Guaranty”) is entered into and made effective as of _____ by and between SENOR POLLO MEXICAN GRILL INC. (“We,” “Us” or “Our”) and the undersigned Guarantor(s) (“Guarantor(s)”) owners of _____ (the “Business Entity”) and their spouses or legal domestic partner (collectively and individually referred to as “spouse”).

1. Scope of Guaranty. In consideration of and as an inducement to Our signing and delivering the Franchise Agreement dated _____ (the “Franchise Agreement”), each Guarantor(s) signing this Guaranty personally and unconditionally: (a) guarantees to Us and Our successors and assigns that the Business Entity will punctually pay and perform each and every undertaking, agreement, and covenant set forth in the Franchise Agreement; and (b) agrees to be personally bound by, and personally liable for the breach of, any provision in the Franchise Agreement, Including confidentiality and the non-competition provisions. Each Guarantor acknowledges and agrees no subsequent amendment, modification, and/or extension of the Franchise Agreement by and between Franchisor and the franchisee thereunder will affect the enforcement or validity of this Guaranty.

2. Waivers. Each Guarantor waives: (a) acceptance and notice of acceptance by Us of Guarantor(s) obligations under this Guaranty; (b) notice of demand for payment of any indebtedness or nonperformance of any obligations guaranteed by Guarantor(s); (c) protest and notice of default to any party with respect to the indebtedness or nonperformance of any obligations guaranteed by Guarantor(s); (d) any right Guarantor(s) may have to require that an action be brought against the Business Entity or any other person as a condition of Guarantor(s) liability; (e) all rights to payments and claims for reimbursement or subrogation which Guarantor(s) may have against the Business Entity arising as a result of Guarantor(s)’ execution of and performance under this Guaranty; and (f) all other notices and legal or equitable defenses to which Guarantor(s) may be entitled in Guarantor(s)’ capacity as guarantors.

3. Consents and Agreements. Each Guarantor consents and agrees that: (a) Guarantor(s)’ direct and immediate liability under this Guaranty are joint and several; (b) Guarantor(s) must render any payment or performance required under the Franchise Agreement upon demand if the Business Entity fails or refuses punctually to do so; (c) Guarantor(s)’ liability will not be contingent or conditioned upon Our pursuit of any remedies against the Business Entity or any other person; (d) Guarantor(s)’ liability will not be diminished, relieved or otherwise affected by any extension of time, credit or other indulgence which We may from time to time grant to Business Entity or to any other person, including, without limitation, the acceptance of any partial payment or performance of the compromise or release of any claims (including the release of other guarantors) and no such indulgence will in any way modify or amend this Guaranty; and (e) this Guaranty will continue and is irrevocable during the term of the Franchise Agreement and, where required by the Franchise Agreement, after its termination or expiration.

4. Enforcement Costs. If We must enforce this Guaranty in any judicial or arbitration proceeding or any appeals, Guarantor(s) must reimburse Us for Our enforcement costs. Enforcement



costs include reasonable fees from accountants, attorneys, attorney's assistants, arbitrators, and expert witness fees, costs of investigation and proof of facts, court costs, arbitration filing fees, other litigation expenses and travel and living expenses, whether incurred before, in preparation for, or in contemplation of the filing of any written demand, claim, action, hearing or proceeding to enforce this Guaranty.

5. Disputes. Guarantor(s) and its spouse acknowledge and represent that Guarantor(s) and its spouse have had an opportunity to review the Franchise Agreement and agree that the provisions of Article XVII (disputes and arbitration) of the Franchise Agreement have been reviewed by Guarantor(s) and its spouse and by reference are incorporated herein and will govern this Guaranty and any disputes between Guarantor(s) and/or its spouse and Us. Each Guarantor(s) and its spouse irrevocably submits to the exclusive jurisdiction and venue of said arbitration and listed courts. Nevertheless, Guarantor(s) agree that We may also enforce this Guaranty and awards in the courts of the state or states in which a Guarantor(s) or a spouse is domiciled. Each Guarantor will be held personally, jointly, and severally liable. Any settlement made between Us and the Business Entity or any determination made pursuant to this Agreement will be binding upon the Guarantor(s).

6. Spouse's Signature. By signing below, the undersigned spouse acknowledges and consents to Guarantor(s) execution and performance under this Guaranty and the undersigned spouse also consents to his or her personal and marital assets securing the Business Entity's performance under the Franchise Agreement and Guarantor(s)' performance under this Guaranty.

7. Counterparts. This Guaranty may be signed in counterparts including by electronic signatures and other electronic means, which will be deemed the same as an original signature and may be used for all purposes as if it were an original.

IN WITNESS WHEREOF, the Guarantor(s) and its spouse have respectively signed this Guaranty effective as of the day and year first written above.

Guarantor(s)'s Signature	Spouse Signature	Contact Information for Notice
By: _____	By: _____	_____
Name: _____	Name: _____	_____
By: _____	By: _____	_____
Name: _____	Name: _____	_____
By: _____	By: _____	_____
Name: _____	Name: _____	_____

By: _____ By: _____ _____
Name: _____ Name: _____ _____



**THE SIGNATURE OF EACH PERSON SIGNING
THE PERSONAL GUARANTY MUST BE NOTARIZED
(Unless signed electronically)**

STATE OF _____ :

: .ss

COUNTY OF _____ :

On the _____ day of _____, 20____, personally appeared before me _____, who duly acknowledged to me that he or she executed the above guaranty individually.

NOTARY PUBLIC

STATE OF _____ :

: .ss

COUNTY OF _____ :

On this _____ day of _____, 20____, before me, _____, a notary public, personally appeared _____, who duly acknowledged to me that he or she executed the above guaranty individually.

NOTARY PUBLIC

STATE OF _____ :

: .ss

COUNTY OF _____ :

On this _____ day of _____, 20____, before me, _____, a notary public, personally appeared _____, who duly acknowledged to me that he or she executed the above guaranty individually.

NOTARY PUBLIC

STATE OF _____ :

: .ss

COUNTY OF _____ :

On this _____ day of _____, 20____, before me, _____, a notary public, personally appeared _____, who duly acknowledged to me that he or she executed the above guaranty individually.

NOTARY PUBLIC

STATE OF _____ :
 : .SS

COUNTY OF _____ :

On this ____ day of _____,
20____, before me, _____, a notary public, personally appeared
_____, who duly acknowledged to me that he or she executed the above
guaranty individually.

NOTARY PUBLIC

STATE OF _____ :
 : .SS

COUNTY OF _____ :

On this ____ day of _____, 20____, before me, _____, a notary public, personally appeared _____, who duly acknowledged to me that he or she executed the above guaranty individually.

NOTARY PUBLIC

**EXHIBIT “A-9”
TO THE FRANCHISE AGREEMENT**

DIGITAL, SOCIAL MEDIA, AND LISTINGS AUTHORIZATION FOR ASSIGNMENT

This DIGITAL, SOCIAL MEDIA, AND LISTINGS ASSIGNMENT AUTHORIZATION (“Assignment”) is made and entered into as of the Effective Date (defined below), by and between the undersigned Franchisee and Senor Pollo Mexican Grill Inc. (“Franchisor”).

RECITALS

WHEREAS, Franchisee has entered into a franchise agreement with (“Franchise Agreement”); and

WHEREAS, as part of the Franchise Agreement, Franchisee is granted limited rights to use the Señor Pollo Mexican Grill™ trademark, trade names, trade dress, and other associated intellectual property (collectively, the “Marks”) in conjunction with Franchisee’s Franchise Business; and

WHEREAS, all capitalized terms used, but not defined, herein will have the respective meanings assigned to them pursuant to the Franchise Agreement.

NOW, THEREFORE, in consideration of the mutual covenants, agreements, recitals, obligations, terms and conditions herein contained, and the acts to be performed by the respective parties hereto, the parties hereto agree as follows:

1. Franchisee hereby assigns all rights and interest, Including all associated goodwill, in the Social Media and other digital media accounts used in the Franchise Business or used or created in any way by Franchisee or third parties to promote or use the Marks, Including, Franchisee’s Facebook, Instagram, Tik-Tok, Pinterest, Google listings, Twitter, LinkedIn, Tumblr, email accounts, and the like (collectively the “Social Media Accounts”). Franchisee shall take all action necessary to grant exclusive access of the Social Media Accounts to Franchisor, Including providing all passwords and administrative access to such Social Media Accounts.

2. Franchisee hereby assigns and transfers, (or in Franchisor’s sole discretion disconnects) the telephone listings, telephone numbers, Including the telephone number(s) listed on Marketing and Social Media Accounts, URL’s, Internet sites, and web pages used in the Franchise Business or used or created in any way by Franchisee or third parties to promote or use the Marks to Franchisor (collectively “Listings”).

3. Franchisee represents, warrants, and covenants the following with regard to the Social Media Accounts and Listings:

- a. Franchisee has the right to assign the Social Media Accounts and Listings, and they are free and clear of all liens and encumbrances.
- b. Franchisee shall not, after Termination of the Franchise Agreements attempt to access, control, interfere with, or obstruct the Social Media Accounts and/or Listings.

- c. Franchisee shall not prevent or hinder Franchisor from enforcing its rights in or to the assigned Social Media Accounts or Listings.
- d. Franchisee has not taken, or permitted, and shall not take or permit any action that would prevent Franchisor from enjoying the full benefits of assignment of the Social Media Accounts and Listings to Franchisor hereunder whether during the term or after the Termination of the Franchise Agreement.
4. Franchisee hereby directs and authorizes each company associated with, or in control of, the Social Media Accounts and Listings to assign, transfer, set over and otherwise authorize Franchisor to take over and control the Social Media Accounts and Listings. If necessary, Franchisee shall execute all documents required by Franchisor to give effect to the assignment of the Social Media Accounts and Listings to Franchisor hereunder.
5. This Assignment applies to all Social Media Accounts and Listings regardless of whether Franchisee is allowed to manage under the Franchise Agreement or was allowed to create, use, manage, or even own Social Media Accounts and/or Listings in the past. To the extent Franchisor does not currently have administrative access to a Social Media Account or Listing of Franchisee, Franchisee shall immediately grant Franchisor such access.
6. Franchisor hereby appoints Franchisor as its attorney-in-fact for the above transfers, which appointment is coupled with an interest.
7. This Assignment is binding upon the heirs, administrators, personal representatives, assigns and successors in interest to the parties hereto.
8. This Assignment is governed, construed, and interpreted in accordance with the laws of the state of Utah without giving effect to its conflicts of law provisions.
9. This Assignment may be signed in counterparts by facsimile, electronic signature, or scanned and emailed signature, or similar electronic means, which will be deemed the same as an original signature and may be used for all purposes as if it were an original.

FRANCHISOR:

SEÑOR POLLO MEXICAN GRILL INC.

By: _____
(Signature)

Name: _____

Title: _____

Date: _____

FRANCHISEE:

By: _____
(Signature)

Name: _____

Title: _____

Date: _____



**EXHIBIT “A-10”
TO FRANCHISE AGREEMENT
STATE SPECIFIC ADDENDA**



ADDENDUM TO THE FRANCHISE AGREEMENT FOR THE STATE OF CALIFORNIA

1. The California Franchise Relations Act, Business and Professions Code Sections 20000 through 20043 provide rights to the franchisee concerning termination, transfer, or non-renewal of a franchise. If the franchise agreement contains a provision that is inconsistent with California law, California law controls.
2. The franchise agreement provides for termination upon bankruptcy. This provision may not be enforceable under federal bankruptcy law (11 U.S.C.A. Sec. 101 et seq.)
3. The franchise agreement contains a covenant not to compete which extends beyond the termination of the franchise. This provision may not be enforceable under California law.
4. The franchise agreement contains a liquidated damages clause. Under California Civil Code Section 1671, certain liquidated damages clauses are unenforceable.
5. The franchise agreement requires binding arbitration. The arbitration will occur at Salt Lake City, Utah with the costs being borne by you for travel to, and lodging in, Salt Lake City, Utah and other costs associated with arbitration. Prospective franchisees are encouraged to consult private legal counsel to determine the applicability of California and Federal laws (this or these as Business and Professions Code Section 20040.5, Code of Civil Procedure Section 128a, and the Federal Arbitration Act) to any provisions of a franchise agreement restricting venue to a forum outside the State of California.
6. The franchise agreement requires application of the laws of Utah, but the California franchise laws may prevail in some instances. Prospective franchisees are encouraged to consult private legal counsel to determine the applicability of California laws.
7. You must sign a general release if you transfer, renew or terminate your franchise. California Corporations Code 31512 voids a waiver of your rights under the Franchise Investment Law (California Corporations Code 31000 through 31516). Business and Professions Code 20010 voids a waiver of your rights under the Franchise Relations Act (Business and Professions Code 20000 through 20043).
8. The franchise agreement provides for waiver of a jury trial. This may not be enforceable in California.
9. Section 31512.1 Franchise Agreement Provisions Void as Contrary to Public Policy. Any provision of a franchise agreement, franchise disclosure document, acknowledgement, questionnaire, or other writing, including any exhibit thereto, disclaiming or denying any of the following shall be deemed contrary to public policy and shall be void and unenforceable:
 - (a) Representations made by the franchisor or its personnel or agents to a prospective franchisee.
 - (b) Reliance by a franchisee on any representations made by the franchisor or its personnel or agents.
 - (c) Reliance by a franchisee on the franchise disclosure document, including any exhibit thereto.
 - (d) Violations of any provision of this division.



