

FRANCHISE DISCLOSURE DOCUMENT

EL POLLO LOCO, INC., a Delaware corporation

~~575 Anton Blvd., Suite 1100~~~~3535 Harbor Blvd., Suite 100~~



Costa Mesa, California 92626

Phone: (714) 599-5000

Facsimile: (714) 599-5500

www.elpolloloco.com

El Pollo Loco® franchisees operate quick-service restaurants that offer fire-grilled food products and related services.

The total investment necessary to begin operation of an El Pollo Loco® Restaurant under a Franchise Agreement is between \$793,750 to \$2,685,500. This includes \$80,500 to \$167,500 that must be paid to the franchisor or its affiliate. We also offer development rights for El Pollo Loco® Restaurants. The fee to enter into a Development Agreement with us is \$20,000 per restaurant to be developed and must be paid to the franchisor or its affiliate. The \$20,000 per restaurant development fee will be credited towards the initial franchise fee for each restaurant to be developed. If you purchase an existing restaurant from us, you will pay a purchase price for the restaurant in addition to the initial franchise fee of \$40,000 that must be paid to the franchisor or its affiliate. A different initial term may be offered, at our sole and absolute right to determine, such as to match the lease or sublease of your restaurant. In such case, the initial franchise fee will not be ~~appropriately~~ pro-rated.

This Disclosure Document summarizes certain provisions of your franchise or development 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 government agency has verified the information contained in this document.**

You may wish to receive your Disclosure Document in another format that is more convenient for you. To discuss the availability of disclosures in different formats, contact: El Pollo Loco Franchise Development at ~~575 Anton Blvd., Suite 1100~~~~3535 Harbor Blvd., Suite 100~~, Costa Mesa, California 92626, Phone: (714) 599-5000; Fax: (714) 599-5503.

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-FTCHELP or by writing to the FTC at 600 Pennsylvania Avenue, NW, Washington, DC 20580. You can also visit the FTC's home page at www.ftc.gov for additional information. Call your state agency or visit your public library for other sources of information on franchising.

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

Issuance Date: ~~April 1, 2025~~March 31, 2026

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:

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 J.
How much will I need to invest?	Items 5 and 6 list fees you will be paying to the franchisor or at the franchisor's direction. Item 7 lists the initial investment to open. Item 8 describes the suppliers you must use.
Does the franchisor have the financial ability to provide support to my business?	Item 21 or Exhibit L 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 El Pollo Loco® 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 an El Pollo Loco® franchisee?	Item 20 or Exhibits J and K 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, which 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 B.

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

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 and franchise development agreement require you to resolve disputes with the franchisor by mediation, arbitration and/or litigation only in California. Out-of-state mediation 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 California than in your own state.
2. **Competition with your Franchise.** El Pollo Loco® and its affiliates may establish other channels of distribution and may sell or distribute any product or service to the general public under the same and/or a different trademark, in competition with your franchise.

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 1: The Franchisor, And Any Parents, Predecessors And Affiliates	<u>66</u>
Item 2: Business Experience	<u>1144</u>
Item 3: Litigation	<u>1343</u>
Item 4: Bankruptcy	<u>1848</u>
Item 5: Initial Fees	<u>1949</u>
Item 6: Other Fees	<u>2222</u>
Item 7: Estimated Initial Investment	<u>3535</u>
Item 8: Restrictions On Sources Of Products And Services	<u>4242</u>
Item 9: Franchisee's Obligations	<u>5353</u>
Item 10: Financing	<u>5555</u>
Item 11: Franchisor's Assistance, Advertising, Computer Systems And Training	<u>5656</u>
Item 12: Territory	<u>7476</u>
Item 13: Trademarks	<u>7880</u>
Item 14: Patents, Copyrights And Proprietary Information	<u>8082</u>
Item 15: Obligation To Participate In The Actual Operation Of The Franchise Business	<u>8284</u>
Item 16: Restrictions On What The Franchisee May Sell	<u>8486</u>
Item 17: Renewal, Termination, Transfer And Dispute Resolution	<u>8587</u>
Item 18: Public Figures	<u>9294</u>
Item 19: Financial Performance Representations	<u>9395</u>
You Are Urged To Consult With Your Financial, Business And Legal Advisors In Connection With The Information Listed In This Item 19	<u>99401</u>
Item 20: Outlets And Franchisee Information	<u>100402</u>
Item 21: Financial Statements	<u>109411</u>
Item 22: Contract	<u>110412</u>
Item 23: Receipts	<u>111413</u>

EXHIBITS

Exhibit A: State-Specific Addenda to Disclosure Document, Franchise and/or Franchise Development Agreement

Exhibit B: State Administrators/Agents for Service of Process

Exhibit C: Franchise Agreement

Exhibit D: Purchase Agreement

Exhibit E: Sublease Agreement

Exhibit F: Franchise Development Agreement

Exhibit G: Non-Traditional License Agreement

Exhibit H: Operations Manual, Table of Contents for Standard Operating Procedures, Recipe and Build Cards, and Cleaning Program Procedures Binder

Exhibit HJ: Investor Covenants Regarding Confidentiality and Non-Competition

Exhibit IJ: List of Franchisees

Exhibit JK: List of Franchisees Who Left System In 2024-2025 or Who Have Not Communicated With Us within 10 Weeks of the Issuance Date of this Disclosure Document

Exhibit KL: Financial Statements

Exhibit LM: Guarantee of Performance

State Effective Dates

Receipts

ITEM 1: THE FRANCHISOR, AND ANY PARENTS, PREDECESSORS AND AFFILIATES

The Franchisor

To simplify the language in this Disclosure Document “**we**”, “**us**”, “**our**” or “**EPL**” means El Pollo Loco, Inc., the franchisor. “**You**” means the person who buys the franchise. If you are a corporation, limited liability company, partnership or other legal entity, certain provisions of the agreements described in this Disclosure Document also apply to all of your owners who are required to personally guarantee your obligations under the agreements.

We were incorporated in Delaware on October 2, 1989. Our principal business address is 575 Anton Blvd., Suite 11003535 Harbor Blvd., Suite 100, Costa Mesa, CA 92626 (“**Support Center**”) and our telephone number is (714) 599-5000. Our agents for service of process are listed in Exhibit B. We conduct business under our corporate name and under the name “**El Pollo Loco**”.

Our Parents, Affiliates, Predecessor, and Subsidiaries

We are a wholly owned subsidiary of EPL Intermediate, Inc. (“**EPLI**”). EPLI was incorporated in Delaware on December 14, 1999. EPLI is a wholly-owned subsidiary of El Pollo Loco Holdings, Inc. (“**Old EPLH**”). Old EPLH was incorporated in Delaware on September 13, 2005. Prior to April 21, 2014, Old EPLH was a wholly owned subsidiary of Chicken Subsidiary Corp. (“**CSC**”). CSC was incorporated in Delaware on October 20, 2005. Also prior to April 21, 2014, CSC was a wholly owned subsidiary of Chicken Acquisition Corp. (“**CAC**”). CAC was incorporated in Delaware on September 13, 2005. On April 21, 2014, Old EPLH merged with and into CSC, which in turn merged with and into CAC, at which point CSC ceased to exist as a separate corporate entity. CAC was then renamed El Pollo Loco Holdings, Inc. (“**EPLH**”). The principal place of business of EPLI and EPLH is 575 Anton Blvd., Suite 11003535 Harbor Blvd., Suite 100, Costa Mesa, CA 92626 and the telephone number is (714) 599-5000. On July 25, 2014, EPLH began publicly trading on the National Association of securities Dealers Automated Quotation System (“**NASDAQ**”). EPL has no predecessors.

Loco Marketing, Inc., a Kentucky corporation (“**Loco Marketing**”), a wholly owned subsidiary of Franchisor, manages the El Pollo Loco gift card program for all EPL Restaurants (as defined below).

Consolidated audited financials for EPLH, EPLI and EPL reflecting our current debt/equity structure are included in Item 21.

The Franchise Offered

EPL has offered franchises for the operation of restaurants under the trade name “El Pollo Loco,” since 1980 (restaurants operated under the trade name “El Pollo Loco” whether

operated by us or our franchisees, are referred to generally in this Disclosure Document as “**EPL Restaurants**”¹; The EPL Restaurant you will operate in the United States is referred to as the “**Restaurant**”; the EPL Restaurants operated by franchisees in the United States are referred to as “**Franchised Restaurants**”). We have not offered franchises in other lines of business and are engaged only in business activities related to EPL Restaurants. You must satisfy our educational, experience, financial and other reasonable criteria to become an EPL franchisee.

EPL Restaurants are quick-service restaurants that offer and serve fire-grilled food items and related products and services, featuring Mexican-style fire-grilled chicken. We have developed a comprehensive system for operating EPL Restaurants, which includes trademarks (“**Marks**”), building designs and layouts, equipment, ingredients, recipes and specifications for authorized food products, training, methods of inventory control and operational and business standards and policies (the “**System**”).

As of ~~December 25, 2024~~ December 31, 2025, we owned and operated ~~173~~ 175 EPL Restaurants in the United States (collectively, “**Franchisor Restaurants**”) and have licensed ~~325~~ 328 EPL franchises in the United States and ~~40~~ 8 in the Philippines.

The average number of years for all EPL Restaurants¹ open for at least one calendar year is ~~22.34~~ 23.06 years. The median number of years for all EPL Restaurants¹ is ~~22.88~~ 23.46 years. As of ~~December 25, 2024~~ December 31, 2025, the shortest open duration for all of the EPL Restaurants¹ used in compiling data was ~~40~~ 1 days, and the longest open duration for such EPL Restaurants¹ was ~~41.24~~ 42.25 years. For all of the Franchisor Restaurants as of that date, the shortest open duration was ~~40~~ 1 days, and the longest open duration was ~~41.24~~ 42.23 years. For all of the Franchised Restaurants as of that date, the shortest open duration was ~~23~~ 2 days, and the longest open duration was ~~41.24~~ 42.25 years.

Years Franchised Restaurants in the United States Have Been in Operation:

Years Open	Arizona	California	Colorado	Louisiana	Nevada	Texas	Utah	Total
~~0 < 5~~	4	15	2	4	0	7	2	28
~~5 < 10~~	8	26	0	4	0	24	6	62
~~10 < 15~~	4	16	0	0	4	4	0	19
~~15 < 20~~	8	28	0	0	4	4	2	40
~~≥ 20~~	8	163	0	0	3	2	0	176
Total	26	248	2	2	5	32	10	325

¹ All EPL Restaurants are located in the United States.

<u>Years Open</u>	<u>AZ</u>	<u>CA</u>	<u>CO</u>	<u>LA</u>	<u>NV</u>	<u>NM</u>	<u>TX</u>	<u>UT</u>	<u>WA</u>	<u>Total</u>
<u>0 < 5</u>	<u>3</u>	<u>16</u>	<u>3</u>	<u>1</u>	<u>0</u>	<u>1</u>	<u>7</u>	<u>2</u>	<u>1</u>	<u>34</u>
<u>5 < 10</u>	<u>9</u>	<u>19</u>	<u>0</u>	<u>1</u>	<u>0</u>	<u>0</u>	<u>15</u>	<u>6</u>	<u>0</u>	<u>50</u>
<u>10 < 15</u>	<u>1</u>	<u>20</u>	<u>0</u>	<u>0</u>	<u>1</u>	<u>0</u>	<u>7</u>	<u>0</u>	<u>0</u>	<u>29</u>
<u>15 < 20</u>	<u>7</u>	<u>27</u>	<u>0</u>	<u>0</u>	<u>1</u>	<u>0</u>	<u>1</u>	<u>2</u>	<u>0</u>	<u>38</u>
<u>≥ 20</u>	<u>8</u>	<u>164</u>	<u>0</u>	<u>0</u>	<u>3</u>	<u>0</u>	<u>2</u>	<u>0</u>	<u>0</u>	<u>177</u>
<u>Total</u>	<u>28</u>	<u>246</u>	<u>3</u>	<u>2</u>	<u>5</u>	<u>1</u>	<u>32</u>	<u>10</u>	<u>1</u>	<u>328</u>

Years Franchisor Restaurants in the United States Have Been in Operation:

<u>Years Open</u>	<u>California</u>	<u>Nevada</u>	<u>Total</u>
<u>0 < 5</u>	<u>6</u>	<u>5</u>	<u>11</u>
<u>5 < 10</u>	<u>10</u>	<u>4</u>	<u>14</u>
<u>10 < 15</u>	<u>8</u>	<u>5</u>	<u>13</u>
<u>15 < 20</u>	<u>20</u>	<u>4</u>	<u>24</u>
<u>≥ 20</u>	<u>103</u>	<u>10</u>	<u>113</u>
<u>Total</u>	<u>147</u>	<u>28</u>	<u>175</u>

We do not do any business under any name other than El Pollo Loco®.

Under certain circumstances, we may offer to you an option to develop one or more new EPL Restaurant(s) within a designated geographical area under a Franchise Development Agreement ("**Development Agreement**") (Exhibit F).

The Franchise Agreement described in this Disclosure Document (Exhibit C) grants you the right to operate a single traditional Restaurant using our System. In exchange, you agree to pay royalty, advertising and other fees, and to operate the Restaurant in strict compliance with our standards and procedures. A "traditional" Restaurant is an EPL Restaurant built in stand-alone buildings or retail centers.

The Non-Traditional License Agreement described in this Disclosure Document (Exhibit G) grants you the right to operate a single non-traditional Restaurant using our System. In exchange, you agree to pay royalty, advertising and other fees, and to operate the Restaurant in strict compliance with our standards and procedures. A "non-traditional" Restaurant is an EPL Restaurant located in "Non-Traditional Venue." A "Non Traditional Venue" is a facility operated located within another primary business or in conjunction with other businesses or at institutional settings, including toll roads, highway (or similar) rest stops, train stations, regional shopping malls, airports, mass transit stations, amusement, parks, and all properties controlled by the amusement park, travel stations, hotels, motels and other types of lodging facilities, ships, ports, piers, casinos, stadiums,

airports, theatres, big box retailers, building supply stores, warehouse club stores, colleges and universities, schools and other types of schools, hospitals and other types of health care institutions, military and other governmental facilities, office or in-plant food service facilities, shopping malls, grocery stores, outlet malls, supermarkets and convenience stores, and any site for which the lessor, owner or operator has indicated its intent to prefer or limit the operation of its food service facilities to a master concessionaire or contract food service provider, regional shopping malls, airports, mass transit stations, professional sports stadiums and arenas, hotels and other types of lodging facilities, military bases, entertainment centers, amusement parks, casinos, universities and other types of schools, hospitals and other types of health care institutions, or similar types of captive market locations that we may designate. A Restaurant located in a Non-Traditional Venue may share their premises with other businesses, within a host facility, and may provide limited menu items and limited or no delivery. You will typically sign a lease with the host facility for a Restaurant located in a Non-Traditional Venue.

Under certain circumstances, we may offer to franchise a Franchisor Restaurant (a **“Turnkey Restaurant”**). In these transactions, we negotiate with the prospective franchisee to reach mutually acceptable terms of a sale agreement and any lease or sublease of real estate. If we offer to sell you a franchise for a Turnkey Restaurant, we will sell our interests in the Turnkey Restaurant to you under a Purchase Agreement in substantially the same form as in this Disclosure Document (Exhibit D) and may sublease to you the premises of the Turnkey Restaurant under a Sublease in substantially the same form as in this Disclosure Document (Exhibit E).

If you purchase a Turnkey Restaurant, you must sign a Franchise Agreement, a Purchase Agreement and, if applicable, a Sublease and/or a Development Agreement. Depending on the circumstances, the terms may vary from the standard terms of our Franchise Agreement, Purchase Agreement, Sublease and/or Development Agreement.

Under certain circumstances, an existing franchisee may offer to sell an existing Franchised Restaurant (a **“Turnkey Franchised Restaurant”**). If you purchase a Turnkey Franchised Restaurant from an existing franchisee, you must sign with us a Consent to and Assignment of Franchise Rights in substantially the same form as described in this Disclosure Document (Exhibit 9 to the Franchise Agreement) and a Franchise Agreement and, if applicable, a sublease for the premises of the Turnkey Franchised Restaurant under a new Sublease in substantially the same form as Exhibit E. Depending on the circumstances, the terms may vary from the standard terms of our Franchise Agreement, Consent to and Assignment of Franchise Rights, and/or Sublease.

We currently have policies in place related to franchisee and owner performance, health, and growth eligibility. These policies focus on, among other things, development and operational history, current and forward-looking financial health, and overall brand alignment. As part of our policies, we may set criteria for organic growth and/or acquisition growth by our franchisees and their owners, limit the number of EPL Restaurants any specific franchisee and its related parties may purchase from us or from a transferring franchisee (currently no more than 5 ——— Restaurants, excluding 1 R~~e~~staurants

developed through organic growth by that franchisee), withhold our consent to the proposed sale of all then owned EPL Restaurants to a single prospective transferee via one or more transfer transactions, and condition any transfer involving multiple EPL Restaurants on satisfaction of additional consent requirements. See Items 12 and 17. We may modify or create new franchisee and owner policies and related requirements or conditions from time to time.

The Competition

The food service industry is highly competitive and can be affected significantly by many factors, including changes in local, regional or national economic conditions, changes in consumer tastes, and increases in the number of, and particular location of, competing quick-service, fast-food and fast casual restaurants. In addition, you may face some competition from the frozen food products sold under the Marks by certain supermarkets, membership warehouses, and other markets. We believe that the general market for fast-food is a mature market.

Industry Specific Regulations

In addition to the laws, regulations and ordinances applicable to businesses generally, such as the Americans with Disabilities Act, Federal and State Wage and Hour Laws, and the Occupation, Health and Safety Act, certain aspects of any restaurant business are regulated by federal, state and local laws, rules and ordinances. The U.S. Food and Drug Administration, the U.S. Department of Agriculture, and state and local departments of health and other agencies have laws and regulations concerning the preparation of food and sanitary conditions of restaurant facilities (e.g., the Food Safety Modernization Act). State and local agencies routinely conduct inspections for compliance with these requirements. Under the Clean Air Act and state implementing laws, certain state and local areas are required to attain, by the applicable statutory guidelines, the national quality standards for ozone, carbon monoxide and particulate matters. Certain provisions of these laws impose caps on emissions from commercial food preparation. Your Restaurant must accept credit and debit card transactions in a manner that is fully compliant with the requirements and standards of the Payment Card Industry (“**PCI**”) in order to minimize any risk of unauthorized disclosure of personal information of cardholders. Under certain cyber, data security and data protection laws, amongst other requirements, you may be required to secure and protect customer information, obtain consent from customers to use their data, disclose certain customer information along with the purpose for which it is used and minimize any risk of unauthorized disclosure of such customer information. The California Legislature passed AB 1228 on September 28, 2023, which creates new standards for national fast food chain restaurants. This bill establishes and authorizes the Fast-Food Council to set fast-food restaurant standards for minimum wage and develop minimum standards on working hours and other working conditions, including health and safety standards and training.

Public Health Regulations

Due to the 2020 worldwide pandemic, we made mandatory changes to our operating standards and some changes to our EPL Restaurants format, design and image standards. We will continue to assess and re-assess the impact on our system of any future public health threats. Your Restaurant will need to comply with existing and future public health orders, rules and laws for your city, county, state and federal laws.

ITEM 2: BUSINESS EXPERIENCE

Unless otherwise indicated, the location of the current employer of the individual indicated is Costa Mesa, California.

Chief Executive Officer: Elizabeth Williams – Liz Williams has served as Chief Executive Officer at EPL since March 2024 and as a Board Member for Stitch Fix in San Francisco, CA from January 2019. From May 2022 to March 2024 Ms. Williams served as CEO and President for Foxtrot and Outfox Ventures in Chicago, IL, from February 2021 to June 2024, as a Board Member for Viant Technology, Inc. in Irvine, CA, from June 2021 to May 2022 as CEO for Hart House in Los Angeles, CA, from May 2020 to May 2021 as CEO for Drybar in Irvine, CA and from February 2010 to February 2020 as President and CFO for Taco Bell in Irvine, CA.

~~President and Chief Operations Officer: Maria Hollandsworth~~ – Ms. Hollandsworth has served as President and Chief Operations Officer for EPL since March 2024 and as Board Director for the LA Branch of the Federal Reserve Bank of San Francisco in Los Angeles, CA since January 2025. She previously served as Interim Chief Executive Officer, Interim President and Chief Operations Officer for EPL from November 2023 to March 2024, and as Chief Operations Officer from October 2022 to November 2023. From July 2019 to October 2022, she served as Regional Vice President of Operations: US West/Southwest Region at Dunkin' U.S. West/Southwest Region, a division of Inspire Brands, Inc. in Sandy Springs, GA.

~~Executive Vice President, Chief Financial Officer and Treasurer: Ira Fils~~ – Mr. Fils joined EPL in June 2022 as ~~Executive Vice President, Chief Financial Officer and Treasurer~~. From August 2008 to June 2022, he served as Chief Financial Officer and Secretary at The Habit Burger Grill, a division of YUM! Brands in Irvine, CA.

~~Senior Vice President and Chief Legal and People Officer: Jason Weintraub~~ – Mr. Weintraub has served as ~~Senior Vice President and Chief Legal Officer~~ for EPL since June 2025 ~~and as Chief People Officer for EPL since September 2025~~. From November 2020 to June 2025, he served as Chief Legal and Administrative Officer for Jacuzzi Group in Irvine, CA and from March 2020 to November 2020, he served as Chief Legal Officer at EPL.

~~Senior Vice President, Chief People Officer: Bjorn Erland~~ – Mr. Erland has served as ~~Senior Vice President, Chief People Officer~~ for EPL since October 2024. From November 2019 to September 2024, he served as Senior Vice President, Human Resources at Brand Safway in Atlanta, GA.

~~Senior Vice President and Chief Marketing Officer: Jill Adams~~ – Ms. Adams has served

~~as Senior Vice President and~~ Chief Marketing Officer for EPL since October 2023. From October 2020 to October 2023, she served as Vice President of Marketing for Mister Car Wash in Tucson, AZ and from April 2017 to October 2020 as Senior Vice President of Marketing for QdobaDOBA Mexican Eats in San Diego, CA.

~~Senior Vice President and Chief Information Officer: Clark Matthews — Mr. Matthews serves as Senior Vice President and Chief Information Officer for EPL since March 2024. Previously, Mr. Matthews served as Vice President of Information Technology for EPL from December 2015 to March 2024.~~

~~Chief Technology Officer: Vadim Parizher — Mr. Parizher serves as Chief Technology Officer for EPL since March 2026. Previously he served as Vice President, Technology for Taco Bell in Irvine, CA from November 2017 to February 2026.~~

~~Senior Vice President and~~ Chief Development Officer: Tim Welsh — Mr. Welsh has served as Senior Vice President and Chief Development Officer for EPL since June 2024. Previously he served as Senior Vice President, General Manager for Trimark USA from June 2023 to June 2024, as Chief Development Officer for Crunch Fitness from June 2021 to June 2023, and as Chief Development Officer for Qdoba Mexican Eats from March 2018 to June 2021.