10. Franchisees owning 25% or greater must sign a personal guaranty, making you and your spouse individually liable for your financial obligations under the agreement if you are married. The guaranty will place your and your spouse's marital and personal assets at risk, perhaps including your house, if your franchise fails.
11. Late Fees in Exhibit "A-3" is amended to include the following: "The highest interest rate allowed in California is 10% annually."
12. Paragraph 4.1 is amended to remove the following language, "Although We must approve of Your site, We do not warrant or guarantee the success of the site."
13. Paragraph 20.10 is amended to remove the following language, "You represent and acknowledge that no agreements, representations, negotiations, promises, commitments, inducements, assurances, terms, conditions, or covenants of any nature exist between You and Us except as specifically set forth in this Agreement, whether pertaining to this Agreement or to any future, further or additional rights of either You or Us."
14. Paragraphs 20.14 and 20.18 are not enforceable in the state of California.
15. The last three paragraphs of the franchise agreement, in bold above the signature lines, are not enforceable in the state of California.
16. If approved to sell alcoholic beverages in your franchise business, mandatory compliance with the California Department of Alcohol Beverage Control laws pertaining to the sale and consumption of alcoholic beverages related to the franchisor's business. Franchisee must comply with the requirements set forth in the Alcoholic Beverage Control Act and the California Code of Regulations for the sale of alcoholic beverages.



**EXHIBIT “B”
TO THE FDD**

TABLE OF CONTENTS FOR BRAND STANDARDS MANUAL

SEÑOR POLLO MEXICAN GRILL

TABLE OF CONTENTS

<u>TOPIC</u>	<u>PAGE NO.</u>
1. FOOD PROVIDERS	3-6
2. HIRING PROCESS	7
3. FOOD HANDLING	8
4. WORK ENVIRONMENT	9
5. CUSTOMER SERVICE	10
6. EMPLOYEE HEALTH AND PERSONAL HYGIENE	11
7. SHIFT OPERATIONS	12-13

**EXHIBIT “C”
TO THE FDD**

**FINANCIAL STATEMENTS
(Attached)**

December 31, 2022

December 31, 2021

December 31, 2020

SEÑOR POLLO MEXICAN GRILL INC.

FINANCIAL STATEMENTS WITH INDEPENDENT AUDITOR'S REPORT

DECEMBER 31, 2022, 2021, AND 2020



SEÑOR POLLO MEXICAN GRILL INC.

Table of Contents

	<u>Page</u>
Independent auditor's report.....	3
Balance sheets	5
Statements of operations.....	6
Statements of stockholder's equity	7
Statements of cash flows	8
Notes to the financial statements	9



Independent Auditor's Report

To the Stockholder
Senor Pollo Mexican Grill, Inc.
South Jordan, UT

Opinion

We have audited the accompanying financial statements of Senor Pollo Mexican Grill, Inc., which comprise the balance sheets as of December 31, 2022, 2021, and 2020, and the related statements of operations, stockholder's equity, and cash flows for the years then ended, and the related notes to the financial statements.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Senor Pollo Mexican Grill, Inc. as of December 31, 2022, 2021, and 2020, and the results of its operations and its cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinion

We conducted our audits in accordance with auditing standards generally accepted in the United States of America. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the Company and to meet our other ethical responsibilities in accordance with the relevant ethical requirements relating to our audits. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America, and for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the Company's ability to continue as a going concern within one year after the date that the financial statements are available to be issued.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements, including omissions, are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with generally accepted auditing standards, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the Company's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control related matters that we identified during the audit.

Restrictions on Use

The use of this report is restricted to inclusion within the Company's Franchise Disclosure Document (FDD) and is not intended to be, and should not be, used or relied upon by anyone for any other use.

Kezar & Dunlavy

St. George, Utah
September 29, 2023

SEÑOR POLLO MEXICAN GRILL INC.
BALANCE SHEETS
As of December 31, 2022, 2021, and 2020

	<u>2022</u>	<u>2021</u>	<u>2020</u>
Assets			
Current assets			
Cash and cash equivalents	\$ 78,014	\$ 19,999	\$ 6,000
Accounts receivable	3,000	-	-
Total current assets	<u>81,014</u>	<u>19,999</u>	<u>6,000</u>
Non-current assets			
Equipment, net	95,389	38,913	-
Total non-current assets	<u>95,389</u>	<u>38,913</u>	<u>-</u>
Total assets	<u>\$ 176,403</u>	<u>\$ 58,912</u>	<u>\$ 6,000</u>
Liabilities and Stockholder's Equity			
Current liabilities			
Accounts payable	\$ 47	\$ 679	\$ -
Note payable, current	14,161	10,754	-
Total current liabilities	<u>14,208</u>	<u>11,433</u>	<u>-</u>
Non-current liabilities			
Note payable, non-current	84,955	29,679	-
Total noncurrent liabilities	<u>84,955</u>	<u>29,679</u>	<u>-</u>
Total liabilities	<u>99,163</u>	<u>41,112</u>	<u>-</u>
Stockholder's equity			
Common stock	1,000	1,000	1,000
Retained earnings	76,240	16,800	5,000
Total stockholder's equity	<u>77,240</u>	<u>17,800</u>	<u>6,000</u>
Total liabilities and stockholder's equity	<u>\$ 176,403</u>	<u>\$ 58,912</u>	<u>\$ 6,000</u>

The accompanying notes are an integral part of the financial statements.

SEÑOR POLLO MEXICAN GRILL INC.
STATEMENTS OF OPERATIONS
For the years ended December 31, 2022, 2021, and 2020

	<u>2022</u>	<u>2021</u>	<u>2020</u>
Operating revenue			
Royalty fees	\$ 111,099	\$ 38,000	9,620
Initial franchise fees	32,000	7,000	-
Total operating revenue	<u>143,099</u>	<u>45,000</u>	<u>9,620</u>
Operating expenses			
General and administrative	19,734	12,540	170
Advertising and marketing	6,000	-	-
Professional fees	1,800	1,200	-
Depreciation	30,211	6,488	-
Total operating expenses	<u>57,745</u>	<u>20,228</u>	<u>170</u>
Income from operations	85,354	24,772	9,450
Other income (expense)			
Interest expense	(2,357)	(1,468)	-
Gain on sale of asset	17,351	-	-
Total other income (expense)	<u>14,994</u>	<u>(1,468)</u>	<u>-</u>
Net income	<u>\$ 100,348</u>	<u>\$ 23,304</u>	<u>\$ 9,450</u>

The accompanying notes are an integral part of the financial statements.

SEÑOR POLLO MEXICAN GRILL INC.
STATEMENTS OF CHANGES TO STOCKHOLDER'S EQUITY
For the years ended December 31, 2022, 2021, and 2020

	Common Stock	Retained Earnings	Total
Balance as of January 1, 2020	\$ -	\$ -	\$ -
Issuance of common stock	1,000	-	1,000
Stockholder dividends	-	(4,450)	(4,450)
Net income	-	9,450	9,450
Balance as of December 31, 2020	1,000	5,000	6,000
Stockholder dividends	-	(11,504)	(11,504)
Net income	-	23,304	23,304
Balance as of December 31, 2021	1,000	16,800	17,800
Stockholder dividends	-	(40,908)	(40,908)
Net income	-	100,348	100,348
Balance as of December 31, 2022	<u>\$ 1,000</u>	<u>\$ 76,240</u>	<u>\$ 77,240</u>

The accompanying notes are an integral part of the financial statements.

SEÑOR POLLO MEXICAN GRILL INC.
STATEMENTS OF CASH FLOWS
For the years ended December 31, 2022, 2021, and 2020

	<u>2022</u>	<u>2021</u>	<u>2020</u>
Cash flows from operating activities:			
Net income	\$ 100,348	\$ 23,304	\$ 9,450
Adjustments to reconcile net income to net cash provided by operating activities:			
Depreciation	30,211	6,488	-
Gain on sale of asset	(17,351)	-	-
Changes in operating assets and liabilities:			
Accounts receivable	(3,000)	-	-
Accounts payable	(632)	679	-
Net cash provided by operating activities:	<u>109,576</u>	<u>30,471</u>	<u>9,450</u>
Cash flows from investing activities:			
Purchase of equipment	-	(2,985)	-
Net cash used in investing activities	<u>-</u>	<u>(2,985)</u>	<u>-</u>
Cash flows from financing activities:			
Principal payments on note payable	(10,653)	(1,983)	-
Shareholder dividends	(40,908)	(11,504)	(3,450)
Net cash used in financing activities	<u>(51,561)</u>	<u>(13,487)</u>	<u>(3,450)</u>
Net change in cash and cash equivalents	58,015	13,999	6,000
Cash and cash equivalents at beginning of period	19,999	6,000	-
Cash and cash equivalents at end of period	<u>\$ 78,014</u>	<u>\$ 19,999</u>	<u>\$ 6,000</u>
Supplementary disclosures:			
Cash paid for interest	\$ 2,357	\$ 1,468	\$ -
Cash paid for taxes	\$ -	\$ -	\$ -
Non-cash financing and investing activities:			
Purchase of equipment with debt	\$ 69,337	\$ 42,416	\$ -

The accompanying notes are an integral part of the financial statements.

SEÑOR POLLO MEXICAN GRILL, INC.
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2022, 2021, AND 2020

(1) Nature of Business and Summary of Significant Accounting Policies

(a) Nature of Business

Senor Pollo Mexican Grill Inc. (the "Company"), maintains its headquarters in South Jordan, Utah. The Company markets and sells franchises and licensing rights for the Senor Pollo Mexican Grill franchise system.

The Company uses the accrual basis of accounting, and their accounting period is the 12-month period ending December 31 of each year.

(b) Accounting Standards Codification

The Financial Accounting Standards Board ("FASB") has issued the FASB Accounting Standards Codification ("ASC") that became the single official source of authoritative U.S. generally accepted accounting principles ("GAAP"), other than guidance issued by the Securities and Exchange Commission ("SEC"), superseding existing FASB, American Institute of Certified Public Accountants, emerging Issues Task Force and related literature. All other literature is not considered authoritative. The ASC does not change GAAP; it introduces a new structure that is organized in an accessible online research system.

(c) Use of Estimates

The preparation of financial statements in conformity with generally accepted accounting principles accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts and disclosures. Actual results could differ from those estimates.

(d) Cash and Cash Equivalents

Cash equivalents include all highly liquid investments with maturities of three months or less at the date of purchase. As of December 31, 2022, 2021, and 2020, the Company had cash and cash equivalents of \$78,014, \$19,999, and \$6,000, respectively.

(e) Accounts Receivable

Accounts receivable are recorded for amounts due based on the terms of executed franchise agreements for franchise sales, royalty fees, and upon provision/shipment and invoicing of containers, products or services from the Company's offices or suppliers. These accounts receivable are carried at original invoice amount less an estimate made for doubtful receivables based on a review of outstanding amounts. Management regularly evaluates individual customer's receivables considering their financial condition, credit history and current economic conditions. Accounts receivable are written off when deemed uncollectible. Recoveries of accounts receivable previously written off are recorded as income when received. As of December 31, 2022, 2021, and 2020, the Company had no allowance for doubtful accounts. As of December 31, 2022, the Company had net receivables of \$3,000. As of December 31, 2021 and 2020, the Company had no receivables.

(f) Long-Lived Assets

Long-lived assets, such as property and equipment, are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount of an asset may not be recoverable. Recoverability of assets to be held and used is measured by a comparison of the carrying amount of an asset to estimated undiscounted future cash flows expected to be generated by the asset. If the carrying amount of an asset exceeds its estimated future cash flows, an impairment charge is recognized for the difference between the carrying amount of the asset and the fair value of the asset.

SEÑOR POLLO MEXICAN GRILL, INC.
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2022, 2021, AND 2020

(g) Property and Equipment

Property and equipment are stated at cost less accumulated depreciation. Items in excess of \$1,000 that meet specific guidelines are capitalized. Expenditures for major renewals and improvements are capitalized. Minor replacements, maintenance, and repairs are expensed as incurred. When property and equipment are retired or otherwise disposed of, the cost of the asset and related accumulated depreciation are removed from the accounts and any resulting gain or loss is included in the result of operations for the respective period. Depreciation on property and equipment is calculated on the straight-line method over the estimated useful lives of the assets. The estimated useful lives for significant property and equipment categories are as follows:

Automobiles	5 years
Computer software	3 years
Equipment	5 years
Furniture and fixtures	5 years
Leasehold improvements	Lesser of the useful life or lease term

(h) Revenue Recognition

The Company's revenues consist of fees from franchisees such as initial fees and royalties. ASC 606, *Revenue from Contracts with Customers*, provides that revenues are to be recognized when control of promised goods or services is transferred to a customer in an amount that reflects the considerations expected to be received for those goods or services. In implementing ASC 606, the Company evaluated all revenue sources using the five-step approach: identify the contract, identify the performance obligations, determine the transaction price, allocate the transaction price, and recognize revenue.

For each franchisee, the Company enters into a formal franchise agreement that clearly outlines the transaction price and the Company's performance obligations. Upon evaluation of the five-step process, the Company has determined that royalties are to be recognized in the same period as the underlying revenues upon which they are based. In allocating the transaction price and recognizing the revenue associated with initial franchise fees, the Company has elected to adopt the practical expedient for private company franchisors outlined in ASC 952-606, *Franchisors—Revenue from Contracts with Customers*. The practical expedient allows franchisors to account for pre-opening services as a single distinct performance obligation. These pre-opening services include the following:

- Assistance in the selection of a site
- Assistance in obtaining facilities and preparing the facilities for their intended use, including related financing, architectural, and engineering services, and lease negotiation
- Training of the franchisee's personnel or the franchisee
- Preparation and distribution of manuals and similar material concerning operations, administration, and record keeping
- Bookkeeping, information technology, and advisory services, including setting up the franchisee's records and advising the franchisee about income, real estate, and other taxes about local regulations affecting the franchisee's business
- Inspection, testing, and other quality control programs

The Company has determined that the fair value of pre-opening services exceeds the initial fees received; as such, the initial fees are allocated to the pre-opening services, which are recognized as revenue upon commencement of operations.

(i) Income Taxes

The Company has elected to be treated as Subchapter S Corporation under the provisions of the Internal Revenue Code for income tax purposes. Accordingly, taxable income and losses of the Company are reported on the income tax returns of its stockholder and no provision for federal or state income taxes has been recorded in the accompanying balance sheet.

SEÑOR POLLO MEXICAN GRILL, INC.

NOTES TO THE FINANCIAL STATEMENTS

DECEMBER 31, 2022, 2021, AND 2020

As a result of the Tax Reform Act of 1986, the Company may be subject to income taxes at the maximum corporate rate if certain assets are sold at a gain for a 5-year period following the election. However, since it is the Company's intent to utilize the company assets in the operation of the business, the Company has not recognized a net deferred tax liability upon receipt of the approval of election.

The Company follows the guidance under ASC 740, *Accounting for Uncertainty in Income Taxes*. ASC 740 prescribes a more-likely-than-not measurement methodology to reflect the financial statement impact of uncertain tax positions taken or expected to be taken in the tax return. If taxing authorities were to disallow any tax positions taken by the Company, the additional income taxes, if any, would be imposed on the stockholder rather than the Company. Accordingly, there would be no effect on the Company's financial statements.

The Company's income tax returns are subject to examination by taxing authorities for a period of three years from the date they are filed. As of December 31, 2022, the 2021 and 2020 tax years are subject to examination.

(j) Advertising Costs

The Company expenses advertising costs as incurred. Advertising expenses for the years ended December 31, 2022 were \$6,000. No advertising costs were incurred during the years ended December 31, 2021 and 2020.

(k) Leasing

The Company has made an accounting policy election not to recognize right-of-use assets and lease liabilities that arise from any of its short-term leases. All leases with a term of 12 months or less at commencement, for which the Company is not reasonably certain to exercise available renewal options that would extend the lease term past 12 months, will be recognized on a straight-line basis over the lease term.

(l) Financial Instruments

For certain of the Company's financial instruments, including cash and cash equivalents, accounts receivable, accounts payable, and accrued expenses, the carrying amounts approximate fair value due to their short maturities. The amounts shown for notes payable also approximate fair value because current interest rates and terms offered to the Company for similar debt are substantially the same.

(m) Concentration of Risk

The Company maintains its cash in bank deposit accounts which at times may exceed federally insured limits. The Company has not experienced any losses in such accounts. The Company believes it is not exposed to any significant credit risks on cash or cash equivalents.

(2) Property and Equipment

As of December 31, 2022, 2021, and 2020, the Company's property and equipment consists of the following:

	2022	2021	2020
Vehicles	\$ 118,336	\$ 48,401	\$ -
Accumulated depreciation	(22,947)	(9,488)	-
	<u>\$ 95,389</u>	<u>\$ 38,913</u>	<u>\$ -</u>

Depreciation expense for the years ended December 31, 2022 and 2021 was \$30,211 and \$3,488, respectively. During the year ended December 31, 2020, no depreciation expense was incurred.

SEÑOR POLLO MEXICAN GRILL, INC.
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2022, 2021, AND 2020

(3) Notes Payable

As of December 31, 2022, 2021, and 2020, the Company's notes payable consisted of the following:

	<u>2022</u>	<u>2021</u>	<u>2020</u>
Loans with a credit union for the purchase of a vehicle. Interest rate of 3.24%, collateralized by the vehicles purchased. Monthly payment of \$1,430.	\$ 99,116	\$ -	\$ -
Loans with a credit union for the purchase of a vehicle. Interest rate of 2.24%, collateralized by the vehicles purchased. Monthly payment of \$750.	-	40,433	-
	99,116	40,433	-
	(14,161)	(10,754)	-
Less: current maturities	<u>\$ 84,955</u>	<u>\$ 29,679</u>	<u>\$ -</u>

(4) Commitments and Contingencies

The Company may be subject to various claims, legal actions and complaints arising in the ordinary course of business. In accounting for legal matters and other contingencies, the Company follows the guidance in ASC 450, *Contingencies*, under which loss contingencies are accounted for based upon the likelihood of incurrence of a liability. If a loss contingency is "probable" and the amount of loss can be reasonably estimated, it is accrued. If a loss contingency is "probable" but the amount of loss cannot be reasonably estimated, disclosure is made. If a loss contingency is "reasonably possible," disclosure is made, including the potential range of loss, if determinable. Loss contingencies that are "remote" are neither accounted for nor disclosed.

In the opinion of management, all matters are of such kind, or involve such amounts, that unfavorable disposition, if any, would not have a material effect on the financial position of the Company.

(5) Subsequent Events

The Company has evaluated subsequent events through September 29, 2023, the date on which the financial statements were available to be issued.

**EXHIBIT “D”
TO THE FDD**

SCHEDULE OF FRANCHISEES:

December 31, 2022

Location/Territory		Owner	Email Address
Utah			
1	Clinton ¹	El Pollo Chingon Mexican Grill 2 LLC	dryin20@hotmail.com
3	Ogden ¹	El Pollo Chingon Mexican Grill 2 LLC	dryin20@hotmail.com
4	Orem ¹	El Pollo Chingon Mexican Grill 2 LLC	dryin20@hotmail.com
5	Salt Lake City ¹	Guecor LLC	jucgro@gmail.com
6	Vernal ²	Rosas Restaurant LLC	rafaelcastrojorge1982@gmail.com
7	West Valley ¹	Frappy LLC	frappy.mm@gmail.com

¹ These are our legacy franchise units. They operate with the same menu and name, but do not have some of the same obligations as you will have.

² The Vernal location signed in 2022 but did not open until March 2023, and so is not represented in Item 20 as an opened outlet.

FRANCHISEES THAT TRANSFERRED THEIR FRANCHISE IN 2022: NONE

Location/Territory	Former Owner	Email Address

**FRANCHISES THAT CEASED OPERATIONS IN 2022 OR HAVE NOT CONTACTED US
WITHIN 10 WEEKS: NONE**

Location/Territory	Former Owner	Email Address

* If you invest in this franchise, your contact information may be disclosed to other buyers when you leave the franchise system.



**EXHIBIT “E”
TO THE FDD**

LIST OF AGENTS FOR SERVICE OF PROCESS

If a state is not listed, Senor Pollo Mexican Grill Inc., has not appointed an agent for service of process in that state in connection with the requirements of franchise laws. There may be states in addition to those listed below in which Senor Pollo Mexican Grill Inc., has appointed an agent for service of process.

STATE	CONTACT	DEPARTMENT	ADDRESS	PHONE NUMBER
California	Commissioner of Financial Protection and Innovation	Department of Financial Protection and Innovation	2101 Arena Blvd., Sacramento, CA 95834	(916) 445-7205 (866) 275-2677 www.dfpi.ca.gov ask.DFPI@dfpi.ca.gov
Georgia	Secretary of State of Georgia	Corporations Division	2 Martin Luther King Jr. Dr., SE, Suite 315, West Tower, Atlanta, GA 30334	
Hawaii	Commissioner of Securities	Department of Commerce and Consumer Affairs Business Registration Division, Securities Compliance Branch	335 Merchant Street, Room 203, Honolulu, HI 96813	(808) 586-2722
Illinois	Chief, Franchise Division	Office of Attorney General	500 South Second Street, Springfield, IL 62706	(217) 782-4465
Indiana	Indiana Secretary of State		210 State House, Indianapolis, IN 46204	
Maryland	Maryland Securities Commissioner	Division of Securities; Office of Attorney General	200 St. Paul Place, 20 th Floor, Baltimore, MD 21202-2020	(410) 576-6360
Michigan	Antitrust and Franchise Business	Michigan Department of the Attorney General’s Office; Franchise Administrator; Consumer Protection Division	6546 Mercantile Way, Lansing, MI 48910	(517) 373-7117
Minnesota	Commissioner of Commerce	Minnesota Department of Commerce	85 7 th Place East, Suite 280, St. Paul, MN 55101	(651) 539-1500
New York	New York Department of State		99 Washington Ave, 6 th Floor, Albany, NY 12231	(518) 473-2492
North Dakota	Securities Commissioner		600 East Boulevard Ave., State Capital	(701) 328-4712

			Fourteenth Floor, Dept. 414, Bismarck, ND 58505-0510	
Oregon	Director of Insurance & Finance	Business Service Division of Finance and Corporate Securities Labor and Industries Building	Salem, OR 97310	(503) 378-4387
Rhode Island	Chief Securities Examiner of Business Regulation	Department of Business Regulation Securities Division	1511 Pontiac Avenue, John O. Pastore Complex – Building 69-1, Cranston, RI 02920	(401) 462-9527
South Dakota	Division of Insurance	Securities Regulation	124 South Euclid Avenue, 2 nd Floor, Pierre, SD 57501- 3185	(605) 773-3563
Virginia	Clerk of the State Corporation Commission		1300 East Main Street, 1 st Floor, Richmond, VA 23219	
Washington	Director of Financial Institutions		PO Box 41200, Olympia, WA 98504-1200	(360) 902-8760
Wisconsin	Wisconsin Commissioner of Securities	Franchise Investment Division	101 East Wilson Street, Fourth Floor, Madison, WI 53702	

**EXHIBIT “F”
TO THE FDD**

**LIST OF STATE AGENCIES RESPONSIBLE FOR
FRANCHISE DISCLOSURE/REGISTRATION LAWS**

STATE	CONTACT	DEPARTMENT	ADDRESS	PHONE NUMBER
California	Commissioner of Financial Protection and Innovation www.dfpi.ca.gov ask.DFPI@dfpi.ca.gov	Department of Financial Protection and Innovation	<u>Sacramento:</u> 2101 Arena Blvd., Sacramento, CA 95834 <u>San Diego:</u> 1455 Frazee Road Suite 315, San Diego, CA 92108 <u>San Francisco:</u> One Sansome Street, Ste. 600, San Francisco, CA 94101 <u>Los Angeles:</u> 320 West 4 th Street, Ste. 750, Los Angeles, CA 90013-2344	<u>Sacramento:</u> (916) 445-7205 <u>San Diego:</u> (619) 525-4233 <u>San Francisco:</u> (415) 972-8559 <u>Los Angeles:</u> (213) 576-7500 <u>Toll Free:</u> (866) 275-2677
Connecticut	Securities and Business Investment Division	Connecticut Department of Banking	260 Constitution Plaza, Hartford, CT 06103-1800	(860) 240-8233
Florida	Division of Consumer Services	Department of Agriculture and Consumer Services	P.O. Box 6700, Tallahassee, FL 32314-6700	(805) 488-2221 Fax: (805) 410-3804
Georgia	Secretary of State of Georgia	Corporations Division	2 Martin Luther King Jr. Dr., SE, Ste. 315, West Tower, Atlanta, GA 30334	
Hawaii	Business Registration Division, Commissioner of Securities	Department of Commerce and Consumer Affairs	P.O. Box 40, Honolulu, HI 96810	(808) 586-2744
Illinois	Franchise Bureau	Office of Attorney General	500 South Second Street, Springfield, IL 62706	(217) 782-4436
Indiana	Franchise Section	Indiana Securities Division, Secretary of State	302 West Washington Street, Room E-111, Indianapolis, IN 46204	(317) 232-6681
Iowa	Iowa Securities Bureau		340 Maple, Des Moines, Iowa 50319-0066	(515) 287-4441
Maryland	Office of the Attorney General	Division of Securities	200 St. Paul Place, 20 th Floor, Baltimore Maryland 21202-2020	(410) 576-6360