~~Senior Vice President and of~~ Franchise Operations: Christina Camara — Ms. Camara serves as ~~Senior Vice President and of~~ Franchise Operations for EPL since ~~March 2026~~May 2023. Prior to that Ms. Camara served as ~~Vice President of Franchise Operations for EPL from May 2023 to March 2026 and as~~ Senior Franchise Business Consultant (Director) for Jack in the Box in Windsor, CA from March 2023 to May 2023 and as Franchise Business Consultant (Director) for Jack in the Box in Windsor, CA from May 2015 to February 2023.

~~Senior Vice President, Training & Operations Services: Richard Pepper — Mr. Pepper serves as Senior Vice President, Training & Operations Services for EPL since March 2026~~May 2023. Prior to that Mr. Pepper served as ~~Vice President, Training and Operations Services for EPL from May 2023 to March 2026 and as~~ Sr. Director Restaurant Services ~~& and~~ Innovation for Whataburger in San Antonio, TX from January 2022 to May 2023, ~~and~~ as Director Restaurant Services for Whataburger in San Antonio, TX from February 2019 to December 2021.

~~Director of Franchise Sales: Jeannine Jones — Ms. Jones serves as Director of Franchise Sales for EPL since April 2025. Previously she served as Maranger, Franchise Recruiting for Taco Bell in Irvine, CA from February 2021 to September 2024, and as Associated Manager Franchise Finance for Taco Bell in Irvine, CA from October 2018 to January 2024.~~
~~Vice President of Franchise Growth: Shannon Iverson — Ms. Iverson serves as Vice President of Franchise Growth for EPL since February 2026. Previously she served as Vice President/Development for Taco John's from February 2024 to January 2026 in St. Louis Park, MN, and as Vice President of Franchise Growth for Marco's Franchising in Toledo, OH from November 2018 to February 2024.~~

~~Chairperson and Director: William R. Floyd — Mr. Floyd has served as Chairperson of the~~

~~Board of EPL since April 2023 and as a Director of EPL since April 2016. From October 2017 to September 2020, Mr. Floyd served as Chairperson of Busaba Restaurants in London, England, and from January 2006 to October 2021, as a member of the Board of Overseers for the University of Pennsylvania School of Nursing in Philadelphia, PA.~~

~~Director: Samuel N. Borgese — Mr. Borgese has served as a Director of EPL since January 2011, as Founder and Managing Member of Gather Holdings, LLC in Dallas, TX since March 2022, and as Managing Partner for Aconeca, LLC in Dallas, TX since January 2011. Prior to this, Mr. Borgese served as President, Chief Executive Officer and Director for Shari's Management Corporation and Shari's Restaurant Group both in Beaverton, OR from July 2017 to April 2023.~~

~~Director: Mark Buller — Mr. Buller has served as a Director of EPL since June 2015 and as Executive Chairman of Superior Cabinets in Saskatoon, SK, Canada since July 2018.~~

~~Director: Douglas J. Babb — Mr. Babb has served as Director of EPL since January 2018. Since August 2006, Mr. Babb served as a Managing Director and Founder of Babb Strategic Services, LLC in Fort Smith, AR. Additionally, Mr. Babb served as the Chairman of the Board of Directors of the United States Marshalls Museum in Fort Smith, AR from July 2018 to December 2023 and as the Chairman of the Board of Directors of the University of Arkansas-Forth Smith in Fort Smith, AR from January 2022 to December 2023.~~

~~Director: Nancy E. Faginas-Cody — Ms. Faginas-Cody has served as Director of EPL since December 2021. From September 2013 to April 2020, Ms. Faginas-Cody served as Senior Vice President, Information Technology Enterprise Business Systems for Walt Disney Company in Burbank, CA.~~

~~Director: Deborah ("Debbie") Gonzalez — Ms. Gonzalez has served as Director of EPL since December 2021 and as Senior Vice President, Global Marketing and Communications for Concentrix Corporation in Fremont, CA since September 2020. From May 2018 to September 2020, Ms. Gonzalez served as a self-employed CMO Consultant in Fountain Hills, AZ.~~

~~Director: Joe Taylor — Mr. Taylor has served as Director of EPL since January 2025. From March 2020 to June 2024, he served Executive Vice President and Chief Financial Officer at Brinker International, Inc. in Dallas, TX.~~

ITEM 3: LITIGATION

Pending Litigation:

None.

Pending Franchisor-Initiated Litigation

None.

Concluded Litigation

1. On or about November 5, 2015, a purported EPLH shareholder filed a derivative complaint on behalf of EPLH in the Delaware Court of Chancery against certain EPLH officers, directors and Trimaran Pollo Partners, L.L.C., captioned Armen Galustyan v. Sather, et al. (Case No. 11676-VCL) (“**Galustyan Action**”). The derivative complaint alleges that defendants breached their fiduciary duties to EPLH and were unjustly enriched when they sold shares of EPLH at artificially inflated prices due to alleged misrepresentations and omissions regarding EPL’s comparable store sales in the second quarter of 2015. On behalf of EPLH, the complaint sought an award of compensatory damages and a court order requiring stockholder approval of certain amendments to EPLH’s Bylaws and Certificate of Incorporation. The purported EPLH shareholder voluntarily dismissed the action on October 7, 2020.

On or about September 23, 2016, a second purported EPLH shareholder filed a derivative complaint on behalf of EPLH in the Delaware Court of Chancery captioned Diep v. Sather, (Case No. 12760-VCL) (“**Diep Action**”) against the same defendants named in the Galustyan Action. The complaint in the Diep Action asserted substantially the same claims as the Galustyan Action.

On May 21, 2021, while the Special Litigation Committee’s (“**SLC**”) motion to dismiss the Diep Action was pending, EPLH filed a notice of proposed partial settlement of the Diep Action with respect to defendants Kay Bogeajis, Laurance Roberts, Stephen J. Sather, Edward J. Valle, Douglas K. Ammerman, and Samuel N. Borgese (collectively, the “**Settling Defendants**”). Defendant Trimaran Pollo Partners, LLC (“**Trimaran**”) was not a party to the settlement. The court approved the settlement of \$625,000, less plaintiffs’ fees of \$156,250, on September 10, 2021, and dismissed all claims brought, or that could have been brought, against Settling Defendants.

On July 30, 2021, the court granted the SLC’s motion to dismiss with respect to the claims asserted against remaining defendant Trimaran. On October 4, 2021, plaintiffs filed a notice of appeal of the court’s granting of the motion to dismiss against defendant Trimaran. Plaintiff filed its opening brief on December 6, 2021. SLC filed its answering brief on December 20, 2021 and the public version of the brief was filed on January 7, 2022. Plaintiffs filed the reply brief on January 4, 2022. The hearing on the appeal took place on March 30, 2022. On June 28, 2022, the court’s granting of the motion to dismiss against Trimaran was affirmed.

2. Janice P. Handlers-Bryman and Michael D. Bryman v. El Pollo Loco, Inc. (Case No. MC026045) (the “**Lancaster Lawsuit**”) was filed in the Superior Court of the State of California, County of Los Angeles on February 9, 2016. Plaintiffs brought claims for (i) breach of the implied covenant of good faith and fair dealing, (ii) intentional interference with prospective business, and (iii) unfair business practices based on allegations that we unreasonably limited their development of additional restaurants in Lancaster, California and then developed two Franchisor Restaurants in the market area of their existing Franchised Restaurant in Lancaster, California. The complaint sought reformation of the contract, declaratory relief, disgorgement of alleged revenues and

profits, injunctive relief, and an order that we either transfer the Franchisor locations to plaintiffs or disgorge profits from the operation of the Franchisor ~~owned~~ Restaurants in Lancaster, California. We denied plaintiffs' allegations on the ground that the franchise agreement did not grant plaintiffs any exclusive territorial rights and expressly reserved for us the right to open and operate EPL Restaurants directly or through other franchisees in Lancaster, California. On December 11, 2017, the jury returned a verdict in favor of plaintiffs finding that we breached the implied covenant of good faith and fair dealing by constructing two new Franchisor Restaurants in Lancaster, with the court retaining jurisdiction to decide the other two non-jury claims at a later date. On May 1, 2018, the jury returned a verdict on damages in favor of plaintiffs in the following amounts: (1) \$4,356,600 in "impact damages" arising out of our construction of the two Franchisor ~~owned El Pollo Loco~~ Restaurants in Lancaster, and (2) \$4,481,206 in "lost opportunity damages" arising out of our failure to offer the two new Franchisor ~~owned El Pollo Loco~~ Restaurants in Lancaster to plaintiffs. On August 1, 2018, the court issued a final judgment ordering EPL to revise its disclosure document and franchise agreement to add language awarding a 0.5-mile protected territory to each existing and future free-standing or traditional in-line Franchised Restaurant in California opened within the next 5 years and awarding plaintiffs a total monetary judgment of \$8,837,806. The trial court subsequently awarded the plaintiffs' attorneys' fees of \$1,391,702.50 and costs of \$249,727.56. Belatedly, on January 27, 2020, the court dismissed plaintiffs' claims for reformation and declaratory relief. On August 27, 2018, we filed a notice of appeal as to the entire judgment. While the appeal was pending, on August 21, 2020, we reached an agreement with plaintiffs to settle the action for (i) our payment of \$2.5 Million, and (ii) our agreement to include the court-ordered 0.5-mile protected territory language in existing and new free-standing or traditional in-line Franchised Restaurant in California opened within the next 5 years. In exchange, plaintiffs stipulated to our motion asking the California Court of Appeal to reverse the trial court judgment with prejudice. The Court of Appeal granted this stipulated motion on September 2, 2020 and the trial court reversed its judgment and dismissed the case with prejudice on September 10, 2020.

3. On or about February 24, 2014, a former employee at an Franchisor Restaurant filed a class action in the Superior Court of the State of California, County of Orange captioned Elliott Olvera, et al v. El Pollo Loco, Inc., et al (Case No. 30 2014 00707367 CU-OE-CXC) (the "**Olvera Action**") on behalf of all hourly employees working at Franchisor Restaurants in California on and after April 10, 2010 alleging certain violations of California labor laws. The claims included failure to pay overtime compensation, provide meal periods and rest breaks, and provide itemized wage statements. The complaint sought compensatory and punitive damages, injunctive relief, disgorgement of profits, and reasonable attorneys' fees and costs without specifying a specific amount of damages. The Olvera Action was eventually consolidated with separate class actions captioned Martha Perez v. El Pollo Loco, Inc. (Los Angeles Superior Court Case No. BC624001), Maria Vega, et al. v. El Pollo Loco, Inc. (Los Angeles Superior Court Case No. BC649719), and Gonzalez v. El Pollo Loco, Inc. (Los Angeles Superior Court Case No. BC712867), involving similar California labor law claims filed by different putative classes of hourly employees at Franchisor Restaurants. On January 24, 2019, we agreed to pay \$16.3 Million to the more than 32,000 putative class members in the Olvera, Perez,

Vega, and Gonzalez actions to settle all claims for the period from April 12, 2010 to April 1, 2019. The court approved the settlement on January 31, 2020. The settlement payment was made on February 28, 2020 and the case was dismissed with prejudice after the last day for class members to cash their settlement checks on April 13, 2021.

4. Daniel Turocy, et al. v. El Pollo Loco Holdings, Inc., et al. (Case No. 8:15-cv-01343) was filed in the United States District Court for the Central District of California on August 24, 2015, and Ron Huston, et al. v. El Pollo Loco Holdings, Inc., et al. (Case No. 8:15-cv-01710) was filed in the same court on October 22, 2015. Both lawsuits named as defendants EPLH, Stephen J. Sather, Laurance Roberts, Edward J. Valle, Trimaran Pollo Partners, LLC, Trimaran Capital Partners, and Freeman Spogli & Co. The two lawsuits were consolidated on January 29, 2016. The claims alleged violations of federal securities laws in connection with the sale of EPLH common stock and options rights, between May 1, 2015 and August 13, 2015 (the “**Class Period**”). Plaintiffs alleged that in 2014 and early 2015, EPLH suffered losses due to rising labor costs in California and, in an attempt to mitigate these rising costs, removed a \$5 value option from the menu, of Franchisor Restaurants, negatively affecting sales to value-conscious customers. The complaint also alleged that during the Class Period, defendants made materially false and misleading statements that concealed the negative effect of these actions on store sales causing EPLH stock to be traded at artificially-inflated prices and damaging putative class members who bought EPLH stock or option rights during the Class Period. The complaint sought unspecified damages, costs and attorneys’ fees. Following class certification on July 3, 2018, defendants agreed to settle the case by paying plaintiffs \$20 Million. On June 23, 2020 an order granting distribution of funds was issued.

5. El Pollo Loco, Inc. v. EPL 3766, Inc., San Bernardino Superior Court (Case No. CIVD1S608941) (the “**San Bernardino Lawsuit**”). On June 7, 2016, we filed this action against EPL 3766, Inc. (“**EPL 3766**”), the franchisee owned by the Bryman plaintiffs in the previously-disclosed Lancaster Lawsuit, for claim for breach of contract arising out of EPL 3766’s solicitation and hiring of a general manager at a Franchisor Restaurant in Lancaster, California without paying us liquidated damages as required by the franchise agreement. The parties settled this action on March 30, 2017: (i) we agreed to dismiss the San Bernardino Lawsuit, without prejudice; (ii) the Brymans plaintiffs withdrew a motion to amend their complaint at the time in the Lancaster Lawsuit; (iii) we agreed not to enforce “any no-hire/non solicitation clause” against the Brymans or EPL 3766; and (iv) we agreed to withdraw our affirmative defense in the Lancaster Lawsuit related to the no-hire/non solicitation clause in the renewal franchise agreement. Neither party paid any money to the other as part of this settlement. The court dismissed the San Bernardino Lawsuit on April 6, 2017 with prejudice.

6. El Pollo Loco, Inc. v. MIK Food, Inc., et al. (United States District Court, Central District of California, Case No. 8:21-cv-01676-DOC). On October 8, 2021, we initiated a lawsuit against MIK Food, Inc. and its owners, Imtiaz Malik and Sarfraz Tahir Malik, for their unauthorized use of the El Pollo Loco name, marks and system at their restaurant in Santa Barbara, California following the expiration of their Franchise Agreement. Our Complaint asserted claims for (i) breach of contract, (ii) service mark infringement, (iii)

false designation of origin, (iv) common law trademark infringement, (v) unfair business practices, and (vi) unjust enrichment. On October 14, 2021, we secured a temporary restraining order enjoining MIK Food, Inc., its owners and agents from using any of our marks or intellectual property. On November 1, 2021, the temporary restraining order was converted into a preliminary injunction, and further enjoined MIK Food, Inc., its owners and agents from “representing to the public, in any way, that [their restaurant] is an authorized El Pollo Loco restaurant or franchise,” and from using our trade secrets or other proprietary information. On December 21, 2021, the court approved of the parties’ stipulated judgment and permanent injunction that (i) identified us as the prevailing party in the action, (ii) permanently enjoined MIK Food, Inc., its owners and agents from using or displaying, in any manner, the El Pollo Loco name, marks, trade secrets or other intellectual property, and (iii) entitled us to an award of our reasonable attorney fees and costs from MIK Food, Inc. and its owners. On February 18, 2022, the court awarded us our attorney fees and costs.

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

ITEM 4: BANKRUPTCY

~~Roadhouse Holding, Inc., with a principal office located at 3011 Armory Drive, Suite 300, Nashville, Tennessee, filed a Chapter 11 petition as a debtor with the U.S. Bankruptcy Court for the District of Delaware, in Wilmington, Delaware on August 8, 2016, Case No. 16-11819 (BLS). Samuel Borgese, a member of our Board of Directors, was the Chief Executive Officer of Roadhouse Holding, Inc. from October 1, 2014 to August 1, 2016. Roadhouse Holding, Inc. emerged from bankruptcy on December 1, 2016.~~

~~Other than the bankruptcy filings listed above, no~~No bankruptcy is required to be disclosed in this Item.

ITEM 5: INITIAL FEES

Initial Fee

The initial franchise fee for each Restaurant is \$40,000 (the “**Initial Fee**”). You must pay us the Initial Fee and sign and return the Franchise Agreement to us within 30 days after we send the execution copy of the Franchise Agreement to you. This fee is uniform for all franchises presently being offered (except those developed under a multi-unit Development Agreement and as described at the end of this Item). If the initial 20 year term and any successor term of the Franchise Agreement are reduced to match the lease term, the Initial Fee will not be prorated. The Initial Fee is not refundable, in whole or in part, under any circumstances.

Development Fee and Impact on Initial Fee

If you sign a Development Agreement, you must pay a development fee (the “**Development Fee**”) of \$20,000 for each ~~EPL~~ Restaurant to be developed under the Development Agreement. The Development Fee is payable upon signing the Development Agreement. The Development Fee is uniform for all franchises presently being offered pursuant to a Development Agreement, except as described at the end of this Item. The Development Fee is not refundable, in whole or in part, under any circumstances. The \$20,000 Development Fee for each ~~EPL~~ Restaurant to be developed will be applied to the Initial Fee payable under each Franchise Agreement you enter into under the Development Agreement. No portion of the Development Fee is applied towards the Initial Fee for a Turnkey Restaurant. As a benefit of signing the Development Agreement, the Initial Fee for the second and each subsequent Restaurant developed under the same Development Agreement will be reduced by us to \$30,000. As an example, the Initial Fee for the first Restaurant developed under a Development Agreement would be \$40,000 to which \$20,000 from the Development Fee will be credited. The Initial Fee for the second and remaining Restaurants developed under the same Development Agreement would be \$30,000, to which \$20,000 from the Development Fee will be credited. If the Development Agreement is terminated, the Development Fee, including any portions of the Development Fee not already applied to the Initial Fee due under a Franchise Agreement, is non-refundable in consideration of the rights granted to you in the Territory up to the time of termination.

2025-2026 Incentive Program Fees

If you sign a Development Agreement and participate in the 2025-2026 Incentive Program, as described First Amendment to the El Pollo Loco® Franchise Development Agreement (Exhibit F of the FDD), then: (i) the payment of the total Development Fee shall be deferred and possibly abated if Franchisee remains in good standing with Franchisor; and (ii) the Initial Fee for each Restaurant opened prior to December 31, 2026 (“**2025-2026 IP Deadline**”) shall be reduced to \$20,000. If you fail to open the Restaurant by the 2025-2026 IP Deadline, then you will be in default and your Initial Fee shall be as described above in Development Fee and Impact on Initial Fees.

Point of Sale System Fees

You will be required to purchase from us a computer-based cash control system and

Restaurant management or “point of sale system” from us to use in the Restaurant prior to opening. The cost will range from \$15,000 to \$70,000. Every Restaurant has different configurations, so your needs and actual cost may vary. Your payments for these items are non-refundable, in whole or in part, under any circumstances.

Digital Communication Board Fees

You will be required to purchase from us a Digital Communication Board, an Android tablet, an IP Controllable AC Power Unit and a wall mount for use in the Restaurant. The cost will range from \$1,500 to \$2,500. Your payment for this item is non-refundable, in whole or in part, under any circumstances.

Digital Order Confirmation Board

You will be required to purchase from us a standard outdoor digital order confirmation board. The configuration will consist of a panel with a speaker and microphone embedded. The cost will range from \$9,000 to \$20,000. Your payment for this item is non-refundable, in whole or in part, under any circumstances.

NRO Support Fees

If the Restaurant is your or your affiliate’s first Restaurant, we will assist you in the initial opening of the Restaurant defined as “**New Restaurant Opening Support**” or “**NRO Support**” for 2 weeks prior to the Restaurant opening and 2 weeks after the Restaurant opens, by sending certain members of Franchisor’s personnel to the Restaurant to assist in the scheduled opening of the Restaurant. You will be required to pay us \$30,000 for New Restaurant Opening Support. Your payment for this support is non-refundable, in whole or in part, under any circumstances. “**Affiliate**” is defined as any person or legal entity that directly or indirectly controls, is controlled by, or is under common control with the specified person or legal entity.

Turnkey Restaurant Purchase Fees

If you franchise a Turnkey Restaurant, we will provide you with an operating EPL Restaurant and you must pay us for our interests in the Turnkey Restaurant under a Purchase Agreement in substantially the form attached hereto as Exhibit D. The interests that you acquire include the equipment, furniture, furnishings, signs (including traditional or digital menu boards), small wares, trade fixtures and other fixed assets, the existing inventory of food, beverages, cleaning and operating supplies and intangible business value. We will also sell, lease or sublease to you the real estate and improvements on which the Turnkey Restaurant is located. We set the purchase price, as is our sole and absolute right, and it varies depending upon factors such as location and sales volume of the Turnkey Restaurant and the quality and market value of the equipment and the real property interest. (See Item 7.) We will not obtain an independent appraisal for the purchase price, and you are encouraged to independently evaluate the purchase price we set before signing the Purchase Agreement and Franchise Agreement. Payment of the purchase price will be due in cash upon the date you assume operation of the Turnkey Restaurant. In addition to the purchase price, you must pay the Initial Fee of \$40,000.

Possible Reduced Initial Fees or Development Fees

Notwithstanding anything to the contrary herein, your Initial Fee or Development Fee could be lower or higher than the amounts stated above, as determined as our sole and absolute right in certain circumstances, including, but not limited to, the following: (i) in our opinion, if the costs of your Restaurant, if located in a non-traditional location, are substantially different than at a traditional location; (ii) your Restaurant will be located in a market that is new to our brand; (iii) we offer you a financial incentive program that defers the Initial Fee or Development Fee and fully forgives it when you comply with the requirements of that program; (iv) in limited circumstances if you purchase a Turnkey Restaurant or a Turnkey Franchised Restaurant; (v) size of your territory; or (vi) your experience in the restaurant business.

We may offer in certain circumstances to qualified developers reduced royalties and advertising fees, as determined as our sole and absolute discretion, including, but not limited to, the above listed circumstances, including, but not limited to, the following: (i) in our opinion, if the costs of your Restaurant, if located in a non-traditional location, are substantially different than at a traditional location; (ii) your Restaurant will be located in a market that is new to our brand; (iii) we offer you a financial incentive program and you comply with the requirements of that program; (iv) in limited circumstances if you purchase a Turnkey Restaurant or a Turnkey Franchised Restaurant; (v) size of your territory; or (vi) your experience in the restaurant business.

Grand Opening Fee

You must pay Franchisor \$5,000 three months prior to your Restaurant's expected Opening Date to conduct grand opening advertising and local store marketing and promotion programs for your Restaurant, utilizing advertising and promotional materials approved by us ("**Grand Opening**").