Michigan	Michigan Attorney General's Office	Consumer Protection Division; Attn: Franchise Section	525 West Ottawa Street, Williams Building, 6 th Floor, Lansing, MI 48933	(517) 373-7117
Minnesota	Minnesota Department of Commerce	Securities – Franchise Registration	85 7 th Place East, Suite 280, St. Paul, Minnesota 55101-2198	(651) 539-1600
Nebraska	Bureau of Securities/Financial Institutions Division	Department of Banking and Finance	1526 K Street, Suite 300, Lincoln, NE 68508-2732	(402) 471-3445
New York	NYS Department of Law	Investor Protection Bureau	28 Liberty St. 21 st Floor, New York, NY 10005	(212) 416-8222 Fax: (212) 416-6042
North Dakota	Franchise Examiner	North Dakota Securities Department	600 East Boulevard Avenue, State Capital 5 th Floor, Dpt 414, Bismarck, ND 58505-0510	(701) 328-4712
Oregon	Division of Finance and Corporate Securities	Department of Consumer and Business Services	Labor and Industries Building	(503) 378-4140 Fax: (503) 947-7862
Rhode Island	Securities Division	Department of Business Regulation	1511 Pontiac Avenue, John O. Pastore Complex 69-1, Cranston, RI 02920-4407	(401) 462-9527
South Dakota	Division of Insurance	Securities Regulation	124 S. Euclid 2 nd Floor, Pierre, SD 57501-3185	(605) 773-3563 Fax: (605) 773-5953
Texas	Secretary of State	Registration Division	P.O. Box 13193, Austin, TX 78711-3193 1719 Brazos, Austin, TX 78707	(512) 475-1769
Utah	Division of Consumer Protection	Utah Department of Commerce	160 East 300 South, SM Box 146704, Salt Lake City, UT 84114-6704	(801) 530-6601 Fax: (801) 530-6001
Virginia	State Corporation Commission	Division of Securities and Retail Franchising	1300 East Main Street, 9 th Floor, Richmond, VA 23219	(804) 371-9051
Washington	Securities Division	Department of Financial Institutions	P.O. Box 9033, Olympia, WA 98507-9033	(360) 902-8760
Wisconsin	Division of Securities	Department of Financial Institutions	P.O. Box 1768, Madison, WI 53701	(608) 266-2801
Federal Trade Commission	Division of Marketing Practices	Bureau of Consumer Protection	Pennsylvania Avenue at 6 th Street, NW, Washington DC 20580	(202) 326-3128

**EXHIBIT “G”
TO THE FDD**

AREA DEVELOPMENT AGREEMENT

AREA DEVELOPMENT AGREEMENT

THIS AREA DEVELOPMENT AGREEMENT (“Agreement”) is made and entered into effective as of _____ by and between **SEÑOR POLLO MEXICAN GRILL INC.**, a Utah corporation (“We,” “Us,” or “Franchisor”), and _____ (“You” or “Area Developer”).

RECITALS:

WHEREAS, You desire to acquire the right to develop and operate multiple Señor Pollo Mexican Grill™ Franchise Units in the Development Area described below and pursuant to the terms and conditions of this Agreement; and

WHEREAS, You have entered into a separate Franchise Agreement with Us for the right to operate a Señor Pollo Mexican Grill™ franchise signed contemporaneously with this Agreement.

NOW THEREFORE, in consideration of the mutual and reciprocal covenants, promises, recitals, terms and conditions herein contained, and for other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged by each party, the parties hereby agree as follows:

Article 1 - Definitions

1.1 The following terms have the following described meanings. Additionally, unless otherwise clearly required by the context, when used in this Agreement, all capitalized terms used but not defined herein have the respective meaning assigned to them pursuant to the Franchise Agreement signed contemporarily with this Agreement.

“Develop” whether capitalized or not means to open and operate Señor Pollo Mexican Grill™ Units.

“Development Area” means the geographical area set forth in Exhibit “A.”

“Development Business” means the business of developing Señor Pollo Mexican Grill™ Franchise Businesses in the Development Area and in compliance with the Development Schedule.

“Development Schedule” means the schedule setting forth the number of Franchise Units to be developed within a set period of time within the Development Area.

“Franchise,” “Franchise Business,” “Franchise Unit,” or “Unit” means a business that has signed a Franchise Agreement to operate a Señor Pollo Mexican Grill™ business in the Development Area.

“Franchise Agreement” means Our franchise agreement which licenses the right to use Our Marks and System for the operation of a Señor Pollo Mexican Grill™ Franchise Unit at a single designated location.

“Owners” means You and each of Your owners, partners, members, managers, officers, directors or shareholders.

“Termination” Includes expiration, non-renewal, repurchase of Your rights, transfer, or any other means by which this Agreement is no longer in effect, or wherein You are no longer an area developer for the Señor Pollo Mexican Grill™ brand.

Article 2 – Area Rights

2.1 **Rights.** Subject to the terms and conditions of this Agreement and the continuing faithful performance by You of Your obligations hereunder, during the term of this Agreement, You have the right and obligation to develop Señor Pollo Mexican Grill™ businesses in the Development Area in accordance with the Development Schedule set forth on Exhibit “B.” Other than as set forth herein, We will not establish or sell traditional Señor Pollo Mexican Grill™ businesses within the Development Area while this Agreement is in effect.

2.2 **Character of Rights.** The rights and privileges granted to You under this Agreement are personal in nature. You represent and We rely upon Your representations in entering into this Agreement that the individuals listed in Exhibit “C” are the owners of and sole holders of a legal and beneficial interest in Your Development Business. The rights set forth herein are territorial only and do not grant or imply any license for You to use the Marks or System in any manner. Any such rights are granted only through Our Franchise Agreement. This Agreement does not create or grant rights or obligations outside the Development Area.

2.3 **Franchisor’s Reservation of Rights.** All rights not specifically granted to You in this Agreement are reserved to Us. Nothing contained herein prevents Us from granting the right to establish or operate, or Us establishing, owning, and operating Franchise Businesses or similar operations outside of the Development Area. We, or our affiliate, either personally or through agents and representatives, or franchises, also reserve the right to sell and market Señor Pollo Mexican Grill™ outlets in non-traditional locations and large institution-type locations both within and without Your Development Area. These franchises may include locations at convention centers, military bases, universities, hospitals, sporting arenas, airports, or other similar locations. Any non-traditional outlet We or an affiliate open or sell will not be counted toward Your development obligations set forth in the Development Schedule. Furthermore, We and Our affiliates expressly reserve the right to sell market and distribute the Señor Pollo Mexican Grill™ products in the Development Area and elsewhere without compensation to You using other Marketing strategies and distribution channels, Including, websites, the Internet, social media, national accounts, apps, wholesale outlets, retail outlets, etc. We also reserve the right to use other and different proprietary marks in connection with the sale of franchises, products or services similar to, the same as, or dissimilar from those which You will use in Your Franchise Businesses at any location, Including in the Development Area, without compensation to You.

Article 3 - Development & Term

3.1 **Minimum Development Schedule.** We require that You Develop a minimum of three units under this Agreement. You shall open the number of Franchise Units by the deadlines set forth in the Development Schedule. A Franchise Unit will be counted for the purposes of meeting Your development obligation only if it is an open and operating Franchise Business located within the Development Area by the applicable deadline and remains operating during the term hereof.

3.2 **Franchise Locations.** The location of each Franchise Unit will be selected by You but must be approved in writing by Us, as further set forth in the Franchise Agreement(s).

3.3 **Time of the Essence.** Time is of the essence with respect to compliance with the Development Schedule and all other obligations of Yours under this Agreement.

3.4 **Term.** The term of this Agreement is the development period set forth on the Development Schedule. This Agreement will Terminate prior if terminated according to Article 9 below, or once You

have Developed all the Franchise Units listed on the Development Schedule if developed prior to the last deadline set forth on the Development Schedule. There is no right to renew this Agreement.

Article 4 - Fees

4.1 Area Development Fee. You shall pay a one-time, non-refundable area development fee (“Development Fee”) payable in full upon execution hereof. The Development Fee is equal to \$35,000 for the first unit and \$20,000 multiplied by the minimum number of Franchise Units to be developed as more fully set forth in the Development Schedule.

4.2 Additional Units. If You wish to purchase more Franchise Units than the number of Units listed in the Development Schedule, You must first receive Our prior written approval as to the number and whether You are able to add additional Units to the Development Schedule. If approved, You shall pay a Development Fee of \$20,000 for each additional Franchise Unit to be developed.

4.3 Non-Refundable. No Development Fee or other fee or deposit is refundable, regardless of whether You meet Your Development Schedule.

Article 5 - Franchise Agreement(s)

5.1 Franchise Agreement. Each Franchise Unit opened by You in the Development Area pursuant to this Agreement will be governed by Our then-current Franchise Agreement executed by You and Us. A Franchise Agreement for each Franchise Unit must be executed and delivered to Us, at the beginning of development and prior to commencing construction or improvements, acquisition or lease of any related real property, or any other development activity for the applicable Franchise Unit.

5.2 Modification of the Franchise Agreement. We reserve the right, from time to time, to amend, change or modify Our form Franchise Agreement, which modifications will apply to those Franchise Agreements signed after such modifications are made.

5.3 Guaranty. You agree that all of the Owners owning 25% or greater interest in Your Development Business, along with their spouse or legal domestic partner, must each personally sign an agreement not to compete and must personally guarantee the performance of all Your obligations under this Agreement and shall be personally bound by, and liable for, the breach of every provision of this Agreement and sign the Guaranty and Assumption of Obligations attached as Exhibit “D”.

5.4 First Franchise Unit. You acknowledge that the Franchise Agreement governing Your first Franchise Unit to be opened under the Development Schedule is being executed concurrently with this Agreement.

Article 6 - Operating Standards and Covenants

6.1 Compliance. You shall, at Your expense, comply with all applicable laws, ordinances, rules, and regulations pertaining to the development of Your Franchise Businesses as contemplated herein.

6.2 Cost of Doing Business. You shall be responsible for all Your costs of doing business and other costs and expenses in connection with Your obligations herein.

6.3 Franchise Obligations. You shall promptly pay all Your obligations and liabilities to Us and Your suppliers, lessors, trade accounts and government agencies. We have no liability for Your obligations, and You shall indemnify and hold Us harmless from any such obligations.

6.4 Periodic Reports. You shall provide to Us, no later than the 15th day of each quarter, a written progress report of Your preceding quarter's activities and progress in developing and establishing Franchise Units in Your Development Area.

6.5 Indemnification. You shall protect, indemnify and hold Us harmless from and against any and all claims, proceedings, expenses, costs, damages and liabilities, Including, legal fees incurred by Us or Our officers, directors, members, managers and agents because of any act, neglect or omission of Yours or Your employees, customers, agents or guests, in the operation of Your Development Business, Including, malfeasance, misstatements, nonfeasance, failure to perform, and breach of Your duties and obligations under this Agreement.

Article 7 - Confidentiality

7.1 Confidentiality. Each of Your principals are required to sign Our standard principal brand protection agreement attached as Exhibit "E."

7.2 Confidentiality of this Agreement. You agree that all negotiated terms of this Agreement will remain confidential, and You shall not make any public announcement, issue any press release or publicity, make any confirmation of statements made by third parties concerning the terms of this Agreement, or make any other disclosures without Our prior written consent. It is agreed and understood that You may disclose the terms of this Agreement only to Your professional lenders and advisors.

Article 8 - Marks

8.1 Ownership of Marks. You acknowledge that You have no interest whatsoever in the Marks or derivatives thereof and that Your right to use the Marks is derived solely from Your Franchise Agreement(s).

8.2 Use of Marks. You cannot use any of the Marks as part of any corporate or trade name or with any prefix, suffix, or other modifying words, terms, designs, or symbols, or in any modified form without Our consent. You shall obtain such fictitious or assumed name registrations as may be required by Us or applicable law.

Article 9 - Our Right of Termination

9.1 Termination. In addition to the other rights of termination that We may have at law or equity or as contained in this Agreement We will have the following rights of termination:

9.1.1 No Cure Period. Upon a violation or default under paragraphs (1) through (6) below, this Agreement will automatically Terminate upon written notice to You.

1) You or any of Your Owners makes or attempts to make an unauthorized assignment of this Agreement, Your Franchise Agreements, Franchise Units, or any ownership change in You without Our prior written consent, which consent will not be unreasonably withheld or delayed;

2) You or any of Your Owners take action, commit, are convicted of, plead guilty to, or plead no contest to a charge of violating any felony law or other crime, action or offense that We reasonably believe is likely to have a material adverse effect on Your Franchise Units, Us, or the System;

3) You repeatedly breach (three or more times) the same provision of this Agreement within a 12-month period;

4) You become insolvent or a party to any bankruptcy, receivership, or similar proceeding, other than as a creditor, file for bankruptcy or receivership or similar protection, or You are adjudicated bankrupt;

5) You make an assignment for the benefit of creditors or enter into any similar arrangement for the disposition of Your assets for the benefit of creditors; or

6) You voluntarily or otherwise abandon the development of Franchise Units in the Development Area hereunder exhibited by not responding to our calls, emails, letters, or other attempts to reach You for a period of 30 or more days, or Your actions to Us, to other franchisees or area developers, or to the public indicate that You do not plan to continue development operations.

9.1.2 30-Day Cure Period. Except as otherwise provided herein, You fail to comply with any other provision of this Agreement and fail to cure within 30 days of receiving written notice of default from Us.

9.1.3 45-Day Cure Period. You fail to meet Your development obligations set forth in the Development Schedule and fail to cure within 45 days of receiving written notice of default from Us.

9.2 Cross Default. If any Franchise Agreement for one of Your Franchise Businesses is terminated for cause, We will have the right to terminate this Agreement upon written notice to You.

Article 10 - Obligations Upon Termination or Expiration

10.1 Our Rights Upon Termination. Upon Termination of this Agreement, for any reason, Your rights under this Agreement are terminated, and We will be free to own, operate or franchise Señor Pollo Mexican Grill™ businesses anywhere in the Development Area other than as prohibited by any existing signed Franchise Agreement. The foregoing is in addition to any other right or remedy We may have at law or in equity.

10.2 Operating Units. After Termination of this Agreement, You may still continue to own and operate Your individual Franchise Units in the Development Area that are owned and operated by You prior to Termination, so long as You are not in default and continue to faithfully perform the terms and conditions of such Franchise Agreement(s). However, You will cease to have any rights with regard to the ongoing development of Franchises in the Development Area, and You will forfeit all Development Fees or any other deposits or payments made to compensate Us for an opportunity lost in the event You do not open the number of franchises in accordance with the Development Schedule, and You will forfeit any contractual right You may have to develop or purchase additional Franchise Units within the Development Area.

Article 11 – Integration of the Various Articles of the Franchise Agreement

Article XV through Article XXI of the Franchise Agreement signed contemporarily with this Agreement applies to and is hereby fully incorporated into this Agreement as if fully set forth herein unless otherwise set forth in this Agreement or unless clearly required by the context. Terms such as “Franchise Business” and other terms specific to the Franchise Agreement are adjusted to apply to this Agreement. The transfer fee to transfer this Agreement is \$5,000 per undeveloped franchise, plus the franchise fee for each active franchise agreement transferred, as set forth in the applicable franchise agreement. Additionally,

the non-competition restrictions and distances are 50 miles from Your Development Area and 15 miles from any then-existing Señor Pollo Mexican Grill™ franchise or company or affiliate owned business. However, You will still be able to operate a Señor Pollo Mexican Grill™ business in the Development Area in those territories for which You are allowed to operate under an active Franchise Agreement.

Article 12 - Notices

12.1 Notices. All notices permitted or required under this Agreement must be in writing and delivered as follows with notice deemed given as indicated (i) by personal delivery when delivered personally; (ii) by overnight courier upon written verification of receipt; (iii) by telecopy or facsimile transmission, during normal business hours, Monday through Friday, holidays excepted, when confirmed by telecopier or facsimile transmission; (iv) through the email address below or other authorized email address when confirmed by receipt verifications, which confirmation cannot be withheld or otherwise denied; or (v) by certified or registered mail, return receipt requested, three days after deposit in the mail addressed as follows:

To Franchisor:	To Area Developer:
Senor Pollo Mexican Grill Inc. 1775 W. 5400 S. Taylorsville, Utah 84129 Email: SENOPOLLO18@GMAIL.COM With a courtesy copy to (which will not act as notice or service to Senor Pollo Mexican Grill Inc.): The Franchise & Business Law Group Attn: Kara K. Martin 222 South Main, Ste 500 Salt Lake City, Utah 84101 Email : KMARTIN@FBLGLAW.COM	_____ _____ _____ Email: _____

IN WITNESS WHEREOF, We and You have respectively signed and sealed this Agreement as of the day and year first above written.

FRANCHISOR:

AREA DEVELOPER:

SEÑOR POLLO MEXICAN GRILL INC.

By: _____
(Signature)

By: _____
(Signature)

Name: _____

Name: _____

Title: _____

Title: _____

[Signature Page of the Area Development Agreement]



**EXHIBIT “A”
TO THE AREA DEVELOPMENT AGREEMENT**

DEVELOPMENT AREA

The Development Area will consist of the following area:

Our approval of the Development Area or a location within the Development Area is not a guarantee or a warranty of the potential success of the Development Area or a location.

Area Developer Initial

Date

Franchisor Initial

Date



SCHEDULE “A-1”

MAP OF THE DEVELOPMENT AREA

**EXHIBIT “B”
TO THE AREA DEVELOPMENT AGREEMENT**

**FRANCHISE UNIT
DEVELOPMENT SCHEDULE AND FEES**

1. Development Schedule

Total Number of Units to be Developed: _____

Unit #	Deadline to Open

2. Development Fees

Summary	Number or Amount
Total Units to be Developed	_____
Development Fee for the first Unit	\$35,000
Development Fee per additional Unit ¹ (multiply \$20,000 by the number of units to be developed after the first unit)	\$_____
Total Development Fee ² (Multiply the Development Fee by the number of Units to be developed other than the first Unit. For example, if the total Units to be developed is five, then then total Development Fee due would be \$_____ (5 – 1 = 4 and 4 x \$_____ = \$_____).	\$_____

¹ The per Unit fee for each additional Unit Developed after the first Unit is \$20,000.

² Due upon signing this Agreement.

Area Developer Initial Date

Franchisor Initial Date



EXHIBIT "C"
TO THE AREA DEVELOPMENT AGREEMENT
COMPANY REPRESENTATIONS AND WARRANTIES

You make the following additional warranties and representations:

You are a (check one):

- ☐ Partnership ☐ Corporation
☐ Sole Proprietorship ☐ Limited Liability Company

Name of your entity: _____

The state in which your entity was formed: _____

Date of formation: _____

EIN: _____

The name and address of each shareholder, partner, or member holding an ownership interest in the corporation, partnership, or limited liability company (please print or type names and add extra lines if necessary):

Name	Address	Percentage of Ownership*

*Corporation: Percentage owned of outstanding voting stock.

*Partnership: Percentage owned in voting and in capital and profits.

*Limited Liability Company: Percentage owned in membership interest.

The names of the officers of the company (please print or type names and add extra lines if necessary):

Name	Title

The address where Your company records are maintained is: _____
_____.

The name and address of the person acting as principal contact who has been approved by Us and who will be directly responsible for supervising Your Development Business operations and who has authority to work with Us and make decisions relating to the operations of the Development Business:

Name: _____
Address: _____
Email: _____

You shall provide Us a copy of Your articles of organization and operating agreement or articles of incorporation and bylaws within one week of the date below.

Dated: _____.

AREA DEVELOPER:

By: _____
(Signature)

Name: _____

Title: _____

**EXHIBIT “D”
TO THE AREA DEVELOPMENT AGREEMENT**

GUARANTY AND ASSUMPTION OF OBLIGATIONS

This GUARANTY AND ASSUMPTION OF OBLIGATIONS (“Guaranty”) is entered into and made effective as of _____ by and between **Senor Pollo Mexican Grill Inc.** (“We,” “Us” or “Our”) and the undersigned Guarantor(s) (“Guarantor(s)”) owners of _____ (the “Business Entity”) and their spouses or legal domestic partner (“spouse”).

1. Scope of Guaranty. In consideration of and as an inducement to Our signing and delivering the Area Development Agreement dated _____ (the “Development Agreement”), each Guarantor(s) signing this Guaranty personally and unconditionally: (a) guarantee to Us and Our successors and assigns that the Business Entity will punctually pay and perform each and every undertaking, agreement, and covenant set forth in the Development Agreement; and (b) shall be personally bound by, and personally liable for the breach of, any provision in the Development Agreement, Including confidentiality and the non-competition provisions. Each Guarantor acknowledges and agrees no subsequent amendment, modification, and/or extension of the Franchise Agreement by and between Franchisor and the franchisee thereunder will affect the enforcement or validity of this Guaranty.

2. Waivers. Each Guarantor waives: (a) acceptance and notice of acceptance by Us of Guarantor(s) obligations under this Guaranty; (b) notice of demand for payment of any indebtedness or nonperformance of any obligations guaranteed by Guarantor(s); (c) protest and notice of default to any party with respect to the indebtedness or nonperformance of any obligations guaranteed by Guarantor(s); (d) any right Guarantor(s) may have to require that an action be brought against the Business Entity or any other person as a condition of Guarantor(s) liability; (e) all rights to payments and claims for reimbursement or subrogation which Guarantor(s) may have against the Business Entity arising as a result of Guarantor(s)’ execution of and performance under this Guaranty; and (f) all other notices and legal or equitable defenses to which Guarantor(s) may be entitled in Guarantor(s)’ capacity as guarantors.

3. Consents and Agreements. Each Guarantor consents and agrees that: (a) Guarantor(s)’ direct and immediate liability under this Guaranty are joint and several; (b) Guarantor(s) must render any payment or performance required under the Development Agreement upon demand if the Business Entity fails or refuses punctually to do so; (c) Guarantor(s)’ liability will not be contingent or conditioned upon Our pursuit of any remedies against the Business Entity or any other person; (d) Guarantor(s)’ liability will not be diminished, relieved or otherwise affected by any extension of time, credit or other indulgence which We may from time to time grant to Business Entity or to any other person, Including, the acceptance of any partial payment or performance of the compromise or release of any claims (Including the release of other guarantors) and no such indulgence will in any way modify or amend this Guaranty; and (e) this Guaranty will continue and is irrevocable during the term of the Development Agreement and, where required by the Development Agreement, after its termination or expiration.

4. Enforcement Costs. If We must enforce this Guaranty in any judicial or arbitration proceeding or any appeals, Guarantor(s) must reimburse Us for Our enforcement costs. Enforcement

costs include reasonable fees from accountants, attorneys, attorney's assistants, arbitrators, and expert witness fees, costs of investigation and proof of facts, court costs, arbitration filing fees, other litigation expenses and travel and living expenses, whether incurred before, in preparation for, or in contemplation of the filing of any written demand, claim, action, hearing or proceeding to enforce this Guaranty.

5. Disputes. Guarantor(s) and its spouse acknowledge and represent that Guarantor(s) and its spouse have had an opportunity to review the Development Agreement and agree that the provisions related to disputes and arbitration of the Development Agreement have been reviewed by Guarantor(s) and its spouse and by reference are incorporated herein and will govern this Guaranty and any disputes between Guarantor(s) and/or its spouse and Us. Each Guarantor(s) and its spouse irrevocably submits to the exclusive jurisdiction and venue of said arbitration and listed courts. Nevertheless, Guarantor(s) agree that We may also enforce this Guaranty and awards in the courts of the state or states in which a Guarantor(s) or a spouse is domiciled.

6. Spouse's Signature. By signing below, the undersigned spouse acknowledges and consents to Guarantor(s) execution and performance under this Guaranty and the undersigned spouse also consents to his or her personal and marital assets securing the Business Entity's performance under the Development Agreement and Guarantor(s)' performance under this Guaranty.

7. Counterparts. This Guaranty may be signed in counterparts Including by electronic signatures and other electronic means, which will be deemed the same as an original signature and may be used for all purposes as if it were an original, and when said counterparts have been exchanged between the parties, they will be of full force and effect.

IN WITNESS WHEREOF, the Guarantor(s) and its spouse have respectively signed and sealed this Guaranty effective as of the day and year first written above.

Guarantor(s)'s Signature	Spouse Signature	Contact Information for Notice
By: _____	By: _____	_____
Name: _____	Name: _____	_____
By: _____	By: _____	_____
Name: _____	Name: _____	_____
By: _____	By: _____	_____
Name: _____	Name: _____	_____

**EXHIBIT “E”
TO THE AREA DEVELOPMENT AGREEMENT**

BRAND PROTECTION AGREEMENT FOR PRINCIPALS

This BRAND PROTECTION AGREEMENT FOR PRINCIPALS (the “Agreement”) is entered into and made effective as of the date written on the signature page, by _____ (“Franchisor” or the “Company”) and the undersigned (“Principals”).

WHEREAS, Principals or his or her or their company entered into an agreement with Franchisor to be able to obtain the rights to open and operate multiple Señor Pollo Mexican Grill™ Franchise Businesses using the System developed by Franchisor, Including certain confidential and proprietary information of Franchisor (“Area Development Agreement”); and

WHEREAS, Principals will have access to certain proprietary information; and

WHEREAS, Franchisor has developed confidential and proprietary Recipes for the operation of a Señor Pollo Mexican Grill™ Franchise Business and may continue to develop new Recipes and revise current Recipes for use in association with the Señor Pollo Mexican Grill™ System; and

WHEREAS, Principals may have access to the confidential and proprietary Recipes; and

WHEREAS, Principals recognize the value of the System and the intangible property rights licensed under the Area Development Agreement, and the importance of maintaining the Confidential Information, and recognize that the Franchisor’s entering into the Area Development Agreement is conditioned upon each Principal entering into this Agreement; and

WHEREAS, all capitalized terms used, but not defined, herein will have the respective meanings assigned to them pursuant to the Area Development Agreement and Franchise Agreement as applicable.