CPI Adjustment for Fixed Dollar Amount Fees

For each fixed dollar amount fee or cost set forth in this Disclosure Document, not more frequently than one time per calendar year, effective January 1 of such year (each, an "**Adjustment Date**"), such fee or amount may be adjusted by multiplying the then-current fee by a fraction, the numerator of which is the Consumer Price Index for All Urban Consumers (CPI-U), U.S. City Average, All Items, Not Seasonally Adjusted, published by the U.S. Bureau of Labor Statistics (the "**Index**") for the November prior to the Adjustment Date, and the denominator of which is the Index for the corresponding month in the prior year, unless waived by Franchisor. If Franchisor does not implement an annual adjustment with respect to such fixed fee on any Adjustment Date (a "**Skipped Adjustment**"), Franchisor may, at any time thereafter, implement a catch-up adjustment to account for one or more Skipped Adjustments by providing Franchisee with sixty (60) days' prior written notice. The catch-up adjustment shall be calculated by multiplying the then-current fee by a fraction, the numerator of which is the Index for November prior to the effective date of the catch-up adjustment, and the denominator of which is the Index for the corresponding month in the year of the earliest Skipped Adjustment being adjusted. The Adjustment Date and Skipped Adjustment may be collectively referred herein to as the "**CPI Adjustment**".

Adjustment for Vendor Fees

For each fee or cost set forth in this Disclosure Document set by third party vendors, effective on the date of change in fees (each, an “Vendor Pro-rated Adjustment Date”), such fee or amount may be adjusted by dividing the then-current fee by the number of all EPL Restaurants participating in the services provided by that vendor. If Franchisor does not implement an annual adjustment with respect to such fixed fee on any Vendor Pro-rated Adjustment Date (a “Vendor Pro-rated Skipped Adjustment”), Franchisor may, at any time thereafter, implement a catch-up adjustment to account for one or more Vendor Pro-rated Skipped Adjustments by providing Franchisee with sixty (60) days’ prior written notice. The catch-up adjustment shall be calculated by dividing the fee at the time of the fee change by the number of all EPL Restaurants participating in the services provided by that vendor for each corresponding month in the year (or each use of vendor service if appropriate) of the earliest Skipped Adjustment being adjusted. The Adjustment Date and Skipped Adjustment may be collectively referred herein to as the “Vendor Pro-rated Adjustment”.

ITEM 6: OTHER FEES

Type of Fee	Amount	Due Date	Remarks
Royalty (See Notes 1, 2 & 3).	5% of monthly Net Sales for all products sold at the Restaurant.	On the 10 th day after the end of each sales month.	Net Sales is defined in Note 2 below; see also Note 3 for possible reductions or increases in Royalty.
Advertising Fee (See Notes 1, 2, 3 & 4).	5% of monthly Net Sales (or 4% of monthly Net Sales for Los Angeles (“LA”) DMA, as defined by Nielsen Media Research, Inc. per the US Cities by Designated Market Areas Report).	Same as Royalty.	See Note 4 for possible increases in the LA DMA Advertising Fee.
Market Study and/or Impact Analysis (See Notes 1 & 5).	\$5,000 - \$12,000 (each).	As incurred.	See Note 5.
Testing (See Note 1).	\$500 - \$5,000.	Within 7 days of receipt of bill.	Only applies to products not on our approved list.
Audit (See Notes 1 & 2).	Cost of audit, which will not exceed \$30,000 per audit assuming you have maintained adequate books and records.	Within 7 days of receipt of bill.	Payable only if you fail to furnish required information or if understatement of Net Sales greater than 2%.
Insurance (See Notes 1 & 6).	Actual Cost.	Within 7 days of receipt of bill.	If you fail to maintain required insurance coverage, we may obtain this coverage at your expense.

Type of Fee	Amount	Due Date	Remarks
Training Fees (See Notes 1 & 7).	Training at a Certified Training Restaurant: \$500 per week for each additional or replacement Manager (See Note 7 for Manager definition) who attends EPL Management Training Program; additional or replacement Designated Operator who attends the Designated Operator Training Program; and additional Franchisee principals who attend the Executive Franchisee Training Program. This fee only applies in certain situations as described under Note 7. On-going Training at your Restaurant: General Manager or Assistant Manager Training Materials \$80 and Shift Leader Training Materials \$60.	Upon receipt of invoice.	See Note 7.
Reimbursement for taxes, products, services, and other payments (See Notes 1 & 6).	Actual Cost.	Within 7 days of receipt of bill.	You must reimburse us for purchases or payments we make on your behalf.
Correction of Deficiency or Unsatisfactory Condition (See Notes 1 & 6).	Actual Cost.	Within 7 days of receipt of bill.	If you fail to correct a deficiency, we may do so on your behalf and at your expense and you will be required to reimburse us for the amounts we spend on your behalf.
Inspection, ~~Re-Inspection~~ and Coaching Assessments available due to Failure to Pass Inspection Fees (See Notes 1, 6, & 26).	Actual Cost.	As Incurred.	See Notes 6 and 26.
Late Charge (See Note 1).	The lesser of 15% per annum or the highest amount allowed by law, for delinquent payments.	On demand.	Payable only if any sums due us are not paid when due.
Fees to evaluate and approve alternate suppliers (See Note 1).	Our reasonable costs and expenses, which currently are expected to range between \$2,000 and \$3,500.	Within 7 days of receipt of bill.	We may impose reasonable inspection and supervision fees to cover our cost in evaluating and maintaining alternative brands or suppliers you propose.

Type of Fee	Amount	Due Date	Remarks
Obsolete Inventory Fund (See Notes 1 & 8).	Additional \$0.18 per case on vendor's invoice price of both whole birds and saddles.	As incurred.	See Note 8.
Costs and Attorneys' Fees (See Note 1).	Actual cost.	As incurred.	Payable if you fail to comply with Franchise Agreement and in certain instances to transfer of ownership interest reviews. See Note 10.
Rent (See Notes 1 & 9).	Varies depending on type of lease.	Monthly.	Applies if you lease your Restaurant's premises from us.
Assignment (See Notes 1 & 10).	Transfer fee equal to 40% of the then-current Initial Fee for transfers to new franchisees (" New Franchisee Transfer Administration Fee ") plus imbursement of EPL's reasonable attorneys' fees; or transfer fee equal to 25% of the then-current Initial Fee for transfers to existing franchisees (" Existing Franchisee Transfer Administration Fee ") plus reimbursement of EPL's reasonable attorneys' fees, or transfer fee equal to \$10,000 for transfers to new or existing EPL developers (" Developer Transfer Administration Fee ") plus EPL's reasonable attorneys' fees.	~~New Franchisee Transfer Administration Fee and Existing Franchisee Transfer Administration Fee and Developer Transfer Administration Fee~~ Due before transfer or within 7 days of receipt of bill. Reimbursement of EPL's reasonable attorneys' fees to be fully paid the by earlier of (i) upon your signing of the assignment documentation or (ii) upon receipt of bill.	See Note 10.
Assignment (Cont'd) (See Notes 1 & 10).	\$500 administrative fee for either: (i) a change of form of entity or entity name change, with no change in principals (" Entity Administration Fee ") plus EPL's reasonable attorneys' fees, or (ii) a transfer of franchise ownership to a revocable family trust (" Trust Transfer Administration Fee ") plus reimbursement of EPL's reasonable attorneys' fees.	~~Entity Administration Fee and Trust Transfer Administration Fee~~ Due with your transfer request. Reimbursement of EPL's reasonable attorneys' fees to be fully paid by the earlier of (i) upon your signing of the assignment documentation or (ii) upon receipt of bill.	

Type of Fee	Amount	Due Date	Remarks
	\$2,500 per new principal administrative fee for when Franchisee or Developer desires to add new principals to the Franchise, any Franchisee entity, Developer or any Developer entity (" New Principal Administration Fee ") plus reimbursement of EPL's reasonable attorneys' fees.	~~New Principal Administration Fee~~ -Due with your request to add new principal(s). Reimbursement of EPL's reasonable attorneys' fees to be fully paid by the earlier of (i) upon your signing of the assignment documentation or (ii) upon receipt of bill.	
Computer systems maintenance and support (Notes 1 & 11).	Will vary under the circumstances (See Note 11).	On the 10 th day after the end of each sales month.	See Note 11.
Indemnification (See Note 1).	Actual Cost.	As incurred or notified.	You must defend and reimburse us, if we are named in any lawsuit, including, but not limited to, being held liable for claims, or damages, including settlements and attorney defense fees or costs, actual or alleged, arising from your Restaurant's operations, supply chain, occupancy or any negligence.
Intranet Fee (See Notes 1 & 12).	If Intranet is established, reasonable cost up to \$2,000 annually per Restaurant (max. increased by 3% per annum during term).	30 days after date we notify you of the annual intranet fee.	See Note 12.
Franchisee Page Fee (See Notes 1 & 13).	If Franchisee Page is established, reasonable cost up to \$1,000 annually per Restaurant (max. increased by 3% per annum during term).	30 days after date we notify you of the annual Franchisee Page fee.	See Note 13.
Remote Ordering (See Notes 1 , 2 & 14).	1.3% of Gross Sales per order, however this fee may increase to reflect increases in the third-party vendor's costs.	As incurred.	Must pay remote order fee. See Note 14.
Gift Cards (See Note 1 , 15).	Fees vary depending on fees charged by third party vendor.	As incurred.	See Note 15.
Customer Feedback Program (See Notes 1 & 16).	Varies.	Ongoing.	Must contribute pro-rata share of costs of any program implemented to measure customer satisfaction or feedback such as "Market Force", "Service Management Group", "Good Answer", Accuracy Guarantee Program, Social Media Monitoring, or other similar programs. See Note 16.

Type of Fee	Amount	Due Date	Remarks
Loyalty Program (“ Loco Rewards ”) (See Notes 1 , 2 & 17).	Delivery – 1.35% of Gross Sales per order plus \$0.50 per order. Pickup – 1.35% of Gross Sales per order.	As incurred.	Must pay the Loyalty Program fee. See Note 17.
Third-Party Delivery Program (See Notes 1 , 2 & 18).	• Doordash : 20% of Gross Sales per order plus Olo 1.35% of Gross Sales per order; • Doordash Dashpass: 22% of Gross Sales per order plus Olo 1.35% of Gross Sales per order; • ~~Postmates: 19% of Gross Sales per order plus Olo 1.35% of Gross Sales;~~ • UberEATS/~~Postmates~~: 21% of Gross Sale plus Olo 1.35% of Gross Sales per order; • Grubhub 15% plus Olo 1.35% of Gross Sales per order • UberOne: 24% of Gross Sales per order plus Olo 1.35% of Gross Sales per order; and • ezCater 17.75% plus Olo 1.35% of Gross Sales per order . • These fees may increase to reflect increases in the third-party vendor's costs.	As incurred.	Must pay the Loyalty Program fee, Third-Party Delivery Program fee. See Note 18.
Point-Of-Purchase Material Fees (“ POP Fees ”) (See Notes 1 , 18 & 19).	Fees vary depending on fees charged by third party vendor.	Monthly on the 10 th day after the Sales Month Closing, after the issuance of the Monthly Franchise POP Fees Statement.	See Notes 18 and 19.
Indoor Digital Menu Board – Dining Room (See Notes 1 & 20).	Fees are \$19 per menu panel and the standard indoor digital menu board and preview board display consists of 4 menu panels however fees may vary depending on fees charged by the third-party vendor.	As incurred.	Must pay the digital menu board controller fees. See Note 20.
Kiosk (See Notes 1 & 21)	Optional; Recurring Fees are currently \$1,450 per unit per year but may vary depending on fees charged by third party vendor.	Annually	See Note 21
Learning Management System (See Notes 1 & 22)	Currently \$19 per month per Restaurant	On the 10 th day after the end of each sales month.	See Note 22

Type of Fee	Amount	Due Date	Remarks
Security Services (See Notes 1 & 23).	Security tools and services are \$600 per year but may vary depending on fees charged by third party vendor.	As incurred .	See Note 23.
Successor Fees (See Notes 1 & 24).	50% of EPL's then-current standard Initial Franchise Fees 50% ~~pro-rated to the remaining (sub)lease term~~	At the time you sign your Successor Franchise Agreement, plus reimbursement of Franchisor's reasonable attorneys' fees to be fully paid by the earlier of (i) upon your signing of the Successor Franchise Agreement or (ii) upon receipt of bill.	See Note 24.
Remodel Administrative Fee (See Notes 1 & 25).	\$5,000.00	Due and payable to Franchisor in 1 month prior to Remodel deadline	See Note 25.
Refresh Administrative Fee (See Notes 1 & 25).	\$2,500.00	Due and payable to Franchisor in 1 month prior to Refresh deadline	See Note 25.
Early Termination Fee (See Note 1)	The average monthly Royalty and Advertising Fees paid for the preceding 48-month period immediately preceding the date we received notification of the closure, multiplied by the lesser of (i) the number of months remaining in the term of Franchise Agreement or (ii) 24 months.	30 days prior to the early closing of the Restaurant.	You must provide Franchisor with 90 days prior written notice of the termination of your Franchise Agreement.
Outdoor Order Confirmation Board ("OCB")(See Notes 1 & 27)	Fees are \$19 per month ~~for the outdoor-OCB display~~ , however fees may vary depending on fees charged by third party vendor.	Monthly	See Note 27
Chabi Reporting & Analytics (See Notes 1 & 28)	Fees are \$25 per month for web based reporting and analytics, however fees may vary depending on fees charged by third party vendor.	Monthly	See Note 28

Type of Fee	Amount	Due Date	Remarks
Pest Control and Sanitation Service (See Notes 1 & 29)	Monthly Service Fee of \$201.58 per month. Includes 2 pieces of Ecolab-owned equipment and HDI Program. Additional equipment units are \$17.53 per unit per month. Initial Cleanout Fee is 2 times the then current monthly service fee. Pricing will increase by 4% on June 1, 2026, and will increase an additional 4% to 8% on June 1, 2027.	Monthly	See Note 29
Extension Fee (See Note 1 & 30)	\$250 per month for 1 – 3 months \$500 per month for 4 – 6 months Plus \$1,000 per month for each additional month for 7+ months	Upon execution of Amendment to Franchise Agreement	See Note 30

Note 1: All fees, [costs and settlements](#) are imposed by and are payable to us. All fees, [costs and settlements](#) are non-refundable. [All fees and costs listed in this Disclosure Document are subject to CPI Adjustment and Vendor Pro-rated Adjustment.](#)

Note 2: The term “**Gross Sales**” means your total revenues derived by you in and from the Restaurant from all sales of food, goods, wares, merchandise, including sales from vending machines, and all services made in, upon, or from the Restaurant whether for cash, check, credit or otherwise. There is no reserve or deduction for your inability or failure to collect revenue. Gross Sales include sales and services where the orders are received or billed at or from your Restaurant, but delivery or performance is at any other place, and any sums or receipts from the sale of meals to employees of your Restaurant. If we permit you to install a vending machine in your Restaurant, the total revenues from the vending machine will be included in Gross Sales. Gross Sales is calculated before any rebates, discounts, coupons or refunds to customers; any employee meal discounts; any [LoyaltyLoco](#) Reward points or discounts. Gross Sales do not include any sales taxes or other similar taxes that you collect from customers and pay to any federal, state or local taxing authority. We reserve the right to modify our policies and practices regarding revenue recognition, revenue reporting, and the inclusion or exclusion of certain revenue from “**Gross Sales**” as circumstances, business practices, and technology change.

The term “**Net Sales**” means your total revenues derived by you in and from the Restaurant from all sales of food, goods, wares, merchandise, including sales from vending machines, and all services made in, upon, or from the Restaurant whether for cash, check, credit or otherwise. There is no reserve or deduction for your inability or failure to collect revenue. Net Sales include sales and services where the orders are received or billed at or from your Restaurant, but delivery or performance is at any other place, and any sums or receipts from the sale of meals to employees of your Restaurant. If we permit you to install a vending machine in your Restaurant, the total revenues from the vending machine will be included in Net Sales. *Net Sales is calculated after any*

rebates, discounts, coupons or refunds to customers; any employee meal discounts; any Loco Rewards (as defined below) points or discounts. Net Sales do not include any sales taxes or other similar taxes that you collect from customers and pay to any federal, state or local taxing authority. We reserve the right to modify our policies and practices regarding revenue recognition, revenue reporting, and the inclusion or exclusion of certain revenue from “**Net Sales**” as circumstances, business practices, and technology change.

Note 3: The Royalty and Advertising Fee set forth in your Franchise Agreement may be lower or higher than 5%, as determined as our sole and absolute right in certain circumstances, including, but not limited to, the following: (i) in our opinion, if the costs for your Restaurant, if located in a non-traditional location, are substantially different than at a traditional location; (ii) your Restaurant will be located in a market that is new to our brand; (iii) we offer you a financial incentive program and you comply with the requirements of that program; or (iv) in limited circumstances, if you purchase a Turnkey Restaurant or a Turnkey Franchised Restaurant; or (v) your experience in the restaurant business.

Note 4: You will pay an Advertising Fee of 5% of your Restaurant’s Net Sales if your Restaurant is located outside of the LA DMA. If your Restaurant is located outside of the LA DMA, we may allocate a portion of your Advertising Fee, in the amount that we determine in our discretion to a Local Advertising Fund (“**LAF**”) and control all decisions regarding the use of the LAF. You will pay an Advertising Fee of 4% of your Restaurant’s Net Sales if your Restaurant is located within the LA DMA. The Advertising Fee for the Restaurants located within the LA DMA may be increased as is our sole and absolute right to determine, to not more than 1% above your original Advertising Fee during the Initial Term of your Franchise Agreement and upon 90 days written notice to you. Some existing franchisees may pay lower Advertising Fees. Franchisor Restaurants owned and operated by us will contribute on the same basis as those existing franchisees within the same DMA. Those funds will be used as set forth in Item 11 below.

DMA means the designated market area in which your Restaurant is located as established periodically by Nielsen Media Research, or any other similar type of designation used by us to identify advertising market areas.

There may be franchisees in your DMA who are not required to contribute Advertising Fees or an Advertising Fee at the same percentage as you due to the fact that they are subject to an older version of a Franchise Agreement.

Note 5: We may require you to pay for the cost of a market study conducted by a third party for your site and the surrounding geographic area (“**Market Study**”). The Market Study will analyze traffic and other demographic information and may show the potential impact of your site on other Franchised Restaurants or Franchisor Restaurants surrounding or within the vicinity of your site.

Note 6: You must compensate and/or reimburse us for all fees, costs, or expenses related to use of internal and external resources, taxes and charges which we pay on your behalf to third parties or that we directly incur including payments to taxing authorities, governmental agencies, suppliers, outside consultants, contractors and insurance

carriers, for products, services, loss in sales or revenue, supplies, equipment, goods, materials or inventory. We have a right to pay on your behalf where your Restaurant operations or nonpayment threatens health or public safety or materially adversely affects the ownership, condition or operation of your Restaurant or adversely affect the El Pollo Loco brand or goodwill. While we have the sole and absolute right to make such payments as described above on your behalf, it is not our obligation. Our decision to make payments on your behalf is not in lieu of our right to terminate your Franchise Agreement.

Note 7: Training at a designated Certified Training Restaurant (“CTR”): This fee applies to: (i) the fifth Manager and each additional Manager sent for the first, second or third Restaurant owned by you, (ii) each Manager trained for your fourth Restaurant and any additional Restaurants owned by you, and (iii) replacement or additional Designated Operator training, and (iv) training for new principals with an ownership interest added to the Franchise. **“Manager”** is defined as either a General Manager, Assistant Manager or Shift Leader. The CTR is determined by us.

On-Going Training at your Restaurant: Material Fees only apply if training takes place at your Restaurant rather than at our designated CTR. Initial training will not occur at your CTR.

Training Materials: General Manager Training Materials includes GM Guidebook; Assistant Manager Training Materials includes AM Guidebook and Shift Leader Training Materials include a Shift Leader Guidebook. Crew Training Materials are all available electronically through the LMS, Pollo Zone.

Note 8: You are required to contribute to the Obsolete Inventory Fund. These contributions are payable to the distributor at time of inventory purchase. The Obsolete Inventory Fund is calculated to generate approximately \$200,000 over a year’s time to be used to properly dispose of, liquidate, or to find alternative uses for obsolete inventory (that is, products or ingredients that have shown no usage for approximately 30 days or more due to such things as un-met sales projections, product discontinuance, or test items cancelled prior to roll out). The Obsolete Inventory Fund may also be used to expedite the delivery of products for situations in which sales exceed prior forecasts. The Obsolete Inventory Fund is held by the distributor and managed by us. Both Franchisor Restaurants and Franchised Restaurants contribute equally to the Obsolete Inventory Fund. We periodically review the added cost per case and determine whether to increase or decrease the cost per case. There is also the possibility of a one-time collection if necessary. Updates can be provided no more than quarterly to our Franchisees, including a summary of the funds accrued, a summary of the allocation of obsolete products, and a list of potential future obsolete items, upon written request from you to our Supply Chain Department.

Note 9: If we lease your Restaurant to you, you must execute a Sublease with us for your Restaurant’s building, parking lot and related premises and must pay us minimum monthly rental payments. A copy of the form of Sublease is attached as Exhibit E to this Disclosure Document. Minimum rental payments may be increased under the terms of the Sublease and will vary from Restaurant to Restaurant depending on location and size. Minimum monthly rental payments may range from \$7,000 to \$25,000 or more, depending

on the terms of your Sublease and the underlying Master Lease. In addition to the Minimum Monthly Rent, you must pay us Percentage Rent ("**Percentage Rent**") on a monthly basis. The Percentage Rent will be calculated as percentage of Gross Sales from all business conducted on or from the Restaurant premises by you or under your control, to the extent that such Gross Sales exceed the aggregate amount of Minimum Monthly Rent paid by you during the applicable period. Percentage Rent may range from 8% to 12% or more, depending on the terms of your Sublease and the underlying Master Lease. You must pay a security deposit equal to the minimum monthly rent.

If you execute a Sublease for the Restaurant with us, you must pay us, as additional rent, all real property, business, occupation, personal property, sales, use, transfer and other taxes and assessments (i.e., Common Area Maintenance fees) levied against the premises. This amount will be paid monthly based upon the previous year's taxes and assessments, if applicable, and our estimate of the sum (amortized on a monthly basis) of these taxes and assessments due and payable by you during the applicable year. If the actual sum of taxes and assessments exceeds the estimated amount, you will pay us the excess. If the actual sum of taxes and assessments is less than the estimate, we will credit the shortage to your account for the following year.