NOW THEREFORE, in consideration of Franchisor entering into the Area Development Agreement with Principals or his or her or their company, the recitals and other good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged, the parties hereto agree as follows:

1. Acknowledgment. Principals individually acknowledge that he or she has obtained or may obtain knowledge of confidential matters related to the System and made available to Principals that are necessary and essential to the operation of Franchise Businesses, without which information the Franchise Businesses could not efficiently, effectively, and profitably operate. Principals further acknowledge that such Confidential Information was not known to him or her prior to the association with Franchisor.

2. Non-Disclosure and Non-Use. Except as may be required or allowed under the Area Development Agreement, Principals and any of a Principal’s Immediate Family, shall not during the term of the Area Development Agreement or any time thereafter, in perpetuity, directly or indirectly, use, or disclose to any third-party, or authorize any third-party to use, any information relating to the Franchise Businesses or interest of Franchisor, Confidential Information, the System, or other information or materials that he or she knows, or reasonably should know, is regarded as confidential to Franchisor. Principals shall also adopt and implement all reasonable procedures prescribed by Franchisor, from time to time, to prevent unauthorized use and/or disclosure of the Confidential Information, including restrictions on disclosure to employees and other third parties. The parties intend that the information disclosed by

Franchisor prior to the actual execution of this Agreement will constitute Confidential Information and will be subject to all the terms and conditions of this Agreement (Including the covenants protecting against disclosures) as if such information had been disclosed following the execution of this Agreement.

2.1 Trade Secret Information: Trade Secret Information is also part of Confidential Information and includes recipes from Franchisor, including its marinade and salsa recipes, whether written or oral, for use in the foods the Señor Pollo Restaurant serves to customers and clients and the public as a whole, not being generally known and not being readily ascertainable by proper means by, other persons who can obtain economic value from its disclosure or use and is the subject of reasonable efforts by Senor Pollo and its affiliates to maintain its secrecy.

2.1.1 Non-Disclosure of Trade Secret Information. Principals, Principals, employees, ownership, agents and affiliates, shall not disclose any Franchisor Trade Secret Information to any individual except for those needed to produce any products authorized to provide from Franchisor. Specifically, Only Principal's designated on-site manager shall be allowed to review the Trade Secret Information. Any other individuals that need to review the Trade Secret Information not identified in this Agreement needs written consent from Franchisor and the basis as to why it needs to review the Trade Secret Information as well as the name and title of the individual. Any written Trade Secret Information given to the individuals identified in this section shall be sent via an encrypted file that shall be password protected and only the individuals identified in this section shall have access to or know the password. The individuals identified in this section shall ensure no other individuals of Recipient shall know or have access to the password. The individuals identified in this section shall ensure that upon receipt of any electronic Trade Secret Information, that it remains in an encrypted password protected folder, one a separate password, protected USB drive, that has no other information saved on it, without divulging the password to any individuals not identified in this section. The Trade Secret Information may not be saved on any server, computer hard drive or mobile phone of Recipient or its employees and affiliates and can only be accessed through the USB drive. If the Trade Secret Information is sent via email, the Trade Secret Information must saved on the USB drive and must be encrypted with a password and then the email must be immediately deleted. If any of the named individuals in this section receives a hard copy of the Trade Secret Information, or on a USB drive, that information shall be place in a folder, or box, that is clearly marked in red on the front of the folder or box: CLASSIFIED FOR REVIEW OF On-Site Manager only. The individuals in this section shall keep any hard copy of the Trade Secret Information physically locked and secured where no other individual not named in this section shall have access to it and access to the means to unlocking the secured space. If any of the named individuals writes down the Trade Secret Information, if Franchisor gives the Trade Secret Information to the named individuals orally, or if it makes a copy from a hard copy or electronic copy, it must first have the written permission from Franchisor to write down the Trade Secret Information. Any information an individual writes down also must be kept secret under the same procedures identified in this section for hard copies and electronic copies of the Trade Secret Information. Once the individual no longer works as an on-site manager, it must destroy and only disclose the Trade Secret Information and how to access it to the new on-site manager after written permission is given from Us to do so. If this Agreement is Terminated, Principals must destroy all Trade Secret Information within 24 hours of Termination, or if Franchisor directs Principals to destroy any Trade Secret Information during this Agreement.

2.2 Duty to Notify. Principals agree to notify Franchisor of any reasonably suspected attempts to violate the terms or purposes of this Agreement and further agree to require all employees to report to it any reasonably suspected attempts to violate this Agreement. In the event it is discovered that Principals knew or had reason to know of any suspected attempts to violate this Agreement, Principals agree to indemnify Franchisor for all costs and fees associated with enforcement, and to reimburse Franchisor for those losses sustained due to such violation.

2.3 No Reverse Engineering. Principals shall not, either personally, in concert with others, or through other authorization, reverse engineer, decompile or deconstruct or attempt to reverse engineer, decompile, or deconstruct any portion of the Confidential Information, Including the Recipes, and shall not allow, encourage, or permit any partner, owner, director, member, manager, agent, employee or other person to do so. For purposes of this Agreement, reverse engineering as it relates to the Recipes, Includes any deviations from the Recipes that make minimal changes to the process, procedure, or ingredients such that the final result is identical or substantially similar to the result that would reasonably be expected to result from the Recipes.

2.4 Limited Use. Principals must limit his/her use of the Recipes, Including, their recollection of the Recipes, to the performance of their duties as described in the Area Development Agreement, the Manuals, and any policies and procedures implemented by Franchisor and shall not use the Recipes for any personal use or gain.

3. Non-Competition. The following covenants will be enforced during and after the term of the Area Development Agreement.

3.1 In-Term Covenant. During the term of the Area Development Agreement and for any extensions thereof, except as permitted under the Area Development Agreement and applicable Franchise Agreements, Principals and each Principal's Immediate Family, shall not directly or indirectly be a Participant, or assist, or serve in any capacity whatsoever or have an interest in a Competing Business in any capacity or location, except with Franchisor's prior written consent. Principals understand and acknowledge that to violate this Section will create irreparable harm.

3.2 Post-Term Covenant. Upon Termination for any reason of this Agreement, and for a continuous, uninterrupted period of three years thereafter, except as permitted by the applicable Franchise Agreements, Principals, and Principals' Immediate Family members, shall not directly or indirectly, be a Participant, or assist, or serve in any capacity whatsoever or have an interest in a Competing Business within Your Development Area or within 50 miles of Your Development Area or within 15 miles of the territory of any franchise or Señor Pollo Mexican Grill™ business operation at the time of Termination of this Agreement. The ownership of not more than 2% of the voting stock of a publicly held corporation will not be considered a violation of the foregoing provision.

3.3 Non-Solicitation of Customers. Subject to applicable state law, Principals and Principals' Immediate Family shall not, during the term of the Area Development Agreement and any extensions or Successor Franchise and for two years thereafter, directly, or indirectly, contact any former or then-current customer of the Franchise Business or Franchisor or an affiliate of Franchisor for the purpose of soliciting such customer to a Competing Business. All Customer Data belongs to Franchisor.

4. Survival of Covenants; Tolling of Covenants. The foregoing covenants survive the Termination of this Agreement and apply regardless of whether this Agreement was Terminated by lapse of time, by default of either party, or for any other reason. In addition to other remedies available to Franchisor, in the event a Principal violates a non-competition and/or non-solicitation covenant, the applicable non-competition or non-solicitation period will be tolled for the period of that Principal's violation. If any portion of section 3 is construed as too restrictive under any applicable law, then it shall be interpreted as the highest permissible restriction under that applicable law.

5. Return of Materials. Unless Principal remains a part of a company with an active Franchise Agreement, upon the Termination of the Area Development Agreement, or a Principal's disassociation from the franchise entity, each Principal agrees to deliver to Franchisor (and will not keep a copy in his or

her possession or deliver to anyone else) the Señor Pollo Mexican Grill™ Manuals and any and all Confidential Information.

6. Irreparable Harm. Principals hereby acknowledge and agree that any breach by him or her of any portion of Sections 1 through 5 above, inclusive, will cause damage to Franchisor in an amount difficult to ascertain. Accordingly, in addition to any other relief to which Franchisor may be entitled, Franchisor will be entitled to temporary, preliminary, and/or permanent injunctive relief for any breach or threatened breach by any Principal of any of the terms of Section 1 through 5 above, inclusive, without proof of actual damages that have been or may be caused to Franchisor by such breach. Additionally, Principals agree that the existence of any claims a Principal may have against Franchisor, whether arising from this Agreement or the Area Development Agreement, will not constitute a defense to Franchisor's ability to enforce the covenants set forth in this Agreement.

7. Reasonableness and Enforceability. Principals agree that the terms of this Agreement are fair and reasonable considering the circumstances and were in part, based on the perceived or potential value of the System and the business relationship that Principals and/or his or her or their company have and will have with Franchisor. If any portion of this Agreement will be held invalid or inoperative, then so far as is reasonable and possible, the remainder of this Agreement will be considered valid and operative, and effect will be given to the intent manifested by the portion held invalid or inoperative. Whenever the context so requires, the masculine will include the feminine and neuter and the singular will include the plural and conversely. Principals understand that a separate action may be brought or prosecuted against a Principal whether the action is brought or prosecuted against any other Principal or against the franchisee, or any or all of them, or whether any other Principal or the franchisee is or are joined in the action.

8. Governing Law and Jurisdiction. The validity, enforcement, construction, rights and liabilities of the parties and provisions of this Agreement will be governed by and interpreted in accordance with the laws of the state of Utah without giving effect to its conflicts of law provisions. If for any reason court action is filed, Principals individually consent to the jurisdiction of the courts of record in the state of Utah, and unless the enforcement of this Agreement is brought in connection with a Dispute under the Area Development Agreement (in which case this matter may be handled through arbitration as set forth in the Area Development Agreement), each Principal agrees that proper jurisdiction and venue for all Dispute resolution will be exclusively in the state and federal courts of Salt Lake City, Utah.

9. Attorney's Fees and Costs. In the event any action in law or equity or any arbitration or other proceeding is brought for the enforcement of this Agreement or in connection with any of the provisions of this Agreement, the successful or prevailing party or parties will be entitled to reasonable attorney's fees and other costs reasonably incurred in such action or proceeding.

10. Binding Agreement. This Agreement will bind the successors and assigns of a Principal and his or her heirs, personal representative, successors, and assigns. No rights under this Agreement are assignable by any Principal, and any purported assignment will be null and void and of no force or effect.

11. Survival of Covenants. All covenants made in this Agreement by Principals will survive the Termination of this Agreement or the Area Development Agreement or Principal's disassociation with the Franchise Business or the System in any way.

12. Modification of Agreement. This Agreement may be amended in whole or in part only by an agreement in writing signed by the parties.

13. Counterpart and Electronic Signatures. This Agreement may be signed in counterparts by facsimile, electronic signature, or scanned and emailed signature, or similar electronic means, which will

be deemed the same as an original signature and may be used for all purposes as if it were an original.

PRINCIPALS INDIVIDUALLY ACKNOWLEDGE THAT HE OR SHE HAS READ THIS AGREEMENT AND UNDERSTANDS ITS CONTENTS.

IN WITNESS WHEREOF, the parties have executed this Agreement effective as of the date written below.

Dated effective as of _____.

FRANCHISOR:

SEÑOR POLLO MEXICAN GRILL INC.