Note 10: For transfers to new franchisees, the transfer fee is 40% of the then-current Initial Fee ("**New Franchisee Transfer Administration Fee**"). For transfers to existing franchisees, the Transfer Fee 25% of the then-current Initial Fee ("**Existing Franchisee Transfer Administration Fee**"). For transfers to new or existing EPL developers ("**Developer Transfer Administration Fee**") the transfer fee is \$10,000. The New Franchisee Transfer Administration Fee and Existing Franchisee Transfer Administration Fee and Developer Transfer Administration Fee are due before transfer or within 7 days of receipt of bill. You will be charged a minimum of \$500 administrative fee if you change your entity name or form an entity with no change to the principals of the business with our consent ("**Entity Administration Fee**"). You will be charged a minimum of \$500 administrative fee for a transfer of the franchise ownership to a revocable family trust in which you are the controlling trustee and your immediate family members are beneficiaries ("**Trust Transfer Administration Fee**"). You will be charged a minimum of \$2,500 per new principal administrative fee if you desire to add new principals to the Franchisee, Franchisee entity, Developer or Developer entity ("**New Principal Administration Fee**"). The Entity Administration Fee, Trust Transfer Administration Fee and New Principal Administration Fee are due with your transfer request. Additionally, you must reimburse EPL for all of its reasonable attorneys' fees in connection with the foregoing, to be fully paid by the earlier of (i) upon your signing of the assignment documentation or (ii) upon receipt of bill.

Note 11: You must obtain, install and use: the approved POS application which is currently the Micros Computer System; the approved credit processing solution which is currently Heartland Payment Network credit card processing services; an approved Android tablet which is currently a Lenovo (or more if needed) and an approved WIFI controller with 2 Access Points (or more if needed) which is currently Meraki. You must also subscribe to Mobile Device Management, Pollo Zone and Beyond (a software service that tracks inventory).

You are required, at your expense, to utilize the services of the EPL I.T. Department to provide “help desk” support to your POS and back of house computer systems. You will be required to enter into an El Pollo Loco® IT Support Services Agreement (a “**Support Agreement**”) for the Oracle Micros Computer System, in connection with your purchase of the Oracle Micros Computer System (“**Micros**”) as defined in Item 11. The Support Agreement is attached to the Franchise Agreement as Exhibit 7. The Support Agreement currently provides one level of monthly service, Platinum. The Platinum service monthly fees per Restaurant will be ~~\$1,050.25~~\$1,019.25 for Platinum service which includes software support for approved hardware. This fee may increase depending on vendor price increases. The PCI firewall scan is a pass-through fee, it may increase depending on vendor price increases. If any remediation is required in order for you to become PCI compliant, the approved third-party vendor will work directly with you to resolve any outstanding issues and additional fees may apply. There will also be an annual fee of up to \$2,700.00 for Oracle Micros POS Software Support which is required to be able to receive Micros software updates.

Note 12: If we establish an Intranet, we may require you to contribute a reasonable maintenance fee of up to \$2,000 per year per Restaurant (which maximum will be increased by 3% per year for each year of the term of your Franchise Agreement).

Note 13: If we establish a Franchisee Page, we may require you to contribute a reasonable fee of up to \$1,000 per year per Restaurant (which maximum will increase by 3% per year for each year of the term of your Franchise Agreement).

Note 14: Remote Ordering Program. We have a remote ordering system through Mobo Systems (“**Olo**”), a third-party vendor, that operates over the internet and/or with Micros (“**Remote Ordering Program**”). Olo currently charges 1.3% of Gross Sales if a customer places an order through remote ordering and your Restaurant fulfills the order by being geographically the closest or is the EPL Restaurant the customer requests. Olo may increase this charge to reflect increases in its costs. Currently, these fees are paid directly to Olo.

Note 15: Gift Card Discount Fees. All gift cards sold through a third-party vendor will have the discount fee associated with that sale, charged to the Restaurant that redeemed those gift cards and earned the sales revenue.

Note 16: We may publish or disclose to other franchisees any information that is collected, produced or maintained under any “customer satisfaction or feedback” program in any manner or form we deem appropriate. We also reserve the right to publish or disclose to third parties in an aggregate anonymous format any information that we collect, produce or maintain in connection with any such “customer satisfaction or feedback” programs.

Note 17: Loyalty Program. We developed a Loyalty Program (“**Loco Rewards**”) using Punchh, which is currently paid for by the Advertising Fund. Dispatch orders that originate from elpolloloco.com or the El Pollo Loco mobile application will incur an additional \$0.50 fee per order and is payable to EPL. Currently, the remaining fees are payable to Olo.

Note 18: Third-Party Delivery Program. A Third-Party Delivery Program (Dispatch/Rails) is offered at locations where the service is available through Olo, our remote ordering partner and serviced by approved third party delivery providers such as Doordash, UberEATS, Grubhub, Postmates and ezCater. Rails' orders originating from a third-party provider will incur a cost of an additional 15% - 23% of Gross Sales order amount. You will contribute your share of costs if a customer places an order for your Restaurant using any of these delivery programs. Currently, these fees are paid directly to Olo.

Note 19: POP Fees. We will provide you with Point-of Purchase ("**POP**") materials, such as banners, clings, traditional menu panels, countertop merchandising including other in-restaurant and drive-thru merchandising, etc., collectively referred to herein as "**POP Materials**", at no more than cost (to include any related administrative, shipping, handling and storage charges). Additional POP Materials may also be ordered by you for no more than cost (to include any related administrative, shipping, handling and storage charges).

Note 20: The standard mandatory indoor digital menu and preview board configuration will consist of 4 panels. This requires a monthly \$14 per panel, hardware license fee. There is an additional monthly fee of \$5 per panel for content management with a \$15 minimum per Restaurant.

Note 21: Kiosk solution is integrated with Oracle Micros POS System which will allow customers to order from Kiosk(s) in your Restaurant. Kiosk hardware price range of \$4,500 per Kiosk with optional cash and coin recycler support for \$12,000 per unit. A standard Kiosk installation includes two (2) Kiosks and one (1) optional cash recycler for an estimated total of \$25,000. The software fees to maintain the Kiosk application are currently \$120 per month per location.

Note 22: This is a subscription fee to support an EPL learning management system, Pollo Zone.

Note 23: We require a minimum set of security tools and services to protect against and mitigate potential cybersecurity threats. These tools and services include endpoint protection applications and a 24/7 Security Operations Center (SOC) which monitors our system for potential threats. The current fees for security services and application are \$75 per month but are subject to change based on changes to our security stack or service providers.

Note 24: If you exercise a renewal and have met all the renewal criteria under your existing franchise agreement, you will pay EPL the renewal fee specified in that existing franchise agreement. Additionally, you must reimburse EPL for all of its reasonable attorneys' fees in connection with the foregoing, to be fully paid by the earlier of (i) upon your signing of the successor franchise agreement or (ii) upon receipt of bill. You will sign the then-current (successor) franchise agreement which maybe material different to your existing franchise agreement, as well as an Amendment to the (successor) franchise agreement ("**SFA Amendment**"). The SFA Amendment (Exhibit 11 to the Franchise Agreement) will modify some provisions of the (successor) franchise agreement to reflect your status as an existing franchisee.

Note 25: There shall be a Remodel Administrative Fee of \$5,000 and a Refresh Administrative Fee of \$2,500 due and payable to Franchisor 1 month prior to the Remodel deadline or the Refresh deadline. The Remodel Administrative Fee and the Refresh Administrative Fee shall be credited to Franchisee upon the timely completion of the Restaurant Remodel or Refresh.

Note 26: You are responsible for the cost of routine audits, including but not limited to third party Food Safety Audit ("FSA") inspections, FSA re-inspections and Coaching sessions. ~~In addition An FSA re-inspection is preformed, if a deficiency or unsatisfactory condition is noted for failure to meet any System standard, you must pay for each subsequent inspection to determine if the deficiency or unsatisfactory condition has been cured, whether conducted by Franchisor or through a vendor until the deficiency or unsatisfactory condition has been cured, and~~ You must participate in and pay for a Coaching session as determined by us in our sole and absolute right in certain circumstances.

Note 27: The standard mandatory outdoor digital order confirmation board ("**OCB**") configuration ~~is described in the Operations Manual will consist of 1 panel with a speaker and microphone embedded. This requires a monthly fee of \$19.00 for the hardware license fee.~~

Note 28: This is a subscription to support the Chabi Reporting & Analytics software.

Note 29: You must subscribe to Ecolab's proprietary digital reporting dashboard, Ecolab HDI, to ensure we have real-time visibility into the Restaurant's pest activity and trend analysis. The monthly service fee includes Ecolab Pest Elimination, Large Fly, and Small Fly programs and monthly subscription fees for Ecolab HDI.

Note 30: Prior to the issuance of a Franchise Agreement or successor Franchise Agreement (whichever is applicable), we may, at our sole discretion, agree to temporarily extend the term of the Franchise Agreement or successor Franchise Agreement (whichever is applicable) to allow you additional time to complete the required upgrade of the Restaurant or to resolve any immediate real estate rights, in which case you will be required to pay an extension fee (see Exhibit 12 entitled Amendment of Franchise Agreement to Exhibit D Franchise Agreement).

There are no advertising or purchasing cooperatives with the power to increase fees for EPL franchisees. Fees may increase over time but no more than 10% annually.

ITEM 7: ESTIMATED INITIAL INVESTMENT

Your Estimated Initial Investment – Franchise Agreement

Type of Expenditure (See Note 1)	Amount		Method of Payment	When Due	To Whom Payment is to be Made
	Minimum	Maximum			
Initial Fee (See Notes <u>1</u> , <u>2</u> & <u>3</u>)	\$40,000	\$40,000	See Note 3	See Note 3	Us
Lease Payment (See Notes <u>1</u> & <u>4</u>)	\$7,000	\$25,000	See Note 4	See Note 4	See Note 4
Building Improvements (See Notes <u>1</u> & <u>4</u>)	\$248,250	\$980,000	See Note 4	See Note 4	See Note 4
Site Improvements (See Notes <u>1</u> & <u>4</u>)	\$150,000	\$564,000	See Note 4	See Note 4	See Note 4
Market Study and/or Impact Analysis (See Notes <u>1</u> & <u>5</u>).	\$0	\$12,000	As incurred	As required	Supplier
Architectural Design & Engineering (See Note <u>1</u>)	\$20,000	\$110,000	As required	As required	Architect
Equipment, Fixtures and Furnishings (See Notes <u>1</u> & <u>6</u>)	\$200,000	\$570,000	As required	As required	Contractor, Suppliers
Computer-based cash control system and Restaurant management or “point of sale system” (See Notes <u>1</u> & <u>7</u>)	\$15,000	\$70,000	As required	Within 7 days of receipt of bill	Suppliers / Us
Training required for computer-based cash control system and Restaurant management or “point of sale system” (See Notes <u>1</u> & <u>8</u>)	\$1,000	\$7,000	As incurred	As incurred	Us
Travel & Accommodation Expenses (See Notes <u>1</u> & <u>8</u>)	\$2,000	\$25,000	As incurred	As incurred	Suppliers
Opening Inventory and Supplies (See Notes <u>1</u> & <u>9</u>)	\$20,000	\$25,000	Lump Sum	As required	Suppliers
Signs (including Indoor Digital Menu	\$30,000	\$70,000	As required	As required	Suppliers

Type of Expenditure (See Note 1)	Amount		Method of Payment	When Due	To Whom Payment is to be Made
	Minimum	Maximum			
Boards) (See Notes 1 & 10)					
Digital Communication Board (See Notes 1 & 11)	\$1,500	\$2,500	As required	Within 7 days of receipt of bill	Us
Outdoor Order Confirmation Board (See Notes 1 & 17)	\$9,000	\$20,000	As required	Within 7 days of receipt of bill	Suppliers/Us
Lease Security Deposits (See Note 1)	\$5,000	\$10,000	As required	As required	Lessor, Utilities
Insurance (See Notes 1 & 12)	\$10,000	\$20,000	As required	As required	Insurer and/or Insurance Broker
Grand Opening Fee (See Notes 1 & 13)	\$5,000	\$5,000	See Note 13	See Note 13	Us
New Restaurant Opening Support (See Notes 1 & 14)	\$5,000	\$30,000	See Note 14	See Note 14	Us
Additional Funds – 3 months (See Notes 1 , 15 & 16)	\$25,000	\$100,000	As incurred	As incurred	Employees, Suppliers, Utilities
Total Estimated Initial Investment	\$793,750	\$2,685,500			

Note 1: With the exception of the security deposits, none of these fees or expenses are refundable. All fees and costs listed in this Disclosure Document are subject to CPI Adjustment and Vendor Pro-rated Adjustment.

Note 2: See the Development Agreement chart below for a discussion of investments related to the Development Agreement.

Note 3: You must pay the Initial Fee to us within 30 days after we send execution copies of the Franchise Agreement to you. As our sole and absolute right, you may be offered an initial term less than 20 years and as such, the Initial Fee will not be ~~appropriately~~ pro-rated. As described in **Item 5** above, the Initial Fee also could be lower or higher than the amount referred to in the chart above.

Note 4: In a typical ground lease, payment of the first month's lease payment is due upon the execution of the lease. The monthly lease payment shown is calculated on a 20-year ground lease. The monthly lease payment does not include any additional amounts that you may encounter such as broker fees, percentage rent, utilities, common area maintenance, security deposits, etc. Broker fees are estimated to be 3% to 5% of the lease value.

In the event of a land purchase, the cost per square foot for purchasing unimproved property varies considerably depending upon location and market conditions affecting commercial property. This estimate does not address land purchase.

The conversion of existing, non-EPL restaurants may also be considered for development. Costs related to this type of project vary significantly and cannot be estimated at this time.

Permit fees, development fees, utility fees, environmental investigation and remediation costs and fees, impact fees, regulating agency fees, and other site-specific costs and fees vary significantly, and therefore cannot be estimated at this time. Actual development costs may vary due to geographic differences, economic conditions, building type and size, and local, state and Federal requirements. The typical size of an in-line EPL Restaurant without a drive-thru is approximately 1,800 to 2,000 square feet and the typical size of an EPL Restaurant with a drive-thru is approximately 1,900 to 2,800 square feet. The number of customer seats that your Restaurant may hold will depend on various factors, including the size of your Restaurant. See chart below for estimated seating capacity for certain EPL restaurant prototypes:

Sq. Feet	Drive-Thru?	Typical Number of Seats
2,600	Yes	30-40
2,100	Yes	22-30
1,900	Yes	20-28

Under some circumstances we may grant certain franchisees the right to operate an EPL Restaurant in a food court or similar non-traditional environment. Real estate and improvement costs vary considerably and we are not able to calculate reliable estimates of either required square footage or the costs of real estate and improvements under these circumstances.

Note 5: As a condition to reviewing your proposed site and/or to determine the impact your proposed site may have on other existing Franchise-EPL Restaurants in the vicinity of your proposed site, we may require you to pay for the cost of a market study conducted by a third party for your proposed site and the surrounding geographic area ("**Market Study**"). The Market Study will analyze traffic and other demographic information and may show the potential impact of the proposed site on other Franchised-EPL Restaurants ~~or Franchisor Restaurants~~ surrounding or within the vicinity of the proposed site.

Note 6: The costs for equipment and fixtures vary on the building type selected. The figures shown may require adjustment depending on site-specific conditions such as taxes, permit fees, logistics, shipping, delivery, installation, etc., all of which may vary with restaurant location and local requirements.

Note 7: We will require you, at your expense, to purchase and use in the Restaurant a Computer System. (Alternatively, we may require you to purchase alternate restaurant computer hardware and software specified by us.) For the Oracle Micros POS System, the system will be designed and installed by our I.T. Department and turned over to you

and you will be required to participate in our in-store training program, which is approximately 1 to 7 days on site at your Restaurant. The fee for such training is calculated on a standard daily rate of up to \$1,000 per day for each day of training required; however, this fee may be volume discounted depending upon the training required (e.g., the number and location of your Restaurants, distance travelled, and cost related to travel for trainers, etc.). EPL, or a designated representative specified by us will provide the in-store training for 3 days prior to your Grand Opening and for 4 days after Grand Opening for a total of 7 days. EPL, or our designated representative, may perform computer-related services for you other than those listed on the IT Standard Service Descriptions or IT Operations Support attached as Exhibit 7 to the Franchise Agreement (Exhibit C to this Disclosure Document) for which there may be an additional charge.

Note 8: Expenses will vary due to the length of training time for each training program. You will also be responsible for any and all of your employee's costs for compensation, wages (including compensation of and worker's compensation insurance), lodging, living expenses, travel expenses or any other expenses incurred during the training (collectively, "**Additional Employee Costs During Training**") of your General Manager(s), Assistant Manager(s) and Shift Leader(s) (collectively referred to as "**Managers**", individually referred to as "**Manager**"), Designated Operator and you, during training. Since the Additional Employee Costs During Training are under your control and you will determine how much is paid for those expenses, we are only able to provide you with an estimate of the travel & accommodation expenses that will be incurred during training.

We will charge you a fee of \$500 per week per Manager for each additional Manager trained at a designated CTR. This fee applies to the fifth Manager and each additional Manager sent for your first, second and third Restaurants and also for each additional Manager trained for your fourth Restaurant and any additional Restaurants also owned by you. If training takes place at your CTR rather than at a designated CTR, then training materials are available for a charge of \$80 per General Manager or Assistant Manager and \$60 per Shift Leader. Training for your first locations' Managers, Designated Operator, or Executive Franchisee training will not take place at your own CTR.

For Pollo Zone (an electronic learning management solution), you will need to install WIFI with 2 Access Points (or more as needed) in your Restaurant, sign up for Mobile Device Management, purchase at least a 10" Android tablet (or more as needed) and subscribe to Pollo Zone.

Note 9: Includes small wares, non-ingredients, uniforms and initial food inventory.

Note 10: In addition to installing the signs prescribed by us, we will require you, at your expense, to purchase and use in the Restaurant, an Indoor Digital Menu and Preview Board consisting of 4 NEC or Samsung 50" or 65" Panels (depending on your Restaurant configuration) with either a wall or pole mount.

Note 11: We will require you, at your expense, to purchase and use in the Restaurant a

Digital Communication Board consisting of an 750mm x 4,750mm display panel, a 32" Android tablet, an IP Controllable AC Power Unit, an electrical outlet, if needed and a wall mount.

Note 12: Insurance cost varies based on various factors, including you or your franchise entity, location, loss history, among other variables. The insurance requirements set forth herein are the minimum requirements. You should consult your broker for additional coverage options, such as Food Borne Illness/Product Recall.

Note 13: You must pay Franchisor \$5,000 three months prior to your Restaurant's expected date you first open the Restaurant to the public ("**Opening Date**") to conduct grand opening advertising and local store marketing and promotion programs for your Restaurant, utilizing advertising and promotional materials approved by us ("**Grand Opening**"). The Grand Opening plans will be mutually developed by you and us, however we will have final approval of the Grand Opening plans and we will execute all such Grand Opening plans. Grand Opening advertising shall be conducted in accordance with our specifications and standards and in accordance with a Grand Opening plan which may be implemented as early as 15 days prior to the Opening Date and up to 45 days following the Opening Date. Upon receipt of your payment of the initial \$5,000 described above, we will contribute \$5,000 towards your Restaurant's Grand Opening provided your Restaurant meets the following criteria: (i) your Restaurant is located in a new DMA not previously developed by El Pollo Loco® (Franchised Restaurants or Franchisor Restaurants), and (ii) your Restaurant is the first or second new Restaurant opening in the DMA where your Restaurant will be located.

Note 14: If the Restaurant is your or your affiliate's first Restaurant, we will assist you in the initial opening of the Restaurant defined as "**New Restaurant Opening Support**" or "**NRO Support**", beyond the Initial Training Programs by sending certain members of Franchisor's personnel to the Restaurant to assist in the scheduled opening of the Restaurant.

Note 15: You will need capital to support on-going expenses, such as payroll, inventory, supplies, utilities, and other operating expenses to the extent that these costs are not covered by sales revenue. New businesses typically generate a negative cash flow, and we estimate that the disclosed amount will be sufficient to cover on-going expenses for your first three months of operating your Restaurant. This is, however, only an estimate and there is no assurance that additional working capital will not be necessary during or after this start-up phase. Your actual costs will depend on factors including your management skill, experience and business acumen, local competition and economic conditions, the local market for your Restaurant, the prevailing wage rate, and the sales level reached during the start-up phase. This also includes an amount to pay employees' salaries and travel and lodging expenses for your employees who attend our initial training. We have not included in this estimate the potential costs for a Market Study, as described in **Item 6**, which costs are not always incurred by a franchisee.

Note 16: We relied upon our experience in the restaurant business to compile these

estimates. You should review these figures carefully with a business advisor, accountant or attorney before making a decision to purchase an EPL franchise.

Note 17. In addition to installing the signs prescribed by us, we will require you, at your expense to purchase and use in the Drive Thru, an Outdoor or Static Digital Menu Board ~~consisting of one (1) LG 50" or 27" Panel (depending on your Restaurant configuration) with a post mount, speaker and microphone.~~

If you purchase a Turnkey Restaurant or a Turnkey Franchised Restaurant, you may, depending upon the particular circumstances, make a greater investment than shown in the above table. The price for a Turnkey Restaurant will be mutually agreed to by you and us and set forth in the Purchase Agreement (Exhibit D). The price for a Turnkey Franchised Restaurant will be agreed upon between you and the applicable franchisee.

Your Estimated Initial Investment – Development Agreement

Type of Expenditure	Amount	Method of Payment	When Due	To Whom Payment is to be Made
Development Fee (See Note 1)	\$20,000 per Restaurant to be developed	As required	Upon signature of Development Agreement	Us
Additional Funds (See Note 2)	See Note 2	As incurred	As incurred	See Note 2

Note 1: If you sign a Development Agreement, you must pay a Development Fee of \$20,000 for each Restaurant to be developed under the Development Agreement. This Development Fee is payable upon signing the Development Agreement. This Development Fee is uniform for all franchises presently being offered pursuant to a Development Agreement and is not refundable, in whole or in part, under any circumstances. The \$20,000 Development Fee for each ~~EPL~~ Restaurant to be developed will be applied to the first payment on the Initial Fee payable under each Franchise Agreement you enter into under the Development Agreement. No portion of the Development Fee is applied towards the Initial Fee for a Turnkey Restaurant. The Initial Fee for the first Restaurant developed under a multi-unit Development Agreement is \$40,000, and for each subsequent Restaurant developed under the same Development Agreement afterward, the Initial Fee is \$30,000 (to which \$20,000 from the Development Fee will be applied). As described in Item 5 above, the Initial Fee and Development Fee could be lower or higher than the amounts referred to above. In certain circumstances, your Development Fee could be lower or higher than the amounts stated above, as determined as our sole and absolute right in certain circumstances, including, but not limited to, the following: (i) in our opinion, if the costs of your Restaurant, if located in a non-traditional location, are substantially different than at a traditional location; (ii) your Restaurant will be located in a market that is new to our brand; (iii) we offer you a financial incentive program that defers the Development Fee and fully forgives it when you comply with the requirements of that program; (iv) in limited circumstances if you purchase a Turnkey Restaurant or a Turnkey Franchised Restaurant; (v) size of your territory; or (vi)

your experience in the restaurant business. All fees and costs listed in this Disclosure Document are subject to CPI Adjustment and Vendor Pro-rated Adjustment.

2025-2026 Incentive Program Fees

If you sign a Development Agreement and participate in the 2025-2026 Incentive Program, as described in the First Amendment to the El Pollo Loco® Franchise Development Agreement (Exhibit F of the FDD), then: (i) the payment of the total Development Fee shall be deferred and possibly abated if Franchisee remains in good standing with Franchisor; and (ii) the Initial Fee for each Restaurant opened prior to December 31, 2026 ("**2025-2026 IP Deadline**") shall be reduced to \$20,000. If you fail to open the Restaurant by the 2025-2026 IP Deadline, then you will be in default and your Initial Fee shall be as described above.

Note 2: You will also need additional funds for working capital to pursue your development obligations. We are unable to estimate the extent of your working capital needs, which will depend in large part on the number of ~~EPL~~ Restaurants you must develop. Our current estimate of the initial investment required for each Restaurant you open is described above. The costs for a Market Study, as described in Item 6 above, are not always incurred by a franchisee.

ITEM 8: RESTRICTIONS ON SOURCES OF PRODUCTS AND SERVICES.

To ensure that the highest degree of quality and service is maintained, you must operate your Restaurant in strict conformity with our methods, standards and specifications and you must purchase goods, services, supplies, fixtures, equipment, POS hardware and software, signs (including traditional or digital menu boards), and inventory only from approved suppliers. We estimate that substantially all of your expenditures for leases and purchases of real property, goods and services in establishing and operating your Restaurant will be subject to our specifications and standards. Excluding the proprietary items listed below, you are not required to purchase or lease anything from us or any of our affiliates. The following proprietary items must be purchased from our approved suppliers (collectively, “**Proprietary Items**”):

Sauces/Bases/Sides/Dressings:

Garlic-Citrus Chicken Marinade Concentrate
Creamy Cilantro Dressing Base
Creamy Chipotle Sauce
[Mexican Caesar Dressing](#)
[House Ranch Dressing](#)
Queso Blanco
Tinga Sauce
Avocado Pulp Base for Avo Salsa
Salsa Roja
8” Spanish Style Churro (proprietary EPL formula)
Macaroni & Cheese

Seasoning Blends:

Savory Citrus Seasoning Blend
Tortilla Soup Seasoning Base
Seasoning Packet for Chicken Marinade Concentrate

Presently, neither we nor any of our affiliates is a direct supplier of any inventory, goods, supplies, fixtures, or equipment used in the operation of your Restaurant. We have no officers or affiliates that have any ownership or financial interest in any currently approved supplier.

We do not presently receive any revenue from third party suppliers as a result of your required purchases or leases, except for marketing funds received from beverage suppliers (as described below). As discussed below, we will also derive income if you lease the Restaurant premises from us. In addition, approved suppliers to the System are expected to make annual contributions to help defray the expenses associated with the System’s annual franchisee convention.

Lease/Purchase of Premises

You must use only approved qualified real estate professionals (including licensed

brokers) to locate proposed sites for your Restaurant. You must submit a proposed site for your Restaurant to our Real Estate Site Approval Committee ("**RESAC**"), together with such site information as may be reasonably required by us to evaluate the proposed site. We may send a representative to evaluate the proposed site for the Restaurant and will evaluate all submitted information and promptly notify you of the approval or disapproval of your site submission. We may require, as a condition to our approval of a site, a Market Study, prepared by a third party, which will analyze traffic and other demographic information, and the potential impact of the proposed site on other EPL Restaurants surrounding or within the vicinity of the proposed site, all in such format as we may require. The Market Study will be prepared at your expense. Site approval does not, however, assure that a Franchise Agreement will be executed. Execution of the Franchise Agreement is contingent upon your purchase or lease of the proposed site.

You must submit your fully-negotiated lease to us for approval prior to its execution by you. The lease may not contain a non-competition covenant which restricts us or any of our franchisees, including yourself, from operating an EPL Restaurant or any other retail restaurant within a specified distance of your Restaurant, unless such covenant is approved by us in writing prior to the signing of the lease, which approval may be withheld as our sole and absolute right.

Any lease for the premises must contain the following terms and conditions:

- a) The tenant entity on the lease must match the franchise entity on the franchise agreement; and
- b) The term (with renewal options) of the lease must match at least the initial term of the franchise agreement; and
- c) The landlord consents to your use of the premises as an El Pollo Loco® Restaurant which will be open during the required days and hours set out in the Operations Manual.

You are responsible for seeking independent legal advice regarding the terms and conditions of your lease. We do not negotiate leases on behalf of franchisees. A copy of the final unexecuted lease must be provided to us for our review for compliance with the above-listed items (a) through (c).

Upon execution, and before commencement of construction of your Restaurant, and by the applicable dates set forth in your Development Agreement (if applicable), you must promptly give us a copy of your executed lease (or, prior to recordation, the deed) for your approved Restaurant site ("**Premises**"). Under no circumstances may you commence construction on the site or open your Restaurant before you have (1) provided an executed lease containing the above items (a) through (c) or copy of your grant deed (for purchased sites); (2) executed the Franchise Agreement; (3) paid the Initial Fee and any other required fees; and (4) provided a copy of the signed written waiver noted above from the existing franchisees (who are within a certain radius of your proposed site), if such a waiver has been obtained. Restaurant Opening is also contingent upon receiving

a **"Franchise New Store Opening Checklist and Approval"** from us.

You must only employ those architectural firms, building contractors and other real estate development professionals who have been approved by us. You must meet the timeframes set forth in your Franchise Agreement and in your Development Agreement for the construction and opening of your Restaurant(s).

Purchase of Equipment, Furniture, Fixtures and Signs (including traditional or digital menu boards)

You must purchase equipment, furnishings, fixtures, and signs (including traditional or digital menu boards) for your Restaurant. You must use only types or brands of fixtures, furniture, equipment, signs, and supplies that we have approved as meeting our specifications and standards. You must purchase or lease approved types, brands, or models of fixtures, furniture, equipment, signs, and supplies only from approved suppliers and install them in strict accordance with the specifications given to you by us from time to time.

If you want to purchase fixtures, furniture, equipment, signs, or supplies of a type, brand or model, or from a supplier that we have not approved, you must notify us and submit to us information as we request. Upon completion of our review of this information (which will take 90-180 days), we will notify you whether you are authorized to purchase the item(s) from that supplier for your Restaurant. As described in Item 6 above, you will be required to reimburse us for our reasonable costs and expenses in connection with the evaluation. You must also reimburse us for amounts paid to independent laboratories or consultants chosen by us, as our sole and absolute right to assist in the evaluation. Except as stated below, we do not make available our criteria for approval of these suppliers. Revocation of our approval of a supplier, product or service is our sole and absolute right to determine.

Food Products, Beverages, Supplies, ~~and~~ Materials, [and Services](#)

The reputation and goodwill of EPL Restaurants are based on, and can only be maintained by, the sale of distinctive high-quality products and services. Accordingly, you must conform to our specifications and quality standards and only purchase from approved suppliers and distributors for food products, beverages, supplies, and materials.

We have compiled a list of approved suppliers who provide products that comply with our specifications. Specifications may include minimum standards for the quality of food products, [services](#), and other restrictions, [including but not limited to, vendor's ability to integrate data per Franchisor's requirements](#). You may purchase or lease from any approved supplier. You may submit to us a written request for approval of an alternative supplier. Among other things, we consider various general criteria in approving proposed suppliers, including whether: (1) the supplier can make the product or provide the service per our unique specifications; (2) supplier is willing to commit to protect our trade secrets and recipes; (3) they possess adequate production and delivery capability; and (4) they

have the financial stability and condition as well as insurance coverage we require of our suppliers. We also may require an inspection of any of the supplier's facilities and delivery of samples of any other supplier's products to us or to an independent laboratory. We will evaluate any item you are considering for purchase to determine whether the item complies with our specifications. Upon the completion of our evaluation, which evaluation will take 90-180 days, we will give you the results. If approval is withheld, we will give you the reasons for the non-approval of any item. As described in Item 6 above, you will be required to reimburse us for our reasonable costs and expenses in connection with the evaluation. You must also reimburse us for amounts we pay to the independent laboratories or consultants we choose to assist us in our evaluation. Except as stated below, we do not make available our criteria for approval of these suppliers. Revocation of our approval of a supplier, product or service is our sole and absolute right to determine.

We are the sole owner of all variations of the Proprietary Items listed above. As the owner of these trade secrets, any product tests, formula variations, or discussions with any manufacturer concerning the terms and conditions of sale and production of these Proprietary Items are within our exclusive control. Currently, Performance Food Group Customized Distribution ("PFG") is the sole distributor of our Proprietary Items. PFG is the only El Pollo Loco® authorized distributor of a wide variety of ingredient and non-ingredient inventory items, including meat products, frozen goods, dry and canned food products, paper goods, small wares, and other items.

You must purchase and serve only approved beverages in your Restaurant. You may purchase such approved beverages from any EPL-approved distributor.

You must utilize our designated exclusive pest control and sanitation vendor, Ecolab. You must subscribe to Ecolab's proprietary digital reporting dashboard to ensure we have real-time visibility into ~~the~~your Restaurant's pest activity and trend analysis.

We negotiate purchase arrangements with systemwide suppliers (including price terms) for the benefit of all El Pollo Loco® operators, including our franchisees. For increased efficiency and smooth inventory management of limited time promotions, we have established an "**Obsolete Inventory Fund**", for which there is a surcharge of \$0.18 for each case of chicken (Whole Birds and Saddles) ordered by our operators. The Obsolete Inventory Fund is used to pay for pertinent, unsold inventory of qualified suppliers at the conclusion of limited time promotions. The Obsolete Inventory Fund may also be used to expedite the delivery of products for situations in which sales exceed prior forecasts. We review the added cost per case quarterly and determine whether to increase or decrease the cost per case.

We may establish strategic alliances or preferred supplier programs with suppliers that are willing to supply some products or services to some or all of the EPL Restaurants in our system. If we do establish those types of alliances or programs, we may limit the number of approved suppliers with whom you may deal, we may designate sources that you must use for some or all products and services, and we may refuse to approve proposals from franchisees to add new suppliers if we believe that action would not be in

the best interests of the System or the franchised network of EPL Restaurants. Currently, we have negotiated an arrangement with a beverage supplier of Coke and Dr. Pepper products to provide both ~~company-owned~~Franchisor Restaurants and Franchised ~~EPL~~ Restaurants with marketing funds in exchange for beverage syrup and other beverage purchases (collectively, “**Marketing Funds**”). Occasionally, we may also receive special marketing funds from suppliers for special promotions, and we intend to contribute those funds to the Advertising Fund to be used for the benefit of both ~~company-owned~~Franchisor Restaurants and Franchised ~~EPL~~ Restaurants. We may also receive funds from suppliers which are used to support the cost of the annual System leadership meetings and may also be used to support the overall franchise system. It is our intention to spend all funds in the fiscal year in which they are collected. However, we reserve the right to spend such funds in the next fiscal year to the extent such funds remain from the prior fiscal year.

Other than as discussed above, we do not currently receive any allowances, rebates, credits, monies, payments and benefits for your purchases of products and other goods and services or provide any material benefits to you based on your use of designated or approved suppliers.

There are no franchisee purchasing or distribution cooperatives selling to our franchisees. For the sake of System uniformity and consistency of the consumer’s experience with our brand, you are expected to abide by the terms of the Franchise Agreement and comply with our restrictions on purchasing. We do not provide additional incentives for those purchases.

Franchisor Revenue from Purchases and Other Payments by You

You are not required to purchase or lease anything from us in establishing your Restaurant. If you lease or sublease your Restaurant from us, your lease payments will likely represent between 7% - 20% of the total expenditures you incur in operating the Restaurant.

We derived ~~\$8,884,000~~\$9,123,000 or approximately 1.9% of our FY ~~2024~~2025 revenue of ~~\$473,008,000~~\$490,046,000 from franchisees' leasing and sub-leasing of restaurant Premises from us. We derived ~~\$1,118,000~~\$1,142,000 or approximately 0.2% of our FY ~~2024~~2025 revenue from franchisees under the IT Support Agreement. Other than stated above, in FY ~~2024~~2025, we did not derive any revenue from franchisees’ required purchases (including purchases from third parties) of any products or services.

We do not anticipate deriving in FY ~~2025~~2026 any revenue from franchisees’ purchases of any products or services, other than revenue from franchisees’ leasing or subleasing restaurant Premises from us, from fees for the IT Support Agreement described above, from supplier contributions to the System’s annual franchisee convention, or from contributions ~~those contributed~~ to the Advertising Fund.

Specifications, Standards and Procedures

Each element of the interior and exterior appearance, layout, decor, services and operation of your Restaurant is subject to our specifications and standards. You must comply with all mandatory specifications, standards and operating procedures (whether contained in the Operations Manual, Development Manual, or any other written communication) relating to the appearance, function, cleanliness and operation of your Restaurant.

From time to time, we may issue modifications to the specifications, standards and operating procedures through replacement pages for the operations and development manuals, sent to you by electronic-mail (email) or by regular mail, or in the event we establish an intranet for the use by our franchisees, modifications may be made available to you by posting on the intranet. If applicable, these modifications will be distributed to all franchisees in a timely fashion.

Maintenance and repair of your Restaurant are solely your responsibility. For the term of the Franchise Agreement, you must at your expense maintain your Restaurant building, parking lot, equipment, wares, utensils, supplies and inventory in full working order and good repair. You must replace any of the equipment and repaint the Restaurant as necessary to maintain your Restaurant in good working order as more specifically described in Section 12 of the Franchise Agreement. You must make all repairs no later than 30 days from the date such repairs are identified by you or by us or sooner as required by your Franchise Agreement. Replacement equipment must be purchased from an approved supplier and must be of the same type and quality as are being installed in new EPL Restaurants at the time replacement is required. All replacement equipment must comply with our requirements and specifications. You must at your cost and expense keep your Restaurant in clean, safe and sanitary condition at all times in accordance with the Operations Manual, any lease or sublease for your Restaurant site, and all applicable federal, state and local laws and regulations. Maintenance and repair costs for Franchised Restaurants are not available to us. Maintenance and repair costs for Franchisor Restaurants open for the entire 20242025 year ranged from \$21,250\$21,265 to \$81,028\$70,272 per restaurant. The maintenance and repair costs for your Restaurant may vary significantly from this range.

During the term of the Franchise Agreement, we shall require you, at your sole expense, to remodel your Restaurant, as we may determine based on the condition and current approved image of the building, to then current El Pollo Loco® standards, format, design and image, including, without limitation, renovation of the exterior facade, signs, interior furnishings, equipment, fixtures, and decor, to reasonably reflect the then current standards and image of the System (collectively, “**Remodel**”) as designated in plans and specifications provided by Franchisor. In connection with the Remodel, Franchisor may require Franchisee to update, remodel, refurbish, renovate, modify, redesign, scrape and rebuild, or gut and rebuild the Restaurant. The details of the Remodel shall be set forth in writing and the final scope applicable to the Restaurant is within the sole discretion of Franchisor. The Remodel is due on the 10th anniversary of the Restaurant’s Opening Date. A renewal Remodel is due upon the 20th anniversary of the Restaurant’s Opening

Date provided you elect to renew the Franchise Agreement. The expected Restaurant construction remodel cost ~~for a Restaurant Remodel~~ is \$400,000.

During the term of the Franchise Agreement, we shall require you, at your sole expense, to refresh your Restaurant, as we may determine based on the condition and current approved image of the building, to then current El Pollo Loco® standards, format, design and image, including, without limitation, update signs, menu boards, interior furnishings, equipment, fixtures, and decor, to reasonably reflect the then current standards and image of the System (collectively, “**Refresh**”) as designated in plans and specifications provided by us. The details of the Refresh shall be set forth in writing and the final scope applicable to the Restaurant is within the sole discretion of Franchisor. The Refresh is due on the 5th and 15th anniversary of the Restaurant’s Opening Date. The expected Restaurant construction refresh cost ~~for a Restaurant Refresh~~ is \$50,000.

The Remodel and Refresh construction costs are based on a normalized design target and shall vary depending on the actual conditions of your Restaurant as the construction costs do not include deferred Restaurant maintenance. Within 3 months of completing your Restaurant Remodel or ~~Restaurant Refresh~~, you must submit your final construction costs to Franchisor. Additionally, there shall be a Remodel Administrative Fee of \$5,000 (“**Remodel Administrative Fee**”) and a Refresh Administrative Fee of \$2,500 (“**Refresh Administrative Fee**”) due and payable to Franchisor 1 month prior to the Remodel deadline or the Refresh deadline. The Remodel Administrative Fee and the Refresh Administrative Fee shall be credited to Franchisee upon the timely completion of the Restaurant Remodel or Refresh.

You will be required to Remodel and Refresh the Restaurant according to the schedule above, except in connection with a transfer by you of your Restaurant under Section 17.6(c) of your Franchise Agreement. Remodeling costs for Franchised Restaurants are not available to us.

Off-Premises Catering and Catering Delivery

You will be required to participate in any Off-Premises Catering and Catering Delivery Program we develop that is applicable to your Restaurant. If we have not previously approved Off-Premises Catering and Catering Delivery from your Restaurant, you must immediately discontinue all Off-Premises Catering and Catering Delivery activities. Details of the Catering Program can be found in the Catering section of the Operations Manual.

Gift Cards Program, Remote Ordering System, Loyalty Program, Third-Party Delivery Program and Digital Menu Boards Program.

- Gift Cards Program – Loco Marketing manages the El Pollo Loco gift card program. You must sell or otherwise issue the stored value cards or gift cards and certificates (together “**Gift Cards**”) that we provide or designate, and in the manner we specify. You must honor all Gift Cards regardless of whether a Gift Card was issued by you or another

EPL Restaurant.

- Remote Ordering System - We have a Remote Ordering System through Mobo Systems (“Olo”), a third-party vendor, which operates over the internet and/or with Micros.
- Loyalty Program - We also have a Loyalty Program using Punchh which is paid for by the Advertising Fund. Dispatch orders originate from elpolloloco.com or the El Pollo Loco mobile application.
- Third-Party Delivery Program - We have a Third-Party Delivery Program that uses Dispatch/Rails where the service is available through Olo, our remote ordering partner, and serviced by approved third party delivery providers such as Doordash, UberEATS, Grubhub, Postmates and ezCater.
- Digital Menu Boards Program - Digital Menu Boards may be displayed instead of traditional menu boards in the dining room of the Restaurant.

The Gift Cards Program, Remote Ordering System, the Loyalty Program, Third-Party Delivery Program, and Digital Menu Boards Program may be collectively referred to as “**Required Programs**” or individually as “**Required Program**”. Your participation is mandatory in these Required Programs. As such, you will be required to complete the following (as applicable) for each Required Program:

You must sell or otherwise issue the stored value cards or Gift Cards that we provide or designate, and in the manner we specify. You must honor all Gift Cards regardless of whether a Gift Card was issued by you or another EPL Restaurant. You may also be required to:

- a) Enter into a separate agreement with an approved third-party provider of the Required Program, under the terms and conditions as may be required by such third party provide, including the payment of reasonable fees;
- b) Purchase or upgrade, as applicable, the hardware, software and equipment that is necessary to participate in the Required Program;
- c) Comply in all material respects with all applicable laws, statutes and regulations in performing your obligations under the Franchise Agreement and otherwise in connection with your participation in the Required Program;
- d) Sign the documents, or take the actions, that we request in order to participate in our Required Program;
- e) Purchase and maintain a sufficient number of Gift Cards in a form we approve (***applies to the Gift Cards Program only***);
- f) Promote and sell the Gift Cards in your Restaurant using only marketing

methods and materials we approve (***applies to the Gift Cards Program only***); and

g) Accept the following credit cards: Visa, Mastercard, Discover and American Express; and accept the following mobile payments: Apple Pay and Google Pay, as methods of payment by customers ordering from your Restaurant, without imposing any minimum amount for the acceptance of any payment method.

We may discontinue or modify the Required Programs at any time, and upon receiving notice from us that we intend to do so, you must immediately cease the Required Programs or make the modifications that we require.

PCI Compliance Program

The Payment Card Industry (“**PCI**”) Data Security Standard (“**DSS**”) is a set of security requirements that uses current technology and physical security best practices to protect credit cardholder data. The size of your business and the number of transactions you process will determine your specific requirements for achieving PCI compliance. Currently, the monthly cost of quarterly firewall scans is included with the Micros Platinum service monthly fees, however such monthly cost may increase as detailed in the El Pollo Loco® IT Support Services Agreement Exhibit 7 to the Franchise Agreement (Exhibit C). If you are ever found to be non-compliant with the PCI/DSS and remediation is required, a third-party vendor will work directly with you to resolve any outstanding issues and you may have to pay additional fees. All franchisees will be required to participate in this program from a third-party vendor that as our sole and absolute right may require our approval.

Advertising by You

All of your local advertising will be subject to our prior written approval. Should you submit advertising that is not approved by us, you will have to revise and resubmit such advertising again for written approval prior to use of such advertising. We will not derive income from your purchase of local advertising. You are required to submit any marketing materials you develop to our marketing department for our review and approval at least ten business days prior to your desired first use of such materials.

Insurance

You must maintain, in force, at your own cost and expense, the following insurance with policies issued by financially stable carriers with a minimum AM Best Ratings of A-VII:

- (a) Any insurance required by your (sub)lease, if any; and
- (b) workers compensation insurance in compliance with the applicable states’ workers compensation and/or occupational disease act;

(c) commercial general and product liability insurance written on occurrence form, included but not limited to premises-operations, property damage, products/completed operations, contractual liability, independent contractors, personal injury and advertising injury and liability assumed under an insured contract with coverage ~~no less than a minimum of~~ \$1,000,000 per occurrence and \$2,000,000 general aggregate;

(d) Automobile liability with ~~at least coverage of~~ \$1,000,000 combined single limit; and

(e) Umbrella excess liability insurance with ~~a minimum limit coverage~~ of \$5,000,000 ~~limit~~ per occurrence.

(f) Employment Practices Liability Insurance with coverage of \$1,000,000 per occurrence and \$2,000,000 per aggregate.

(f)(g) Property and extended coverage insurance with a maximum deductible of \$10,000 and with endorsements for vandalism and malicious mischief, covering the building, structures, equipment, improvements and the contents thereof in and at the Restaurant, on a full replacement cost basis, insuring against all risks of direct physical loss (except for unusual perils such as nuclear attack, earth movement and war), and business interruption insurance sustained from covering the rental of the Location, previous profit margins, maintenance of competent personnel and other fixed expenses.

(g)(h) In connection with and prior to commencing any construction, reimage or remodeling of the Restaurant, you shall maintain Builder's All Risks Insurance and performance and completion bonds in forms and amounts, and written by a carrier or carriers, acceptable to EPL.