By: _____

(Signature)

Name: _____

Title: _____

PRINCIPALS:

By: _____

Name: _____

By: _____

Name: _____

By: _____

Name: _____

By: _____

Name: _____

By: _____

Name: _____



ADDENDUM TO THE AREA DEVELOPMENT AGREEMENT FOR THE STATE OF CALIFORNIA

1. The California Franchise Relations Act, Business and Professions Code Sections 20000 through 20043 provide rights to the franchisee concerning termination, transfer, or non-renewal of a franchise. If the area development agreement contains a provision that is inconsistent with California law, California law controls.
2. The area development agreement provides for termination upon bankruptcy. This provision may not be enforceable under federal bankruptcy law (11 U.S.C.A. Sec. 101 et seq.)
3. The area development agreement contains a covenant not to compete which extends beyond the termination of the franchise. This provision may not be enforceable under California law.
4. The area development agreement contains a liquidated damages clause. Under California Civil Code Section 1671, certain liquidated damages clauses are unenforceable.
5. The area development agreement requires binding arbitration. The arbitration will occur at Salt Lake City, Utah with the costs being borne by you for travel to, and lodging in, Salt Lake City, Utah and other costs associated with arbitration. Prospective franchisees are encouraged to consult private legal counsel to determine the applicability of California and Federal laws (this or these as Business and Professions Code Section 20040.5, Code of Civil Procedure Section 128a, and the Federal Arbitration Act) to any provisions of an area development agreement restricting venue to a forum outside the State of California.
6. The area development agreement requires application of the laws of Utah, but the California franchise laws may prevail in some instances. Prospective franchisees are encouraged to consult private legal counsel to determine the applicability of California laws.
7. You must sign a general release if you transfer, renew, or terminate your franchise. California Corporations Code 31512 voids a waiver of your rights under the Franchise Investment Law (California Corporations Code 31000 through 31516). Business and Professions Code 20010 voids a waiver of your rights under the Franchise Relations Act (Business and Professions Code 20000 through 20043).
8. The area development agreement provides for waiver of a jury trial. This may not be enforceable in California.
9. Section 31512.1 Franchise Agreement Provisions Void as Contrary to Public Policy. Any provision of a franchise agreement, franchise disclosure document, acknowledgement, questionnaire, or other writing, including any exhibit thereto, disclaiming or denying any of the following shall be deemed contrary to public policy and shall be void and unenforceable:
 - (a) Representations made by the franchisor or its personnel or agents to a prospective franchisee.
 - (b) Reliance by a franchisee on any representations made by the franchisor or its personnel or agents.
 - (c) Reliance by a franchisee on the franchise disclosure document, including any exhibit thereto.
 - (d) Violations of any provision of this division.
10. Late Fees is amended to include the following: "The highest interest rate allowed in California is



10% annually.”

11. Area Development Agreement owners owning 25% or greater must sign a personal guaranty, making you and your spouse individually liable for your financial obligations under the agreement if you are married. The guaranty will place your and your spouse’s marital and personal assets at risk, perhaps including your house, if your franchise fails.

12. If any of your franchise units developed under the Area Development Agreement are allowed to sell alcoholic beverages, mandatory compliance with the California Department of Alcohol Beverage Control laws pertaining to the sale and consumption of alcoholic beverages related to the franchisor’s business. Franchisee must comply with the requirements set forth in the Alcoholic Beverage Control Act and the California Code of Regulations for the sale of alcoholic beverages.

**EXHIBIT “H”
TO THE FDD
DEPOSIT AGREEMENT**

PROSPECTIVE FRANCHISE DEPOSIT AGREEMENT

This DEPOSIT AGREEMENT ("Agreement") is made and entered into as of _____, by and between **SEÑOR POLLO MEXICAN GRILL INC.** ("Franchisor," "We," "Us" or "Our") and _____ ("You," "Your" or "Prospective Franchisee"). The parties are individually referred herein as a "Party" and collectively as "Parties."

RECITALS:

A. You have applied for and desire to acquire an option to purchase an Señor Pollo Mexican Grill™ franchise; and

B. You declare that You have fully reviewed the Señor Pollo Mexican Grill™ Franchise Disclosure Document and have had such FDD for at least 14 days and familiarized Yourself with the essential aspects of owning a Señor Pollo Mexican Grill™ franchise and desire to enter into this Agreement as a result of such independent investigation and not as a result of any separate representations by Us, or Our agents officers or employees, and You further expressly acknowledge that no separate representations, promises or warranties of any kind, express or implied, have been made by Us, Our agents, officers or employees, to induce You to execute this Agreement.

NOW THEREFORE, in consideration of the mutual and reciprocal covenants, promises, recitals, terms and conditions herein contained, and for other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged by each Party, the Parties hereby agree as follows:

1. **Grant of Option.** We hereby grant to You an option ("Option") to acquire a Señor Pollo Mexican Grill™ franchise under the terms and conditions of the franchise agreement and in accordance with this Agreement within the area set forth on Exhibit "A" attached hereto and by reference made a part hereof ("Area"). The actual location of Your Señor Pollo Mexican Grill™ franchise must be approved by Us as set forth in the franchise agreement. The Option granted herein will expire at 5:00 P.M., Mountain Time, 60 days from the date hereof unless extended by mutual written consent of the Parties ("Option Period").

2. **Deposit.** Upon execution of this Agreement, You shall pay to Us a non-refundable deposit of five thousand dollars (\$5,000). If You exercise Your Option, this sum will be credited against the initial franchise fee set forth in the franchise agreement. In consideration of the deposit fee, We will not sell another Señor Pollo Mexican Grill™ franchise in the Area during the Option Period, and the value of the deposit is to compensate us for an opportunity lost in the event you do not purchase a franchise in the Area.

3. **Exercise.** This Option is exercisable by You as follows: 1) You have had the Franchise Disclosure Document for at least 14 calendar days or 10 business days 2) Your written notice to Us of Your exercise of the Option; 3) Your execution of the franchise agreement; and 4) payment by You of the full initial franchise fee, all within the Option Period. **Time is of the essence for this Agreement.**

4. **Arbitration of Disputes.** In the event any controversy or dispute arises between the Parties hereto in connection with, arising from or with respect to this Agreement or any provision hereof, such dispute or controversy will, on the request of any Party hereto be submitted for arbitration to the American Arbitration Association in accordance with its commercial arbitration rules. All arbitration hearings will be conducted exclusively in Salt Lake City, Utah, and the laws of the state of Utah will govern without giving effect to its conflicts of law provisions. The arbitrator will have the power and jurisdiction to decide such controversy or dispute solely in accordance with the express provisions of this Agreement. The prevailing Party in any arbitration suit or action to enforce this Agreement, will be entitled to recover the administrative costs of the



arbitration proceeding and the fee for the arbitrator. The Parties agree that any claim hereunder will result in an award not more than 120 days from the date of the statement of claim filed with the American Arbitration Association. The award and findings of the arbitrators will be conclusive and binding upon all Parties hereto and the judgment upon the award may be entered in any court of competent jurisdiction.

5. **Notices.** All notices permitted or required under this Agreement must be in writing and must be delivered as follows with notice deemed given as indicated (i) by personal delivery when delivered personally, (ii) by overnight courier upon written verification of receipt, (iii) by telecopy, email or facsimile transmission when confirmed by telecopier, email or facsimile transmission, or (iv) by certified or registered mail, return receipt requested, five days after deposit in the mail addressed as follows:

Franchisor:	Prospective Franchisee:
Senor Pollo Mexican Grill Inc. 1775 W. 5400 S. Taylorsville, Utah 84129 Email: senorpollo18@gmail.com	Name: _____ Address: _____ _____ Email: _____

6. **Binding Effect.** This Agreement and all its terms, conditions and stipulations will be binding upon and will inure to the benefit of the Parties hereto and their respective legal representatives, heirs, successors and permitted assigns.

7. **Amendment.** This Agreement may be amended, modified or changed only by a written instrument signed by duly authorized representatives of both Parties.

8. **Authority.** The persons signing below warrant that they are authorized to enter into this Agreement on behalf of their respective principals identified below and that by their signatures they bind such principals to this Agreement.

9. **Costs & Expenses.** Each Party will pay its own costs and expenses in connection with this Agreement.

10. **Entire Agreement.** This Agreement and exhibits contain the entire agreement and only understanding between the Parties with respect to the subject matter hereof and supersedes all previous negotiations, agreements and understandings between the Parties and affiliates of the Parties, in connection with the subject matter covered herein, whether oral or written, and any warranty, representation, promise or condition in connection therewith not incorporated herein will not be binding upon either Party. The Parties hereby agree that all prior agreements between the Parties are hereby terminated with no continuing duties or obligations on the part of the other Party.

11. **Interpretation of Agreement.** Words in the masculine gender include the feminine and neuter. Use of the singular will include the appropriate plural numbers. The paragraph headings and title of this Agreement are not part of this Agreement, having been inserted for convenience of reference only, and will have no effect upon the construction or interpretation of this Agreement.

[Remainder of page intentionally left blank; signatures follow on next page]

IN WITNESS WHEREOF, the Franchisor and Prospective Franchisee have respectively signed this Agreement as of the day and year first above written.

FRANCHISOR:

SEÑOR POLLO MEXICAN GRILL INC.

By: _____
(Signature)

Name: _____

Title: _____

PROSPECTIVE FRANCHISEE:

By: _____
(Signature)

Name: _____

Title: _____

[Signature Page to Deposit Agreement]



EXHIBIT “A”

Prospective Franchise Deposit Agreement

AREA

Subject to Our approval of the site as set forth in the franchise agreement, the Area for which You have reserved the right to purchase a Señor Pollo Mexican Grill™ franchise during the Option Period is:

Prospective Franchisee Initial Date

Franchisor Initial Date



**EXHIBIT “T”
TO THE FDD**

RELEASE AGREEMENT (FORM)

**RELEASE AGREEMENT
(Form)**

This RELEASE AGREEMENT ("Agreement") is made and entered into as of _____ by and between **SEÑOR POLLO MEXICAN GRILL INC.** ("Franchisor") and _____, **LLC/INC.**, _____, **AND** _____ (jointly and severally "Franchisee"). The above will collectively at times be referred to as "Parties" and individually as "Party." Capitalized terms used herein will have the meanings set forth in the Franchise Agreement, unless defined otherwise herein.

RECITALS

WHEREAS, Franchisee entered into a Señor Pollo Mexican Grill™ franchise agreement on _____ with Franchisor ("Franchise Agreement"); and

WHEREAS, the Franchise Agreement was personally guaranteed by _____ and _____ ("Personal Guarantor(s)"); and

WHEREAS, the Franchise Agreement has been terminated effective as of _____.

NOW THEREFORE, in consideration of the recitals, premises and other provisions set forth herein, and for other good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged, and intending to be legally bound hereby, Franchisor, Franchisee and Personal Guarantor(s) hereby agree as follows:

1. Franchisee and Personal Guarantor(s) hereby, fully and irrevocably, release, acquit and forever discharge Franchisor and its successors, affiliates, directors, officers, members, managers, employees, shareholders, representatives and agents and each of them, individually and collectively, of and from any and all claims, demands, obligations, causes of action, suits or liabilities of any kind and nature, whatsoever, whether known or unknown, suspected or unsuspected, and in whatever legal theory or form which Franchisee and Personal Guarantor(s) have or claim to have, or at any time heretofore, had or claimed to have had, or which may hereafter accrue or arise, against Franchisor, its successors, affiliates, directors, officers, members, managers, shareholders, employees and agents, and each of them, by reason of, or in any way connected with the Franchise Agreement, the relationship described therein and any business transaction, agreement or occurrence, act or omission relating thereto prior to the date hereof. Franchisee and Personal Guarantor(s) further waive any and all state law provisions limiting the effect of a general release.

2. Franchisee and Personal Guarantor(s) hereby covenant not to initiate, prosecute, encourage, assist, or (except as required by law) participate in any civil, criminal, or administrative proceeding or investigation in any court agency, or other forum, either affirmatively or by way of crossclaim, defense, or counterclaim against any person or entity released under Section 1 above with respect to any claim released under Section 1.

3. Franchisee and Personal Guarantor(s) represent that each of them fully understands the broad coverage of the release provisions of this Agreement, and that they execute the same with respect to all claims, causes of action and demands, as set forth above, they have or may have against the Franchisor,



fully intending that the provisions hereof be given the broadest interpretation permitted by law or the English language. Franchisee and Personal Guarantor(s) acknowledge and expressly agree that they will make no claim, and hereby waive any right they may now have, or may hereafter have, based upon any alleged oral or written alteration, amendment, or modification of this Agreement, fully waiving any right they may have to refer to extrinsic matters in the interpretation hereof, whether to establish fraud, duress, mistake, undue influence, or for any other purpose.

4. This Agreement may be pleaded as a full and complete defense to, and may be used as the basis for, an injunction against any action, suit or other proceeding which may be instituted, prosecuted or maintained in breach of this Agreement.

5. Franchisee and Personal Guarantor(s) are reminded of their ongoing obligations under the non-competition clauses of the Franchise Agreement and the Brand Protection Agreement for Principals signed with Franchisor.

6. Miscellaneous.

6.1 Cooperation. Franchisee and Personal Guarantor(s) will make, execute and deliver to Franchisor, promptly upon request and without additional consideration, any document or instrument necessary to carry out and effectuate the purposes of this Agreement.

6.2 Choice of Law and Jurisdiction. This Agreement will be construed in accordance with and all disputes hereunder will be governed by the laws of the state of Utah without giving effect to its conflicts of law provisions. Franchisee, Personal Guarantor(s), and Franchisor hereby irrevocably consent to the exercise of general personal jurisdiction in the courts of record of the state of Utah even though it may be otherwise possible to obtain jurisdiction elsewhere, and we both agree that Salt Lake City, Utah will be the exclusive venue for any litigation between us. Each party waives any objection they may have to the personal jurisdiction of or venue in the state and federal courts of Utah.

6.3 Arbitration. In the event any controversy or dispute arises between the Parties hereto in connection with, arising from or with respect to the provisions hereof, the relationship of the Parties hereto, or the validity of this Agreement or any provision hereof, such dispute or controversy will, on the request of any Party hereto be submitted for arbitration to the American Arbitration Association in accordance with its commercial arbitration rules. All arbitration hearings will be conducted exclusively in Salt Lake City, Utah, and the laws of the state of Utah will govern, without giving effect to its conflicts of law provisions. The arbitrator will have the power and jurisdiction to decide such controversy or dispute solely in accordance with the express provisions of this Agreement. The prevailing Party in any arbitration suit or action to enforce this Agreement, will be entitled to recover the administrative costs of the arbitration proceeding and the fee for the arbitrator. The Parties agree that any claim hereunder will result in an award not more than 120 days from the date of the statement of claim filed with the American Arbitration Association, unless otherwise waived by the Parties. The award and findings of the arbitrators will be conclusive and binding upon all Parties hereto and the judgment upon the award may be entered in any Court of competent jurisdiction.

6.4 Attorneys' Fees and Costs. In the event any action in law or equity or any arbitration or other proceeding is brought for the enforcement of this Agreement or in connection with any of the provisions of this Agreement, the successful or prevailing party or parties will be entitled to reasonable attorney's fees and other costs reasonably incurred in such action or proceeding.

6.5 Amendment. This Agreement may be amended, modified or changed only by a written instrument signed by duly authorized representatives of both Parties.

6.6 Company Authority. The persons signing below warrant that they are authorized to enter into this Agreement on behalf of their respective principals identified below and that by their signatures they bind such principals to this Agreement.

6.7 Binding Agreement. This Agreement and all its terms, conditions and stipulations will be binding upon and will inure to the benefit of the Parties hereto and their respective legal representatives, heirs, successors and permitted assigns.

6.8 Confidentiality. Franchisee and Personal Guarantor(s) agree to maintain this Agreement, the terms hereof, and any and all information obtained or provided by either Party in order to initiate a contractual relationship, in the strictest of confidence.

6.9 Counterparts. This Agreement, and those contemplated herein, may be executed in counterparts, including by means of telefaxed, emailed pdf or other electronically delivered signature page, each of which will be deemed an original, but all of which together will constitute one and the same document.

6.10 Entire Agreement. This Agreement contains the entire agreement and only understanding between the Parties with respect to the subject matter hereof and supersedes all previous negotiations, agreements and understandings between the Parties and affiliates of the Parties, in connection with the subject matter covered herein, whether oral or written, and any warranty, representation, promise or condition in connection therewith not incorporated herein will not be binding upon either Party. The Parties hereby agree that all prior agreements with between the Parties regarding the subject matter hereof are hereby terminated with no continuing duties or obligations on the part of the other Party.

6.11 Paragraph Headings. The paragraph headings appearing in this Agreement are inserted only as a matter of convenience and reference and in no way define, limit, construe or describe the scope, interpretations or extent of such paragraph or in any way affect such paragraph or this Agreement. Words in the masculine gender include the feminine and neuter. Use of the singular will include the appropriate plural numbers.

6.12 Enforceability. Any provision of this Agreement which is prohibited or unenforceable in any jurisdiction will, as to such jurisdiction, not be effective to the extent of such prohibition, but such prohibition will not invalidate the remaining provisions hereof or affect the validity or enforceability of such provisions in any other jurisdiction.

7. This Agreement will be effective when all the parties have signed it. The date of this Agreement will be the date this Agreement is signed by the last party to sign it as provided in the signature block below.

8. The Franchisee and Personal Guarantor(s) acknowledge that they have carefully read the foregoing Agreement and know and understand the contents of this Agreement, have been represented by counsel, or had the opportunity to be represented by counsel, and sign this Agreement as their own free act, fully intending to be legally bound thereby.

IN WITNESS WHEREOF, and by their signatures below, the Parties hereto acknowledge that they have read, understand and agree to all of the terms and provisions of this Agreement and have caused this Agreement to be executed as of the date provided below written with the full authority of the company principal they represent.

FRANCHISOR:

FRANCHISEE:

SEÑOR POLLO MEXICAN GRILL INC.

By: _____
(Signature)

By: _____
(Signature)

Name: _____

Name: _____

Title: _____

Title: _____

Date: _____

Date: _____

PERSONAL GUARANTOR(S):

By: _____

By: _____

Name: _____

Name: _____

Date: _____

Date: _____

By: _____

By: _____

Name: _____

Name: _____

Date: _____

Date: _____



**EXHIBIT “J”
TO THE FDD**

SIGNING CHECKLIST



Franchise Documents Signing Checklist

The following items need to be filled out, signed, or dated by the party indicated

1. When you receive the FDD.

DOCUMENT	PAGE OR SECTION NUMBER	INSTRUCTIONS	CHECK WHEN COMPLETED
FDD Receipt Pages	(last 2 pages of the entire FDD packet)	There are two receipt pages at the very end of the FDD. You must sign and date <u>both</u> copies. You will keep the copy labeled “Franchisee Copy” and return the other copy (“Franchisor Copy”) to the franchisor (“Senor Pollo Mexican Grill”).	_____

2. Before you sign the Franchise Agreement or other documents, but after the 14-day FDD review period.

DOCUMENT	PAGE OR SECTION NUMBER	INSTRUCTIONS	CHECK WHEN COMPLETED
Prospective Franchisee Deposit Agreement (if applicable)	Exhibit H	1. On the first page, you will fill out the date and your name or your company’s name if you will have a company be the franchisee. 2. Fill in your or your company’s contact information on page 2. 3. Sign and date page 4. 4. You and the franchisor will fill out page 5.	Only applies if you are allowed to reserve a territory before signing the Franchise Agreement.

3. When you sign the Franchise Agreement and other documents.

DOCUMENT	PAGE OR SECTION NUMBER	INSTRUCTIONS	CHECK WHEN COMPLETED
Franchise Agreement	(page 1)	Fill in the franchisee name	_____
Franchise Agreement	(page 3)	In first paragraph fill in date and franchisee name.	_____
Franchise Agreement	(page 47)	Fill in the franchisee name, address, and email	_____

Franchise Agreement	(page 55-57)	1. If the franchisee is an entity, (1) fill in the entity name on the line before LLC/INC., and have the president, manager, etc. sign on behalf of the entity. 2. If there is no entity, the franchisee will sign on the lower lines and print his or her name on the line before “personally.”	_____
Territory	Exhibit A-1 (page 58)	If the premises is not already known, this will be filled out and initialed later.	_____
Company Reps. and Warranties	Exhibit A-2 (page 59-60)	The franchisee must fill in the appropriate fields, date, and sign.	_____
Brand Protection Agreement for Principals	Exhibit A-4 (page 63-68)	Each owner and principal manager of the franchisee must fill out and sign this agreement.	_____
Employee Brand Protection Agreement	Exhibit A-5 (page 69-74)	To be filled out and signed by each one of franchisee’s employees.	_____
Landlord’s Consent to Assignment	Exhibit A-6 (page 75)	Landlord fills in the blanks, dates, and signs.	_____
ACH Agreement	Exhibit A-7 (page 76)	This must be filled out with all the appropriate bank information and signed.	_____
Guaranty of Assumption of Obligations	Exhibit A-8 (page 77-81)	Franchisee must fill in the date, the name of its entity and the date of the franchise agreement on the first page. The owners of the franchisee and their spouses must sign and fill out the signature page.	_____
Digital and Social Media Authorization for Assignment	Exhibit A-9 (page 82-83)	Franchisee and franchisor must sign this.	_____
State Addenda	Exhibit A-10	Depending on your state, you may be required to fill out and sign a state specific addendum.	_____

4. Exhibits to the FDD.

DOCUMENT	PAGE OR SECTION NUMBER	INSTRUCTIONS	CHECK WHEN COMPLETED
Form Release Agreement	Exhibit – I	This does <u>not</u> get signed at the time of signing the franchise agreement. This agreement or a form thereof will only be signed upon the termination, non-renewal or transfer of the franchise.	_____

5. If you sign the Area Development Agreement.

DOCUMENT	PAGE OR SECTION NUMBER	INSTRUCTIONS	CHECK WHEN COMPLETED
Area Development Agreement	(page 1)	Fill in the date and developer's name.	_____
Area Development Agreement	(page 6)	Fill in area developers name, address, and email	_____
Area Development Agreement	(page 7)	Both the franchisor and the developer must sign	_____
Area Development Agreement	Exhibit – A (page 8)	Fill in the description of the Development Area and the Right of First Refusal Area	_____
Area Development Agreement	Exhibit – B (page 10)	Fill in the Development Schedule and Development Fees tables	_____
Company Reps. and Warranties	Exhibit – C (page 11-12)	The developer must fill in the appropriate fields, date, and sign.	_____
Guaranty and Assumption of Obligations	Exhibit – D (page 13-14)	Franchisee must fill in the date, the name of its entity and the date of the franchise agreement on the first page. The owners of the franchisee and their spouses must sign and fill out the signature page.	_____
Brand Protection Agreement for Principals	Exhibit - E (pages 15-19)	Each owner and principal of the developer must sign this form	_____

6. Items to complete after you sign the franchise agreement.

DOCUMENT	INSTRUCTIONS	CHECK WHEN COMPLETED
Proof of insurance	The franchisee must get and maintain insurance and provide proof of insurance that lists the franchisor as an additional insured. The franchisee must provide this <u>annually</u> .	_____

Franchisee's d.b.a.	In the state where your franchise is located, you need to file for a dba or "doing business as" under the name "\$\$\$ _____." The blank line will be the city or neighborhood where your franchise is located or as assigned by the franchisor. For example, if your franchise is located in Irvine, California, your filed dba could be "\$\$\$ – Irvine." The franchisor must approve your dba before you file it. You must send a copy of the dba filing to the franchisor after it is filed. Please note that a dba is different from your company name if you have a company that is the franchisee. Please note that also you <u>cannot</u> use the name "\$\$\$" as part of your company name.	_____
Franchisee's certificate of occupancy	Franchisee must provide a certificate of occupancy before you schedule on-site opening assistance/training	_____
Franchisee's entity documents	Articles of incorporation/organization along with bylaws or operating agreement sent to franchisor.	_____
Copy of lease agreement	The franchisee must provide a copy of the lease agreement to the franchisor.	_____

State Effective Dates

The following states have franchise laws that require that the Franchise Disclosure Document be registered or filed with the states, or be exempt from registration: California, Hawaii, Illinois, Indiana, Maryland, Michigan, Minnesota, New York, North Dakota, Rhode Island, South Dakota, Virginia, Washington, and Wisconsin.

This document is effective and may be used in the following states, where the document is filed, registered, or exempt from registration, as of the Effective Date stated below:

<u>State</u>	<u>Effective Date</u>
California	Pending

Other states may require registration, filing, or exemption of a franchise under other laws, such as those that regulate the offer and sale of business opportunities or seller-assisted marketing plans.

RECEIPT
(Franchisee's Copy)

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 Senor Pollo Mexican Grill Inc., 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.

If Senor Pollo Mexican Grill Inc., Inc. 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, D.C. 20580 and the state administrator listed in Exhibit "F." Senor Pollo Mexican Grill Inc., authorizes the respective state agencies identified on Exhibit "E" to receive service of process for it in the particular state.

The issuance date of this disclosure document is October 19, 2023.

Senor Pollo Mexican Grill Inc. is located at 1775 W. 5400 S., Taylorsville, Utah 84129. Its telephone number is (801) 577-9782. The names, business addresses, and phone numbers of each franchise seller offering this franchise is as follows:

Name	Address	Phone Number
Dulce Martinez	1775 W. 5400 S., Taylorsville, Utah 84129	(801) 577-9782
Jesus Ruiz	1775 W. 5400 S., Taylorsville, Utah 84129	(801) 577-9782

If your franchise seller's name and contact information is not listed above, please list the name, address, and phone number of the franchise seller below:

I received a disclosure document dated October 19, 2023, that included the following Exhibits:

A.	Franchise Agreement and Its Exhibits	G.	Area Development Agreement
B.	Table of Contents for Brand Standards Manual		
C.	Financial Statements	H.	Deposit Agreement
D.	Schedule of Franchisees		
E.	List of Agents for Service of Process	I.	Release Agreement (Form)
F.	List of State Agencies Responsible for Franchise Disclosure and Registration Laws	J.	Signing Checklist

Date: _____

(Do not leave blank)

Title: _____

By: _____

(Signature)

Name: _____

(Print name)

Please keep this copy for your records.



RECEIPT
(Franchisor's Copy)

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Date: _____
(Do not leave blank)

By: _____
(Signature)

Title: _____

Name: _____
(Print name)

If you do not sign this receipt via our electronic signature platform, then you need to send us a signed and dated copy. You may return the signed and dated receipt by mailing it to Senor Pollo Mexican Grill Inc., at 1775 W. 5400 S., Taylorsville, Utah 84129, or by emailing a copy of the signed and dated receipt to senorpollo18@gmail.com.