Commercial liability and umbrella/excess policies shall not contain: (i) mold, fungi, viruses, or bacteria exclusions applying to a good or product intended for consumption, or (ii) property damage or bodily injury exclusions caused by the ingestion of food. For the benefit of Franchisor, you agree to obtain an additional insured endorsement naming us. The endorsement shall state the above-described insurance shall be primary and not contributory, as to us; with a waiver of subrogation in favor of us. Commercial property policy must also name EPL as a loss payee and commercial general liability, automobile liability and umbrella liability policies must name EPL an additional insured. The endorsement shall state the above-described insurance shall be primary and not contributory, as to EPL; with a waiver of subrogation in favor of EPL. All policies must contain provisions waiving rights of recovery against any named insured by subrogation. You shall provide us with a Certificate of Insurance designating us, our subsidiaries and affiliates as additional insured persons under such insurance and indicating we shall be given at least 30 days prior written notice by the insurer in event of any material modification, cancellation or termination of coverage.

All insurance policies must be purchased through a licensed insurance broker and evaluated annually on the basis of your particular needs and operations. There may be other insurance policies (not mentioned here) required to cover potential losses due to your particular business operations. Our policies do not extend to you, including, by way of example, Product Recall coverage. We recommend you consult with a broker and make decisions on what additional insurance you may require based on your business needs.

Each insurance policy must name us as a loss payee or an additional insured and must include other provisions as we require. You must deliver to us certificates of insurance or a copy of the subject policies upon our request and at least once annually during the term of your Franchise Agreement. If you fail to deliver to us proof of insurance or if your insurance is canceled, expires or is otherwise terminated, we have the option, but not the obligation, to purchase the required insurance on your behalf and you must reimburse us for all costs including, but not limited to, broker fees, taxes, insurance premiums, services and any fees associated with purchasing insurance on your behalf.

We do not derive income from purchasing insurance for you.

ITEM 9: FRANCHISEE'S OBLIGATIONS

This table lists your principal obligations under the franchise agreement 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.

Franchise Agreement

Obligation	Section in Agreement	Disclosure Document Item
a. Site Selection and Acquisition/Lease	Section 4	Items 5, 7, 8 11 and 12
b. Pre-opening Purchases/Leases	Section 5	Item 8
c. Site Development and Other Pre-opening Requirements	Sections 4 and 5	Items 5, 7, 11 and 12
d. Initial and Ongoing Training	Sections 11 and 16	Items 6 and 11
e. Opening	Section 16	Item 11
f. Fees	Sections 6, 7, 8, 11, 12, 15 and 17	Items 5, 6 and 7
g. Compliance with Standards and Policies/Manuals	Sections 11, 12, 13 and 14	Item 11
h. Trademarks and Proprietary Information	Section 2	Items 1, 11,13 & 14
i. Restrictions on Products/ Services Offered	Sections 10 and 11	Items 8 and 16
j. Warranty and Customer Service Requirements	Section 11	Item 8
k. Territorial Development and Sales Quotas	Not Applicable	Not Applicable
l. Ongoing Product/Service Purchases	Section 11	Item 8
m. Maintenance, Appearance and Remodeling Requirements	Sections 5, 11, 12 and 17	Items 8 and 11
n. Insurance	Section 9	Items 6 and 8
o. Advertising	Section 8	Items 6, 8 and 11
p. Indemnification	Section 9	Item 6
q. Owner's Participation/ Management/Staffing	Sections 11, 14 and 16	Items 11 & 15
r. Records/Reports	Section 7	Item 6
s. Inspection/Audits	Sections 7 and 15	Items 6 and 11
t. Transfer	Section 17	Items 6 and 7
u. Renewal	Section 20	Item 17
v. Post-termination Obligations	Section 19	Item 17
w. Non-competition Covenants	Section 21	Item 17
x. Dispute Resolution	Section 22	Item 17

Development Agreement

Obligation	Section in Agreement	Disclosure Document Item
a. Site Selection and Acquisition/Lease	Section 2	Items 5, 7, 8 and 11
b. Pre-opening Purchases/Leases	Not Applicable	Not Applicable
c. Site Development and Other Pre-opening Requirements	Section 2	Not Applicable
d. Initial and Ongoing Training	Not Applicable	Not Applicable
e. Opening	Not Applicable	Not Applicable
f. Fees	Section 3	Item 5
g. Compliance with Standards and Policies/Manuals	Not Applicable	Not Applicable
h. Trademarks and Proprietary Information	Section 6	Items 1, 11,13 and 14
i. Restrictions on Products/ Services Offered	Not Applicable	Not Applicable
j. Warranty and Customer Service Requirements	Not Applicable	Not Applicable
k. Territorial Development and Sales Quotas	Sections 1 and 2	Item 12
l. Ongoing Product/Service Purchases	Not Applicable	Not Applicable
m. Maintenance, Appearance and Remodeling Requirements	Not Applicable	Not Applicable
n. Insurance	Section 7	Items 6 and 8
o. Advertising	Not Applicable	Not Applicable
p. Indemnification	Sections 7, 14	Item 6
q. Owner's Participation/ Management/Staffing	Not Applicable	Not Applicable
r. Records/Reports	Not Applicable	Not Applicable
s. Inspection/Audits	Not Applicable	Not Applicable
t. Transfer	Section 8	Items 6 and 17
u. Renewal	Section 4	Item 17
v. Post-termination Obligations	Sections 10, 12 and 20	Item 17
w. Non-competition Covenants	Section 20	Item 17
x. Dispute Resolution	Sections 16	Item 17

ITEM 10: FINANCING

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

We may occasionally attempt to identify lenders willing to extend financing to you. The terms of any of these financing arrangements will be agreed upon between you and the lender and may vary widely. We will provide you, upon your request for the same, with a list of any lenders known to us and the terms of any financing arrangements available from those lenders to the extent known to us. Provision of this list to you does not constitute an approval or endorsement by us of any of the lenders or of any of the financing arrangements. Neither we nor our affiliates receive revenue or other benefits from any other person or entity for the placement of financing.

From time to time, we may establish a referral program (the “**Referral Program**”) whereby our existing franchisees in good standing (the “**Referrer**”) may be eligible to receive a referral fee for each new Franchise Agreement executed by a new qualified franchisee referred by the Referrer under a Development Agreement executed by such qualified franchisee. We reserve the right, in our sole and absolute discretion, to change the amount of the referral fee. We may also end or change the Referral Program, and impose or amend any rules and conditions, whenever we choose. We do not expect or want you to be involved in the sales process at all. As one of our existing franchisees in good standing, you are simply passing along to us the name of someone you know who might be interested in acquiring a new El Pollo Loco franchise in accordance with the then-current terms and conditions of the Referral Program. As of the date of the Disclosure Document, the referral fee payable to a Referrer is \$5,000 for the first new Franchise Agreement executed by the qualified franchisee referred by the Referrer under a Development Agreement executed by such qualified franchisee and \$2,000 for each subsequent Franchise Agreement executed by the qualified franchisee referred by the Referrer under a Development Agreement executed by such qualified franchisee. The referral fee is payable within sixty (60) days of full execution of the Franchise Agreement (and payment of the applicable Initial Franchise Fee) by the qualified franchisee referred by the Referrer. For the avoidance of doubt, (a) any new Franchise Agreement executed in connection with an assignment or other transfer of an EPL Restaurant does not qualify for the Referral Program, and (b) any new Franchise Agreement executed by any current franchisee or its affiliates (including any principals of any franchisee that is an entity) also do not qualify for the Referral Program.

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

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

Pre-Opening Obligations

We will provide the following pre-opening assistance:

- a) Provide you with our current minimum standards and specifications for locations of new EPL Restaurants and written materials that we require to be submitted to us in order to consider proposed locations (Franchise Agreement, Section 4; Development Agreement, Section 2).
- b) Provide you with our current minimum standards for the POS and back-of-house computer systems. Coordinate supplier meetings to finalize configuration. Supervise staging and installation (Franchise Agreement, Section 7).
- c) Within 60 days following your submission of the required materials for the proposed location, we will use commercially reasonable efforts to approve or reject, in accordance with our current standards and specifications, your proposed location. In reviewing the proposed site, the factors that are taken into consideration include, but are not limited to, site location, site description, site analysis, traffic, other demographic information, your operational abilities, and consumer trends (Franchise Agreement, Section 4; Development Agreement, Section 2).
- d) Provide you with standard plans and a sample layout for a typical EPL Restaurant and a set of typical construction, equipment and decor specifications. Prior to opening your Restaurant, you must obtain and subsequently maintain throughout the term of the Franchise Agreement all necessary business licenses, permits and other documentation necessary for the operation of an EPL Restaurant. We do not provide assistance in conforming to local ordinances and building codes or obtaining any required permits (Franchise Agreement, Sections 4 and 5; Development Agreement, Section 2).
- e) If the Restaurant is your first, second or third EPL Restaurant, we will provide, at no cost to you, the initial training to you, your Designated Operator and 4 of your Managers (as defined below), one of which must be a General Manager. General Manager, Assistant Manager and Shift Leader are referred to herein collectively as "**Managers**" and individually "**Manager**"). At your cost, you may also elect to send additional Managers or Designated Operators to the initial training conducted by us. EPL requires that you appoint a Designated Operator as detailed in **Item 15** below, who will become the ultimate expert on EPL operational standards and procedures as outlined in the Operations Manual, who will devote their full 100% of their time and best efforts to the supervision of the business and

operations of your Restaurant(s). The Designated Operator must meet Franchisor's educational experience, financial and other reasonable criteria for such position or otherwise in writing by Franchisor. ~~They may also serve as a Manager for a Restaurant.~~ If at any time, for any reason, the Designated Operator ceases to perform their duties as described herein, at your expense, you shall appoint a new Designated Operator within 90 days subject to EPL approval, and the newly appointed Designated Operator must satisfactorily complete the Designated Operator Training Program within 70 days from EPL's approval of the newly appointed Designated Operator ; or, you shall assume the duties of the Designated Operator and complete the Designated Operator Training Program within 160 days (if not previously completed within the last 36 months). (Franchise Agreement, Sections, 11 and 16); and

f) We will loan to you an electronic copy of our Operations Manual (Franchise Agreement, Section 11). The table of contents of the Operations Manual is attached to this Disclosure Document as Exhibit GH.

Continuing Obligations

We will provide the following assistance during your operation of your Restaurant:

- a) Administer and manage the marketing and advertising funds, as our sole and absolute right to determine, for the development of advertising and related programs and materials. (Franchise Agreement, Section 8).
- b) Protect and defend you against any claims or challenges arising out of your authorized use of our trademarks. (Franchise Agreement, Section 21).
- c) Periodically inspect your Restaurant and deliver to you a written report of our evaluation. (Franchise Agreement, Section 15).
- d) Periodically modify the Operations Manual to reflect changes in standards, specifications and operating procedures. (Franchise Agreement, Section 11).
- e) Provide periodic and ongoing training programs for you and your Designated Operator, Manager and your other personnel as we determine, as our sole and absolute right, from time to time. We will train additional Managers hired by you that you elect to send to our training at a designated CTR for an additional fee, or you may choose to train the additional Managers in your Restaurant or FCTR at your cost (including the material costs). (Franchise Agreement, Sections 11 and 16).
- f) The "Approved Products and Distribution Guide" is made available through the EPL Operations Manual (January 2024 version) through Pollo Zone, (Franchise Agreement, Section 11) with additional approvals communicated through Marketing/R&D/Training/Operations/QA test and/or module notifications.

Site Selection and Estimated Opening:

a) **New EPL Restaurant:** When you sign a Development Agreement for one or more new Restaurants, we have the sole and absolute right to approve or reject each site which you select within the designated geographical area. When you have designated a proposed site for your Restaurant, we will consider your site proposal for approval, which must include a site description and analysis, traffic and other demographic information in the format we require. We will consider this information, the locations of other restaurants (including EPL Restaurants, if applicable) in the vicinity of the proposed site, and other items as may be part of our standard site criteria, in determining whether to approve or reject such site (see **"Site Approval Process"** below for details).

We do not endorse, warrant or guarantee either directly or indirectly the suitability of your Restaurant site or the success of your Restaurant. The success of the Restaurant depends on a number of factors outside of our control including your operational abilities, site location, consumer trends and such other factors that are within your direct control.

b) **Site Approval Process:** You must submit a proposed site for each franchised unit to be developed for review by RESAC, together with such site information as may be reasonably required by us to evaluate the proposed site. We will, provided there exists no default by you under any development, franchise or other agreement between us and you, evaluate each site proposed for which you have provided all necessary evaluation information, and will promptly send to you written notice of acceptance or non-acceptance of the site. If we do not accept the proposed site, you may submit another site for approval. We may require, as a condition to our approval of a site, a Market Study, prepared by a third party, which will analyze traffic and other demographic information, and the potential impact of the proposed site on other EPL Restaurants surrounding or within the vicinity of the proposed site, all in such format as we may require. The Market Study will be prepared at your expense. Site approval does not assure that a Franchise Agreement will be executed. Execution of the Franchise Agreement is contingent upon your purchasing or leasing the approved site. If you and we cannot agree on a site, then a Franchise Agreement will not be executed.

You must also only employ licensed and qualified architectural firms, building contractors and other real estate development professionals. You must meet the timeframes set forth in your Franchise Agreement for construction and opening of your Restaurant. We may, upon your request, provide you with a list of preferred development professionals that have been used by prior franchisees; however, the provision of this list does not indicate our approval of those professionals appearing on the list.

Unless otherwise required by your Development Agreement, within 90 days after our site acceptance, you must submit in writing to us, satisfactory proof to us that you:

i) own the site or have entered into a written agreement to purchase the approved site on terms provided herein, subject only to obtaining necessary governmental permits. Should you purchase the site using another entity other than the franchise entity, you must then enter into a lease with the franchise entity as the lessee and the purchasing entity as the lessor. Such lease must contain (or not contain) the provisions contained below in Subparagraphs (iii) and (iv). This process needs to be completed within 90 days after RESAC has approved a site for your Restaurant; or

ii) have entered into a written agreement to lease the approved site on terms provided herein, subject only to obtaining necessary governmental permits, or you have leased the site for a term which, with renewal options is not less than the initial term of the Franchise Agreement. If you have leased the site, the lease must contain (or not contain) the provisions listed below in Subparagraphs (iii) and (iv). The unexecuted form of the lease must be submitted to us to review for the required terms and conditions listed below in Subparagraphs (iii) and (iv). Upon approval of the inclusion of such required terms and conditions, we will notify you of our approval. You will then provide a final executed copy of the lease to us. This process needs to be completed within 90 days after Franchisor has approved a site for your Restaurant.

iii) any lease for the Restaurant premises **must not** contain a non-competition clause or radius restriction preventing operation of other EPL Restaurants owned by EPL or EPL franchisees.

iv) any lease for the Restaurant premises **must** contain the following items and conditions:

1. The tenant entity on the lease must match the franchise entity on the franchise agreement;

2. The term of the lease must match at least the initial term of the franchise agreement;

3. The landlord consents to your use of the premises as an E|Pollo Loco® restaurant which will be open during the required days and hours set out in the Operations Manual.

c) Franchise Agreement: After signing the Franchise Agreement you must achieve certain milestones to assure the timely development of your Restaurant. You must develop and open your Restaurant within 12 months of your initial signing of the Franchise Agreement. You are responsible for the development process.

The total period of time to develop and open your Restaurant from the date of signing of the Franchise Agreement will not exceed 12 months. If, as the result of a force majeure event, you are unable to open your Restaurant within the allowed 12 months, we will extend the time allowed for you to complete these items and open your Restaurant for a period equal to the duration of the force majeure event. Within 3 months of opening your Restaurant, you must submit your final construction costs to Franchisor.

d) *Turnkey Restaurants:* We have selected the locations for Turnkey Restaurants offered in connection with this Disclosure Document for a variety of reasons, including location in an area not currently targeted by us in our business plan, length of time remaining on the lease, and sales volumes.

WE MAKE NO REPRESENTATION EXPRESS OR IMPLIED, AND EXPRESSLY DISAVOW ANY REPRESENTATION, THAT YOU WILL IMPROVE THE PERFORMANCE OF, OR ACHIEVE ANY MEASURE OF SALES VOLUME AT, ANY TURNKEY RESTAURANT WHICH IS THE SUBJECT OF A FRANCHISE OFFERED IN CONNECTION WITH THIS DISCLOSURE DOCUMENT.

e) *Time from Franchise Agreement Execution to Opening:* We estimate that the length of time between executing the Franchise Agreement and opening your Restaurant will range from one month for a Turnkey Restaurant or a Turnkey Franchised Restaurant to 12 months for sites you have identified, and we have approved. After you secure the Restaurant site, design, permit receipt, construction or remodeling, and furnishing of the Restaurant could take approximately 9 to 12 months. However, if you do not open your Restaurant for business within 12 months from the date of the Franchise Agreement, we may terminate the Franchise Agreement. Factors affecting this length of time include scheduling of your and your employees' initial training, transferring or obtaining any applicable licenses and permits for the operation, and actual construction, of your Restaurant. (Section 4 of the Franchise Agreement).

f) *Restaurant Opening Approval:* Prior to opening your Restaurant to the public, we will require that you satisfy all pre-opening conditions of opening as set forth in this Disclosure Document and the Franchise Agreement. You may not open your Restaurant prior to receiving written approval from us to do so. Currently, we provide written approval in the form of the Franchise New Store Opening Checklist and Approval.

Training

The Executive Franchisee Training Program (“**EFTP**”), Designated Operator Training Program (“**DOTP**”) and Management Training Program (“**MTP**”) may be collectively referred to as “**Training Programs**” or “**Initial Training Programs**” or individually as “**Training Program**” or “**Initial Training Program**”.

The EFTP for the Franchisee consists of 5 business days typically over a continuous week period. The training for the Franchisee will take place near the Support Center at the earliest mutually convenient date following signing of the Franchise Agreement. You may designate yourself as the Designated Operator.

The ~~DOTP~~ for a Designated Operator consists of ~~50~~⁴⁵ days over a continuous ~~109~~-week period. However, the ~~DOTP~~ may be adapted reducing the time spent training depending on the Designated Operator's previous experience and educational certifications or licenses, applicable to the Designated Operator's training. The Designated Operator must complete the DOTP at a designated CTR (or at multiple designated CTRs if appropriate including your FCTR if appropriate as determined by us) and become certified in the Food Protection Management Training Program ("FPMT") before they can be assigned to your Restaurant(s) as the Designated Operator. ~~The Designated Operator may be designated as a Manager or General Manager.~~

The MTP for a General Manager and, Assistant Manager(s) consists of 30 days over a continuous 6-week period. The MTP for ~~and~~ Shift Leader(s), consists of ~~35~~²⁰ days over a continuous ~~74~~-week period. The MTP for a Training Manager consists of 40 days over a continuous 8-week period. Each Manager must complete to our satisfaction their Initial Training Program conducted at a designated CTR or your FCTR if appropriate as determined by us and become certified in the FPMT before they can be assigned to your Restaurant as a Manager. To ensure the highest opportunity of delivering exceptional service standards and retaining freshly learned operational knowledge, training for Managers will be delayed until closer to the Restaurant opening, completing training no more than 60 days prior to the opening of the Restaurant. A minimum of 1 General Manager and 1 Assistant Manager must attend the initial MTP. Upon your written request and with Franchisor's sole discretion, your Shift Leaders may complete a ~~32~~-week training prior to the Restaurant opening in a designated CTR or FCTR and an additional 24-weeks of training with a Certified CTR Trainer in your new Restaurant once open ("**Shift Leader Exception**"). In our sole discretion, we may extend the training period under the Shift Leader Exception due to how busy the new Restaurant becomes upon opening. You will pay for the Certified CTR Trainer's labor, travel, accommodation and expenses during the on-site training time period. No more than 2 Shift Leaders may complete this Shift Leader Exception training.

The basic franchise management training program is continually subject to refinement and change as we deem appropriate. The following table provides a description of the training program.

If you plan to open and/or operate 2 Restaurants within a consecutive 12-month period or 3 or more units in a consecutive 24-month period, you will need to designate (i) a Training Manager and (ii) one of your Restaurants which will become your designated Franchise CTR ("FCTR"). All Franchisees should have proper infrastructure, including but not limited to, an adequate number of Training Managers for all your Restaurants and employees, should be in place to meet brand standards and your ability to grow. Each Training Manager must complete to our satisfaction their Training Manager Program

conducted at Franchisor's support center and at a designated CTR or FCTR before they can be approved as a Training Manager for your organization(s). The Training Manager Program consists of 40 days over a continuous 8-week period. If at any time, for any reason, the Training Manager ceases to perform those duties on behalf of your organization(s), at your expense, you shall either: (a) appoint a new Training Manager within 90 days subject to our prior written approval, and the newly appointed Training Manager must satisfactorily complete the EPL Training Manager Program within 70 days from EPL's approval of the newly appointed Training Manager. To become certified by our training team, the Restaurant you choose as your FCTR must meet the following criteria, including but not limited to, your demonstration of consistently meeting all System's operational & performance standards as validated by us and have sufficient space for training.

Training Program

DESIGNATED OPERATOR - TRAINING OVERVIEW			
Subject	Hours of Classroom Training¹	Hours of On-The-Job Training²	Location³
Opening / Closing Grill Master Role	4	36	Designated CTR
Service Team Member Roles (Prep, Entrée Roles)	3	17	Designated CTR
Service Team Member Roles (Cashier/Expeditors, DT Roles)	3	17	Designated CTR
Opening Manager Shift	2.5	37.5	Designated CTR
Mid Manager Shift	2.5	37.5	Designated CTR
Closing Manager Shift	2.5	37.5	Designated CTR
GM Functions Training - Restaurant Systems and Administration	20	60	Designated CTR
Shadow a Company Ops Field Leader	0	40	Core Market - Field
Shadow a Franchise Owner / FBD	0	40	Core Market - Field
TRAINING MANAGER - TRAINING OVERVIEW			
Subject	Hours of Classroom Training⁴	Hours of On-The-Job Training²	Location³
Opening / Closing Grill Master Role	4	36	Designated CTR
Service Team Member Roles (Prep, Entrée Roles)	3	17	Designated CTR
Service Team Member Roles (Cashier/Expeditors, DT Roles)	3	17	Designated CTR
Opening Manager Shift	2.5	37.5	Designated CTR
Mid Manager Shift	2.5	37.5	Designated CTR
Closing Manager Shift	2.5	37.5	Designated CTR
GM Functions Training - Restaurant Systems and Administration	20	60	Designated CTR
Brand Standards Field Training	0	40	Core Market - Field

GENERAL MANAGER/ASSISTANT MANAGER - TRAINING OVERVIEW

<u>Subject</u>	<u>Hours of Classroom Training⁵</u>	<u>Hours of On-The-Job Training²</u>	<u>Location³</u>
<u>Opening / Closing Grill Master Role</u>	<u>4</u>	<u>36</u>	<u>Designated CTR</u>
<u>Service Team Member Roles (Prep, Entrée Roles)</u>	<u>3</u>	<u>17</u>	<u>Designated CTR</u>
<u>Service Team Member Roles (Cashier/Expeditors, DT Roles)</u>	<u>3</u>	<u>17</u>	<u>Designated CTR</u>
<u>Opening Manager Shift</u>	<u>2.5</u>	<u>37.5</u>	<u>Designated CTR</u>
<u>Closing Manager Shift</u>	<u>2.5</u>	<u>37.5</u>	<u>Designated CTR</u>
<u>GM Functions Training - Restaurant Systems and Administration</u>	<u>20</u>	<u>60</u>	<u>Designated CTR</u>

SHIFT LEADER - TRAINING OVERVIEW

<u>Subject</u>	<u>Hours of Classroom Training⁶</u>	<u>Hours of On-The-Job Training²</u>	<u>Location³</u>
<u>Opening / Closing Grill Master Role</u>	<u>4</u>	<u>36</u>	<u>Designated CTR</u>
<u>Service Team Member Roles (Prep, Entrée Roles)</u>	<u>3</u>	<u>17</u>	<u>Designated CTR</u>
<u>Service Team Member Roles (Cashier/Expeditors, DT Roles)</u>	<u>3</u>	<u>17</u>	<u>Designated CTR</u>
<u>Opening Manager Shift</u>	<u>2.5</u>	<u>37.5</u>	<u>Designated CTR</u>
<u>Closing Manager Shift</u>	<u>2.5</u>	<u>37.5</u>	<u>Designated CTR</u>

FRANCHISE OWNER- TRAINING OVERVIEW

<u>Subject</u>	<u>Hours of Classroom Training⁷</u>	<u>Hours of On-The-Job Training²</u>	<u>Location³</u>
<u>Grill Master & Service Team Member (Prep, Entrée, Cashier Roles)</u>	<u>0</u>	<u>16</u>	<u>Closest CTR to the Support Center</u>
<u>Meet Department Leads</u>	<u>8</u>	<u>0</u>	<u>Support Center</u>
<u>Tour Company & Franchise Area</u>	<u>0</u>	<u>16</u>	<u>Locations will be determined when the training plan is written</u>

Note 1: The hours listed are an approximation over a 9-week period and will vary depending on your experience and other relevant factors. All training is to be completed before the opening of the Restaurant.

Note 2: It is the nature of the business and the training that all aspects of training are integrated, that is, there are no definitive starting and stopping times for each subject.

Note 3: Locations for On-the-Job Training are based on availability and determined when each training plan is written.

Note 4: The hours listed are an approximation over a 8-week period and will vary depending on your experience and other relevant factors. All training is to be completed before the opening of the Restaurant.

Note 5: The hours listed are an approximation over a 6-week period and will vary depending on your experience and other relevant factors. All training is to be completed before the opening of the Restaurant.

Note 6: The hours listed are an approximation over a 4-week period and will vary depending on your experience and other relevant factors. All training is to be completed before the opening of the Restaurant.

Note 7: The hours listed are an approximation over a 1-week period and will vary depending on your experience and other relevant factors. All training is to be completed before the opening of the Restaurant.

Before you open your Restaurant, a minimum of 4 Managers, you, and your Designated Operator, must each complete to our satisfaction the appropriate Initial Training Programs except for the Shift Leader Exception described above. In addition, but no later than by the end of the Initial Training Programs, you will designate the General Manager for the Restaurant from the Initial Training Program attendees and inform EPL of your decision in writing.

Purchasers of a Turnkey Restaurant or a Turnkey Franchised Restaurant must have satisfactorily completed the appropriate Initial Training Programs prior to transfer of the Restaurant operations to them which is currently conducted at a designated CTR.

The Training Programs for your Managers, Training Manager(s), and Designated Operator consist of hands-on training in the operation and management of your Restaurant(s). Training is conducted by a corporate training expert who has been certified by us for training on the basis of that individual's knowledge and application of our standards for EPL Restaurant operations. Instructional materials for the Training Programs include our electronic Operations Manual, crew training program, job aids, recipe books, product build cards, electronic management training materials, LMS learning plan certifications and other materials we may create from time to time. A copy of the table of contents of the Operations Manual are attached to this offering as Exhibits G and H respectively.

Additionally, "non-prep" training and orientation may occur at the following location:

El Pollo Loco® Support Center
575 Anton Blvd., Suite 1100
~~3535 Harbor Blvd. Suite 100~~
Costa Mesa, CA 92626

For each newly opened Restaurant, we will provide to you a set of the required training materials at no cost to you, but you must pay for all Additional Employee Costs During Training. We will not charge you for the Initial Training Program for you, your Designated Operator, Training Manager(s), and up to 4 Managers for each of your first, second and third Restaurants. Additional attendees will cost you \$500 per week per attendee. Any additional on-going training for a Manager, Designated Operator, or Franchisee will also cost you \$500 per week per attendee. This fee will cover the fee for participation and materials provided to the attendee. A set of training materials per Restaurant supporting new product or process introductions will be provided at no cost to you.

Our Training Programs are under the direction of Mr. Richard Pepper. Mr. Richard Pepper's employment background is provided in Item 2 of this Disclosure Document.

Newly hired Managers must begin the MTP within 30 days of their hiring for existing Restaurants and must complete their training in a CTR. From time to time, we will certify a Franchised Restaurant as a CTR if the Restaurant meets our criteria for certification. If

you wish for your Managers to be trained in your Restaurant, your Restaurant must first be certified by us as a CTR.

Currently, all Training Programs and materials are produced and delivered in English. Crew training programs are available in English and Spanish electronically on Pollo Zone.

On an on-going basis, you must maintain a minimum of 4 Managers per Restaurant which have each completed to our satisfaction the appropriate Training Program. If at any time, for any reason, the General Manager ceases to perform those duties on behalf of the Restaurant, Franchisee must promptly designate a new General Manager who meets the above-stated qualifications.

You must implement the Pollo Zone training program (an electronic learning management system) by certifying employees in all positions in Pollo Zone prior to them being allowed to work alone in any given area and must staff your Restaurant at all times during the term of the Franchise Agreement with a sufficient number of trained employees.

Each Manager employed in your Restaurant(s) must adhere to all applicable laws regarding serving safe food. Each and every shift must have a Manager in charge as indicated in the Operations Manual. At your cost, we may require continuing operations training occasionally, to reinforce operational standards as necessary for on-going operational execution and for you to maintain a sufficient number of trained employees. We may require continuing operations training occasionally for new product roll-outs at our cost however, you will still be responsible for the Additional Employee Costs During Training as described above.

If the Restaurant is your or your affiliate's *first* Restaurant, we will assist you in the initial opening of the Restaurant defined as "**New Restaurant Opening Support**" or "**NRO Support**", beyond the Initial Training Programs described above by sending certain members of Franchisor's personnel to the Restaurant to assist in the scheduled opening of the Restaurant at a cost of \$30,000 to you. Additional training beyond initial NRO Support will be at your cost and at our sole discretion.

The Restaurant must not be opened until we are satisfied that you and your Managers and other Restaurant personnel have been adequately trained in the El Pollo Loco® System (Section 16 of the Franchise Agreement). If you are required to send your Manager to a remedial training class, you will be charged a fee for that Manager's participation and materials at the standard training fee of \$500 per week per person at a Certified Training Restaurant (CTR) or FCTR (as determined by us in our sole discretion). Franchisor reserves the right to stop training and disapprove of a training participant if such training participant demonstrates an inability to adequately absorb and retain the training materials and curriculum presented during training, or fails to adequately participate in training. In such situation, any training fees paid to us will be refunded on a prorated basis.

Advertising

Recognizing the value of marketing and advertising to the goodwill and public image of EPL Restaurants, our marketing department administers a fund for advertising, public relations, marketing research and promotion into which all franchisees contribute an advertising fee equal to 5% (or 4% if the Restaurant is within the LA DMA) of their Net Sales ("**Advertising Fee**") as required by their Franchise Agreement. The Advertising Fee for the EPL Restaurants and your Restaurant located within the LA DMA may be increased, as our sole and absolute right, to not more than 1% above your original Advertising Fee during the Initial Term of your Franchise Agreement and upon 90 days written notice to you. Some existing franchisees may pay lower Advertising Fees. Franchisor Restaurants owned and operated by us will contribute on at least the same basis as those existing Franchised Restaurants within the same DMA.

The Advertising Fee will be deposited in the advertising fund ("**Advertising Fund**").

a) Advertising Fund: We will have the sole and absolute right to determine the allocations and expenditures to be made from the Advertising Fund and overall aspects of the Advertising Fund, including without limitation: media plans and buying, concept development, endorsements, agency fees and relationships, production costs (e.g., for video, audio and electronics) market research, design development (e.g., for store prototypes and advertising), customer feedback and evaluation programs and analysis (to the extent not paid for by the Customer Feedback Program described in Item 7 above), product research and development, written advertising materials, media (including social media), public relations programs, reimbursement for our direct overhead and personnel costs fulfill our obligations to you in connection to the Advertising Fund, and other uses that we determine to be appropriate and beneficial for some or all EPL Restaurants.

We provide you with promotional programs and point-of-purchase materials such as banners, clings, traditional menu panels, countertop merchandising (other and drive-thru merchandising), collectively referred to herein as "**POP Materials**". These will be furnished to you at no more than cost (including any related administrative, shipping, handling and storage charges). Additional POP Materials may also be purchased by you at no more than cost (including any related administrative, shipping, handling and storage charges).

Although it has been our practice to spend all advertising funds in the fiscal year in which they are collected, we reserve the right to spend such advertising funds in the next fiscal year to the extent we believe appropriate. We intend to balance our fund on an annual basis. From time to time, the Advertising Fund may experience either a surplus or deficit. In any fiscal year, we may spend an amount greater or less than the aggregate contributions made by EPL Restaurants to the Advertising Fund in that year. The Advertising Fund may borrow from us or from other lenders to cover deficits in the Advertising Fund or cause the Advertising Fund to invest any surplus for future use by the Advertising Fund. We do not act

as a trustee or in any other fiduciary capacity with respect to the Advertising Fund.

Upon request by you, and no more frequently than annually, we will provide to you an accounting describing any Advertising Fees received and expenditures reimbursed or made by us with respect to the Advertising Fund during the previous fiscal year. This accounting will not be audited.

We seek all franchisees' input regarding marketing through the Brand [Update Connect](#) ("**Brand UpdateConnect**"). This is a periodic web conference call available to all franchisees. This Brand [UpdateConnect](#) serves only in an advisory capacity and all advertising activities, whether national, regional or local, are determined and conducted by us as our sole and absolute right. We may also establish, change or dissolve the Brand [UpdateConnect](#), as our sole and absolute right.

We advertise in various media including broadcast and cable television, radio, newspaper, direct mail, programmatic and digital media, on our Website and via third party websites. The advertising is primarily developed by outside advertising agencies and is local and regional in scope.

For the fiscal year ended ~~December 25, 2024~~ [December 31, 2025](#), the advertising fund was used to pay for general development and production of advertising, promotional materials and agency fees (~~39%3.8%~~), DMA media placement (~~34%31.9%~~) and system-wide media placement (national) (~~27%34.3%~~). None of the fund was spent for advertising, principally a solicitation for the sale of franchises or for payments to us or our affiliates for goods or services.

- b) Local Advertising Fund: If the Restaurant is located in a DMA outside of the LA DMA, as our sole and absolute right to determine, a portion of your Advertising Fee may be allocated to a Local Advertising Fund ("**LAF**") for the Restaurant. You will be required to pay the Advertising Fee to us at the same time as your royalty payments pursuant to the Direct Debit Agreement (Exhibit 4 to the Franchise Agreement). The LAF monies are to be used for local marketing plans mutually developed by you and us, however we will have final approval on any local marketing plans and we will execute all local marketing plans on your behalf. Your participation in the LAF may impact the marketing support received from the Ad Fund. For these purposes, qualifying LAF expenditures include, but are not limited to: (a) amounts contributed to Advertising Associations (defined below); (b) amounts spent for advertising media, such as television, radio, newspaper, billboards, posters, direct mail, collateral and promotional items, advertising on vehicles (excluding the cost of any vehicle), and, if not provided by us, the cost of producing approved materials necessary to participate in these media; and (c) such other expenditures as we determine to be appropriate and beneficial for some or all of the EPL Restaurants that participate in the applicable LAF. Non-qualifying LAF expenditures include amounts spent for items which we, in our reasonable judgment, deem inappropriate for meeting the minimum advertising requirement, including, but not limited to: permanent on-premises signs (including traditional or

digital menu boards and hardware), transportation vehicles, marketing personnel salaries, public relations or advertising agency retainer, highway signs or any other signage for directional purposes only, store labor costs associated with the execution of any marketing program, lighting, administrative costs, Yellow Pages advertising, discounts/coupons offers, free offers, employee incentive programs, and any unapproved marketing or advertising materials. Franchisee may pay out of pocket for additional local marketing items and activities provided these items and activities are approved by Franchisor prior to use.

The following chart is the list of qualifying and non-qualifying LAF expenditures. (We reserve the right to revise the list from time to time and will make such revisions available to you at least 30 days prior to their effective date).

c) Qualifying Expenditures:

i) *In-Store Promotional Materials*, including:

1. Collateral/sales materials for local programs (locally developed programs and supporting materials are subject to EPL's prior written approval);
2. Catering/carry-out menus (printing and fulfillment costs); and
3. Printing and fulfillment costs for nutrition brochures.

ii) *Local Marketing Outside the Restaurant*, including:

1. Production costs of coupons (not redemption costs of coupons);
2. Promotional items used specifically for marketing activities;
3. Event expenditures, including sponsorship fees, signage at event; and
4. Marketing materials needed to execute local store marketing programs;
5. External media:
 - a. Print – newspaper, direct mail, FSI's;
 - b. Broadcast – radio and television;
 - c. Digital marketing (e.g., Digital video and audio, social media, and digital banners);
 - d. Cost of producing/customizing materials necessary to

participate in above media (only if the tools or resources for producing these materials are not already available); and

e. Out-of-home marketing, such as billboards, transit, mobile billboards, aerial banners, etc.

iii) Public Relations: Supplies and materials needed to execute public relations outreach programs.

iv) Other: All other expenses franchisees seek to include in LAF must be submitted for prior written approval to the El Pollo Loco® Marketing Department.

d) Non-Qualifying Expenditures:

i) Permanent on-premises signs (including traditional or digital menu boards and hardware);

ii) Transportation vehicles;

iii) Employee incentive programs;

iv) Discount/coupon offers, i.e., the redemption costs of any coupons;

v) Lighting;

vi) Administrative expenses;

vii) Store labor costs associated with the execution of any marketing program; and

viii) Any unapproved marketing or advertising materials.

You may pay out of pocket for additional marketing items provided these marketing items and activities are approved by us prior to use.

Advertising Approvals and Initial Advertising Costs

You may not engage in any advertising activities or erect, hand out or display any sign, poster, coupon, advertising or promotional material of any type without our prior written consent. You must submit to us for our prior approval, at least 30 days prior to the beginning of each fiscal year, a marketing plan for your market. This marketing plan may be submitted by all franchisees in your market through the applicable Advertising Association. If you are using materials not prepared by us and which vary from our standard advertising and promotional materials, they must be submitted to us for approval no less than 45 days prior to the beginning of that promotion or program. If submitted materials are not approved, they must be resubmitted again for our approval once they are revised. Ten business days are required for our initial review and approval of any

materials, and for subsequent review, and approval of revisions to the materials. You may not use any advertising or promotional materials that we have disapproved or that we have not approved. We will have the right to remove any unauthorized material at your expense.

In addition to your monthly Advertising Fee obligation, you must pay us \$5,000 three months prior to your Restaurant's expected opening to conduct Grand Opening advertising and promotional programs for your Restaurant mutually developed by you and us, approved and executed by us. Your Grand Opening advertising and promotion must take place during the time period between 15 days prior to the Restaurant's Opening Date and 45 days following the Restaurant's Opening Date. Upon your payment of the initial \$5,000, we will contribute \$5,000 towards the Restaurant's Grand Opening provided your Restaurant meets the following criteria: (i) your Restaurant will be located in a new DMA not previously developed by El Pollo Loco® (Franchised or Franchisor Restaurants), and (ii) your Restaurant is the 1st or 2nd new Restaurant opening in the DMA where your Restaurant will be located.

Advertising Associations

We have the right to establish local and/or regional Advertising Associations ("**Advertising Associations**") for EPL Restaurants in your local or regional area, covering the geographic areas we may designate from time to time. We have the right to form, change, dissolve or merge the Advertising Associations.

If we have established an Advertising Association in your DMA, you must participate in the Advertising Association and its programs and abide by its by-laws. You must contribute to the Advertising Association(s) those amounts as determined by the Advertising Association members from time to time in accordance with their bylaws. Any EPL Restaurant we own in the DMA or regional market area(s) will contribute the Advertising Association on the same basis. Contributions of up to 2% to the local and regional Advertising Associations are credited toward the Advertising Fee required by the Franchise Agreement; however, if we provide you and your local Advertising Association 90 days' notice of a special promotion, including, but not limited to, any regional promotions, you must participate in the promotion and also pay us any special promotion advertising fees assessed in connection with the program, beginning on the effective date of the notice and continuing until the special promotion is concluded. Any special promotion advertising fees will be in addition to, and not credited towards, the Advertising Fee required by the Franchise Agreement.

The Advertising Association bylaws and membership agreement are attached to this Disclosure Document as Exhibit 5 to the Franchise Agreement (Exhibit C). We may administer the Advertising Associations and collect your Advertising Association contributions by automatic electronic withdrawal. The financial statements of the Advertising Associations may be audited, and the reports will be made available to you. Each EPL Restaurant located within the area governed by the Advertising Association will have one (1) vote.

Computer Hardware and Software

You must obtain, install, and use the Micros Software System Applications (“**Micros**”), as described below, with minimum software and hardware configuration that we require or approve in writing. Micros software is the only approved POS application. Franchisees using Micros must comply with all PCI security requirements. You may not store consumer data outside of our approved environments. You must upgrade any computer-based system and/or obtain service and support as we require or as necessary because of technological developments. There are no contractual limitations on the frequency and cost of this obligation. We may condition any license of proprietary software to you, or your use of technology we develop or maintain. We may charge up-front and ongoing weekly or monthly fees for any proprietary software or technology licensed to you and for other maintenance and support services provided during the franchise term.

Micros

We use the Oracle Micros POS system, with associated Micros back-office software system which costs approximately \$15,000 to \$70,000. The POS system includes computer applications to be used by the Restaurant, including (a) back office software and point of sale software, (b) cash register systems; (c) physical, electronic, and other security systems; (d) printers and other peripheral devices; (e) archival back-up systems; and (f) internet access mode (for example, your telecommunications connection) and speed.

Micros will record all sales on serially numbered guest checks and provide a validated copy of same to each customer. Micros will communicate with our system and will permit us to electronically poll the daily sales, menu mix and other data we may deem necessary. Micros will be used for employee time-keeping and production planning and will also allow the seamless communication of daily financial and inventory information to our central processing facility. We will have independent access to the information generated by your Restaurants that use Micros and we have the right to retrieve data and information from Micros and use it for any reasonable business purpose, including marketing and financial analysis purposes, or for other such purposes as we may set forth in the Operations Manual or otherwise in writing. We will not share this information with any third parties except as part of information aggregated with other Franchised Restaurants and/or Franchisor Restaurants.

You must obtain, install, and use the computer software programs that we require with Micros (the “**Micros Required Software**”). You must utilize any proprietary software program that we may develop internally or with the assistance of outside suppliers or consultants or that we may license for use by the El Pollo Loco® System. We or our approved suppliers may condition any license of proprietary software to you, or your use of technology that we or our approved suppliers develop or maintain, on your signing a software license agreement or similar document that we or the approved supplier prescribe to regulate your use of, and our and your respective rights and responsibilities

concerning, the software or technology.

We may modify specifications for and components of the Computer System and Micros Required Software. Approved hardware and Micros Required Software must be purchased or leased from us or from suppliers approved by us and must be installed by us or by suppliers approved by us at your expense (including purchasing Used Micros or other approved hardware). All approved hardware components must be installed in accordance with our standards and procedures. Our modification of specifications for Micros and Micros Required Software may require you, at your expense, to purchase, lease, and/or license new or modified computer hardware and/or software and/or communications capabilities. Beginning in 2024, we began to upgrade from a legacy-thick client application to a cloud-based POS solution. This is an ongoing process which may require both software and hardware updates solely at your expense.

Micros is for use by you only in connection with operational and management tasks of your Restaurant. You may not use Micros for email, word processing, spreadsheets, web surfing, or any other personal applications or purposes not approved in writing by us ("**Personal Applications**"). However, you may run Personal Applications on a separate and personal computer and network provided by you, but the personal computer and network must run in "stand alone, isolated mode" and you must not interconnect any Personal Application with Micros. The support and maintenance of your personal computer and all its related and installed hardware, software, and network components is your sole responsibility. The development of custom applications, interfaces, extracts, imports and exports that facilitate integration to external third-party applications, unrelated to the operation of Micros that you require for your Personal Applications, will be your sole responsibility. In no way should the development or implementation of these interfaces impact the daily operation of your Restaurant or Micros. We reserve the right to require you to shut down those interfaces if we determine that they interfere with Micros operations, or the operation of your Restaurant. You will only install Franchisor approved Wi-Fi hardware to ensure security and controls are in place to protect and segment networks.

We may in the future require you to obtain and use a Computer System and software that is different from that which we currently require.

As part of the Micros Required Software, we currently require you to purchase the El Pollo Loco® Micros software bundle, and we require you to obtain a license to use the Oracle Reports & Analytics Portal. You will obtain this license when entering into the Support Agreement (Exhibit 7) to the Franchise Agreement (Exhibit C). The monthly cost for POS Software Services and Support and Oracle Reports & Analytics Portal is ~~\$1,050.25~~ \$1,019.25. This fee may increase depending on vendor price increases. ~~In addition, there will also be an annual fee of up to \$1,000 for Oracle Micros POS Software Support which is required to be able to receive Micros software updates.~~

We currently require you to obtain Broadband Internet access for the Computer System with a minimum performance standard based on current technology availability. The

average monthly cost of such Internet access is \$114. The minimum monthly cost is \$49 per month, while the maximum monthly cost is \$656 all depending on the availability of internet service at your particular Restaurant location. The service will be provided by us under the Support Agreement, and the cost of such service will be bundled into your required monthly computer maintenance cost, described below. We will order the high-speed communications service from our preferred supplier and supervise its installation. We also require you to obtain two dedicated phone lines to support the Computer System. In addition, we require you to purchase a firewall that we will specify.

Neither we nor our outside supplier(s) are required to provide you with ongoing maintenance, repairs, upgrades or updates to the Micros Required Software and any other required software. However, the Support Agreement currently provides one level of service, Platinum. The Platinum service monthly fees per Restaurant will be \$1, ~~1000~~50.25 for Platinum service which includes support for Micros Required Software only. However, such Platinum service monthly fee is a pass-through fee and may increase depending on vendor price increases. Helpdesk services include hardware dispatch management through an approved depot vendor, and vendor fees for hardware replacements may apply. Additional service fees may apply for on-site installation. These fees may increase depending on vendor price increases. In the event that we or our designated representative provide services which are outside the scope of the Platinum Services, you must pay the invoice(s) for such services upon demand at the Professional service rates described under Complete I.T. Operations Support plus materials, or if an outside designated representative is used, at the rate they charge plus materials.

We require use of technical vendors pre-approved by Franchisor that are authorized to handle support and/or installation of technology. This requirement ensures that all technical services meet the operation protocols set by Franchisor. By using approved vendors, installations are carried out correctly, maintenance is performed reliably, and potential issues are addressed by professionals who are familiar with our specific systems. This approach not only upholds the integrity of our brand standards but also minimizes risks associated with unauthorized or substandard service providers.

Operations Manual

The Operations Manual which is available in Pollo Zone is comprised of the three sections listed below . The Table of Contents for each section is attached as Exhibit G-H to this Disclosure Document.

a) Standard Operating Procedures in English language (Total number of pages - ~~152~~166),

b) Cleaning Program Procedures Binder in English and Spanish languages (Total number of pages - 301).

a)c) Recipe Cards in English and Spanish languages (Hot Prep (~~55-49~~ pages) and Cold Prep (~~39-43~~ pages)) and Build Cards in English (13 pages) (Total number of pages – ~~107~~5)

ITEM 12: TERRITORY

You will not receive an exclusive territory under the Franchise Agreement or Development Agreement. You may face competition from other franchisees, from outlets that we own, or from other channels of distribution or competitive brands that we control.

Franchise Agreement

You will operate your Restaurant from a location that we accept, or you may purchase a currently-operating Restaurant from us (a “**Turnkey Restaurant**”) or you may purchase a currently-operating Restaurant from a franchisee (a “**Turnkey Franchised Restaurant**”). You will not sign a Franchise Agreement until we have accepted your proposed site, and you have completed the purchase or lease of the proposed site. After you sign your Franchise Agreement and we agree on your Restaurant’s location, we will grant you a protected area of one-half (0.5) mile radiating from your Restaurant within which, absent your prior written consent, we will not, after the date of the Franchise Agreement and during the term of the Franchise Agreement, and so long as you are in compliance with your obligations under the Franchise Agreement, establish or franchise another to establish, another standalone or traditional inline EPL Restaurant under the Marks and System (the “**Protected Area**”). No Protected Area exists with respect to “**Ghost Kitchens**” which we define as a professional food preparation and cooking facility set up for the preparation of delivery-only meals whether or not the facility produces menu items for multiple brands or just for EPL Restaurants. Additionally, no Protected Area exists for EPL Restaurants located in “**Non-Traditional Venues**,” which we define as any of the following types of venues: regional shopping malls, airports, mass transit stations, professional sports stadiums and arenas, hotels and other types of lodging facilities, military bases, entertainment centers, amusement parks, casinos, universities and other types of schools, hospitals and other types of health care institutions, or similar types of captive market locations that we may designate. We will determine and designate those shopping malls that in our judgment qualify as a regional shopping mall based on the size of the shopping complex, number of anchor tenants, existence of dedicated parking space, existence of unrelated merchandisers, and prevailing consumer and industry perceptions.

Both parties retain all other rights and obligations in the Franchise Agreement including EPL’s absolute right to establish, or franchise any other person, to establish and operate EPL Restaurants at any location outside the Protected Area.

We retain the following rights in your Protected Area under the Franchise Agreement:

a) The right to merchandise and distribute goods and services identified by the Marks (including the same or similar products as sold by you at your Restaurant) to customers at any retail location, regardless of its proximity to your Restaurant’s location, through any method or channel of distribution, including, without limitation, at retail locations such as grocery or convenience stores and via the Internet, telemarketing, and direct marketing means, or through other, non-EPL restaurants, having the same or

similar menu items or through any other distribution channel; and

b) The right to establish and operate and franchise other restaurants (not using the Marks) having the same or similar menu items, whether within or outside of the Protected Area.

Franchise Development Agreement

We may offer you the opportunity to enter into a Franchise Development Agreement (the "**Development Agreement**") (Exhibit F to this Disclosure Document) for the right to develop and open either a single Restaurant or multiple Restaurants within a specified territory as set forth in Exhibit A to the Development Agreement (the "**Territory**"). If you are opening a single Restaurant under the Development Agreement, the specified address of your Restaurant location will be your Territory under the Development Agreement. If you plan on developing multiple units under the Development Agreement, the required number of Restaurants, the timeframe for the development of those Restaurants, and your Territory (which will be a geographic area that we mutually agree upon) will be set forth on Exhibits A and B to the Development Agreement.

Under a multi-unit Development Agreement, you must submit to us a proposed market plan for the Territory, which will be subject to our review and approval on an annual basis. We must approve each proposed site. The term of the Development Agreement commences on the date specified in Exhibit B to the Development Agreement (the "**Development Schedule**") and terminates on the earlier of the termination date specified in the Development Schedule or the signing of the Franchise Agreement for the last Restaurant required under the Development Schedule.

The development rights under the Development Agreement may or may not be exclusive. If we grant you exclusive rights, those rights are coterminous with the Development Agreement term and expire upon its termination or expiration. Even if we grant you exclusive development rights, we retain the right to continue the operation of any Franchisor Restaurants or Franchised Restaurants located within the Territory on or before the date of the Development Agreement. Your territorial rights are also subject to any prior territorial rights of other franchisees, whether or not currently enforced.

If you are granted exclusive development rights, as of the date of the Development Agreement and during the term of the Development Agreement, and so long as you are in compliance with your obligations under the Development Agreement, we will, absent your prior written consent, neither: (1) grant development rights to anyone else with respect to your Territory or any part of your Territory; nor (2) establish or franchise any person to establish an EPL Restaurant under the Marks and System at any location within the Territory. We retain the following rights within your Territory under the Development Agreement:

a) The right to establish and operate or franchise others to establish and operate an EPL Restaurant located outside the Territory;

b) The right to sell the same or similar products (whether or not using the Marks), as will be sold by you in a developed EPL Restaurant, to customers at any retail location (whether within or outside the Territory), through any method or channel of distribution, including, without limitation, at retail locations such as grocery or convenience stores and via the Internet, telemarketing and direct marketing means, through ghost kitchens (defined as a professional food preparation and cooking facility set up for the preparation of delivery-only meals. For purposes of this definition, it makes no difference if the facility produces menu items for multiple brands or just for EPL Restaurants), or other, non-EPL restaurants having the same or similar menu items, through any other distribution channel, or through non-traditional restaurants in the following types of venues: a regional shopping malls, airports, mass transit stations, professional sports stadiums and arenas, hotels and other types of lodging facilities, military bases, entertainment centers, amusement parks, casinos, universities and other types of schools, hospitals and other types of health care institutions, and similar types of captive market locations that we may designate. We will determine and designate those shopping malls that in our judgment qualify as a regional shopping mall based on the size of the shopping complex, number of anchor tenants, existence of dedicated parking space, existence of unrelated merchandisers, and prevailing consumer and industry perceptions;

c) The right to establish and operate or franchise others to establish and operate restaurants (not using the Marks) having the same or similar menu items whether within or outside the Territory; and

d) The right to continue to operate, and to permit the continued operation by another franchisee of EPL, of an EPL Restaurant within the Territory which was opened on or before the date of your Development Agreement.

In addition to the requirement that you comply with all of the terms of the Development Agreement, continuation of your development rights is contingent upon (a) your meeting RESAC site submittal timeframes (b) franchising each Restaurant by executing our then-current standard Franchise Agreement for each Restaurant as required by the precise dates set forth in the Development Schedule; and (c) satisfying all financial and operational criteria then in effect at the time of signing each Franchise Agreement and ancillary documents. Loss of your development rights under the Development Agreement, in and of itself, will not affect any of your Restaurants which are then currently opened and operating. However, as a result of your failure to comply with the terms of the Development Agreement, we reserve the right to modify or eliminate the Territory, your rights in the Territory, and/or the Development Schedule or terminate the Development Agreement.

You do not receive the right to acquire additional franchises in your area except pursuant to a Development Agreement. Under some circumstances, we may grant you the right to extend the term of your Development Agreement or to obtain additional territory through rights of first refusal, rights of first offer or options.

Any territorial exclusivity granted to you is (i) under a Development Agreement and in most cases, only for the term of the Development Agreement, and (ii) not contingent on a minimum sales volume or market penetration. You may, however, lose your territorial exclusivity if you fail to meet the Development Schedule as set forth in your Development Agreement or otherwise breach the Development Agreement. The Territory granted to you under the Development Agreement will differ depending upon the geographic area you wish to develop and the number of units you wish to develop.

Rebuilding or Relocation

If your Restaurant is damaged or destroyed (to the extent that it must be closed for repairs for more than 60 days), taken by condemnation proceedings, or if your lease is terminated through no fault of your own, you must, at our option, relocate your Restaurant (upon our approval of a new location), terminate the Franchise Agreement or, in the case of damage, rebuild the Restaurant subject to our written approval. If we require you to relocate your Restaurant, you must sign our then-current Development Agreement and then-current Franchise Agreement (after we have approved your new location), and you will be subject to the Development Disputes Procedures as contained in each of these agreements, as described above in this Item.

ITEM 13: TRADEMARKS

The following principal trademarks ("**Marks**") have been registered by us on the Principal Register of the United States Patent and Trademark Office ("**PTO**"):

Title	Registration No	Registration Date
EL POLLO LOCO	1237518	May 10, 1983
EL POLLO LOCO	3162229	Oct. 24, 2006
EL POLLO LOCO FLAME-GRILLED MEXICAN CHICKEN	3262640	July 10, 2007
EL POLLO LOCO FLAME-GRILLED MEXICAN CHICKEN	3288881	Sept. 4, 2007
	5716971	April 2, 2019
	3262641	July 10, 2007
	5267575	Aug. 15, 2017
	3320540	Oct. 23, 2007
	3331273	Nov. 6, 2007
	5341944	Nov. 21, 2017
	5588043	Oct. 16, 2018
	5921556	Nov. 26, 2019
	7342573	Apr. 2, 2024
LOCO REWARDS	5509558	July 3, 2018
POLLO ZONE	5339353	Nov. 21, 2017
POLLO BOWL	2132185	Jan. 27, 1998
CLASSIC CHICKEN BURRITO	2639261	Oct. 22, 2002
BRC BURRITO	6136458	Aug. 25, 2020
ORIGINAL BRC BURRITO	6136459	Aug. 25, 2020
POLLO FIT	7395360	May 28, 2024
DOUBLE POLLO FIT	98189124	Sept. 20, 2023

We have timely filed or intend to timely file, with the USPTO all required affidavits of use and renewal applications, when due, for the Proprietary Marks. There are no currently effective material determinations of the PTO, the trademark administrator of any state or any court, nor are there any pending infringement, opposition or cancellation proceedings or material litigation involving the Marks. There are no agreements currently in effect which significantly limit our right to use or license others to use of the Marks in a manner material to you.

If our right to use those trademarks is challenged, you may have to change to an alternative trademark, which may increase your operating expenses.

Franchise Agreement

The Franchise Agreement grants you the right to use the Marks, including "**El Pollo Loco**" and other Marks we authorize with respect to your Restaurant. If we believe, as our sole and absolute right, that it is advisable for you to modify or discontinue use of any Mark or to use one or more additional or substitute names or marks, you must comply with our directions and our sole obligation in this event will be to reimburse you for your actual and direct compliance costs.

You must immediately notify us of any claim of infringement or challenge to your use of any Mark. We will protect and defend you against any claim or challenge and it is our sole and absolute right to take any action we deem appropriate. You must cooperate fully with us in the prosecution or defense of any claim or challenge. We will reimburse you for any damages for which you may be found liable if you immediately notified us of the claim and used the relevant mark in accordance with the Franchise Agreement.

Development Agreement

The Development Agreement grants you limited rights to use of the Marks. Your right to use the Marks is derived primarily from the Franchise Agreements you enter into with us. You may not use any Mark as part of a corporate or legal business name or in any other manner not authorized in writing by us. We do not know of any infringing uses of the Marks that could materially affect your use of the Marks.

ITEM 14: PATENTS, COPYRIGHTS AND PROPRIETARY INFORMATION

There are no patents or currently pending patents that are material to the franchise.

We claim copyright protection for our Operations Manual, training materials, food safety and standards visitation forms and guidelines, menu formats, advertising designs and the like. Any of these items reproduced by you, as authorized by us, must bear a copyright notice in the form we specify. We consider certain information relating to the development and operations of EPL Restaurants to be trade secrets and proprietary information. This information includes:

- a) ingredients, formulas, recipes, and methods of preparation and presentation of certain food products;
- b) plans and specifications for the development of EPL Restaurants;
- c) sales, marketing and advertising programs and techniques for EPL Restaurants;
- d) knowledge of specifications for, and suppliers of, certain food products, materials, supplies and equipment; and
- e) methods of inventory control, storage, product handling and management of EPL Restaurants.

You may not use our proprietary or confidential information in an unauthorized manner and must take reasonable steps to prevent its disclosure to others. Among other things, we consider our list of systemwide approved suppliers and distributors to be confidential and proprietary information which cannot be disseminated to third parties without our prior written consent. Under the Franchise Agreement you must:

- a) Fully and strictly adhere to all security procedures prescribed by us for maintaining the confidentiality of our proprietary information;
- b) Exercise the highest degree of diligence in protecting the secrecy of the proprietary or confidential information during and after the term of the Franchise Agreement;
- c) Disclose proprietary or confidential information to your employees only to the extent necessary for the efficient operation of the Restaurant in accordance with the Franchise Agreement and insure they will maintain its confidentiality; and
- d) Not use any proprietary and confidential information in any other business other than another EPL Restaurant operated under the Franchise Agreement.

e) Franchisee's good faith communications with governmental agencies or regulators regarding Franchisor's conduct is not restricted, provided that the Franchisee reasonably believes that the content of its communications is true and accurate.

There currently are no effective determinations of the Copyright Office (Library of Congress) or any court regarding any of the copyrighted materials. Nor are there any agreements currently in effect which significantly limit our right to use or authorize you to use the copyrighted materials. Further, there are no infringing uses actually known to us which could materially affect your use of the copyrighted materials in any state.

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

You must participate personally in the direct operation of your Restaurant and attend Franchisor operations and business results meetings on or off (Restaurant) site or via video call, at Franchisor's discretion. We recommend your direct "on-premises" supervision to promote Restaurant performance by containing controllable costs, guiding and directing Restaurant employees and enforcing quality standards for Restaurant operation as set forth in the Operations Manual policies and procedures.

You must appoint a Designated Operator to supervise all franchise activities. The Designated Operator is the ultimate expert on EPL operational standards and procedures as outlined in the Operations Manual, who will devote 100% of their time and best efforts to the supervision of the business and operations of your Restaurant(s). The Designated Operator must meet Franchisor's educational experience, financial and other reasonable criteria for such position or otherwise in writing by Franchisor. You may designate yourself as the Designated Operator. The Designated Operator must: (i) satisfactorily complete the DOTP comprising of 50 days over a continuous 10-week period, however, the ~~DOTP~~ may be adapted reducing the time spent training depending on the Designated Operator's previous experience and educational certifications or licenses, applicable to the Designated Operator's training, (ii) be certified in the FPMTP, and (iii) be approved by EPL prior to the opening of the Restaurant. The Designated Operator shall devote their full time to the supervision of the business, operations of the Restaurant, all franchise activities, including but not limited to, attending Franchisor operations and business results meetings on or off (Restaurant) site or via video call, at Franchisor's discretion, and any other ~~El Pello Loco~~[®]-Restaurant(s) owned by you. ~~The Designated Operator may also be designated as a General Manager.~~

If at any time, for any reason, the Designated Operator ceases to perform those duties on behalf of the Restaurant(s), at your expense, you shall either: (a) appoint a new Designated Operator within 90 days subject to EPL prior written approval, and the newly appointed Designated Operator must satisfactorily complete the EPL DOTP and become certified in the FPMTP within 70 days from EPL's approval of the newly appointed Designated Operator; or (b) assume the duties of the Designated Operator and complete the EPL management training program (including the DOTP and FPMTP) within 160 days if not previously completed within the last 36 months. You must also comply with any applicable transfer provisions of your Franchise Agreement if the change in your Designated Operator results in a change in the equity ownership of the Restaurant.

Each Restaurant must be managed by not less than 4 Managers who have successfully completed the MTP as a General Manager, Assistant Manager, or Shift Leader; who have become certified in the FPMTP; and who will assume responsibility for the day-to-day management of the operations of the Restaurant, including the preparation of food products, accounting and the supervision and training of personnel. The Managers may be required to sign a confidentiality agreement. Each and every shift must have a Manager in charge.

You must enter into all agreements, including a personal guarantee with us, as an individual. You may then request to transfer ownership of the franchise rights to an entity you control. We may approve such request upon your satisfaction of certain conditions set forth in Section 17 of the Franchise Agreement (Exhibit C). However, you, individually, will still remain financially responsible for the entity. Also, we will require that one or more of the partners, shareholders or members of assignee, as the case may be, and you, to execute a personal guarantee, in form and substance satisfactory to us, guaranteeing the franchisee's entities obligations and liabilities. A copy of the Personal Guarantee is set forth in Exhibit 2 to the Franchise Agreement (Exhibit C). The number and identity of those partners, shareholders and members of assignee which will be required to execute guarantees shall be those persons and entities which, in our reasonable judgment, have a sufficient net worth to ensure the franchisee's entities performance under this Agreement. All other individuals with an ownership interest in the entity will be considered **"Investors"** and will be required to execute the Investor Covenants Regarding Confidentiality and Non-Competition is set forth in Exhibit 3 to the Franchise Agreement (Exhibit C).

If you transfer your franchise rights to a corporation, partnership or limited liability company, it also shall demonstrate to our reasonable satisfaction that it has established transfer instructions prohibiting the transfer on its records of any equity securities, partnership interests or ownership interests in violation of the requirements set forth in Section 17 of the Franchise Agreement (Exhibit C) and that each stock, partnership or ownership certificate of Franchisee shall have conspicuously endorsed upon its face a statement in form satisfactory to us that the assignment or transfer is subject to all of the restrictions imposed upon assignments by the Franchise Agreement (Exhibit C);

ITEM 16: RESTRICTIONS ON WHAT THE FRANCHISEE MAY SELL

EPL Restaurants present a common menu consisting primarily of fire-grilled chicken and related food items. Only approved food items may be sold in your Restaurant. You must offer at your Restaurant all those products and services we require, including those items specified in the standard EPL menu, plus specials and featured items which we designate. Specials and featured items designated by us are considered to be part of the EPL menu and must be made available on the days and times we specify.

The EPL proprietary chicken marinade and marinade mix may be used only in the preparation of food items at your Restaurant and may not be sold to the public or otherwise dispensed.

You may only offer products or services at your Restaurant which we have authorized. No vending, cigarette, video game or other coin-operated machines are permitted in your Restaurant unless you have obtained our prior written approval.

The Development Agreement neither gives you the right to operate an El Pollo Loco® Restaurant nor sell El Pollo Loco® Products.

ITEM 17: RENEWAL, TERMINATION, TRANSFER AND DISPUTE RESOLUTION

The Franchise Relationship

Franchise Agreement

This table lists important provisions of the Franchise Agreement. You should read these provisions in the Franchise Agreement attached to this Disclosure Document.

Provision	Section in Franchise Agreement	Summary
a. Length of the franchise term	Section 3	20 years from the date you open your Restaurant to the public, subject to earlier termination. A different initial term may be offered as our sole and absolute right, such as to match your (sub)lease.
b. Renewal or extension of the term	Section 20	Subject to the satisfaction of certain conditions, you have the right to sign a new Franchise Agreement for your Restaurant for a 10 year successor franchise under then-current Franchise Agreement. This new franchise agreement may have different terms and conditions such as a different protected area, higher royalty and/or advertising fees, no additional successor or renewal term upon expiration and other modifications to reflect that the new franchise agreement relates to the grant of a renewal. A different successor term other than a 10-year successor term may be offered as our sole and absolute right to determine, such as to match your (sub)lease. <u>Additionally, we may agree to enter into an Amendment to your Franchise Agreement to temporarily extend the term to allow you additional time to complete a remodel or real estate issues.</u>
c. Requirements for franchisee to renew or extend	Section 20	In order to be granted a successor franchise, you must: be in compliance with Franchise Agreement; maintain right to possession of premises for the term of successor franchise; give 360 days' notice; Remodel the Restaurant prior to effective date of successor franchise; pay renewal fee; and sign a General Release (<u>Exhibit 8 to the Franchise Agreement</u>). <u>Additionally, we may agree to enter into an Amendment to your Franchise Agreement to temporarily extend the term to allow you additional time to complete a remodel or real estate issues.</u>
d. Termination by franchise	Sections 18 and 23.17	You may terminate only if material breach by us and we have been given notice and a reasonable opportunity to cure of not less than 60 days (or longer if we cannot reasonably cure the breach within 60 days) or if the Restaurant is closed for more than 60 days by damage or destruction.
e. Termination by franchisor without cause	None	None

Provision	Section in Franchise Agreement	Summary
f. Termination by franchisor with cause	Section 18	Noncompliance or default.
g. "Cause" defined curable defaults	Section 18	Failure to pay fees, rent, taxes, default under any loan from us, failure to comply with standards, or default under lease. Default under any agreement with us is subject to Cross-Default, Termination and/or Cross-Termination of all agreements with EPL.
h. "Cause" defined non-curable defaults	Section 18	Non curable defaults: Restaurant abandonment; bankruptcy; foreclosure; loss of lease; felony conviction; failure to meet development deadlines; unapproved assignment; health and safety violation; material misrepresentation; unfavorable conduct damaging the reputation of the brand; imminent danger (or perceived imminent danger) to public health & safety; failure to correct deficiency on Inspection Report causing any material adverse effect; repeated defaults even if cured; Franchisee or any owner, co-owner or principal of the franchise is convicted of a felony, a crime involving moral turpitude, or any other crime or offense that is reasonably likely to adversely affect the El Pollo Loco® System, the goodwill associated therewith, or Franchisor's interest therein. Non-curable default under any agreement with us is subject to Cross-Default, Termination and/or Cross-Termination of all agreements with EPL.
i. Franchisee's obligations on termination/non-renewal	Section 19	Pay amounts owed, discontinue use of Marks and confidential information; return materials; comply with covenant not to compete.
j. Assignment of contract by franchisor	Section 17	Assignee must assume all obligations.
k. "Transfer" by franchisee defined	Section 17	Includes sale, lease, assignment, encumbrance or any other transfer of any ownership interest, in the franchise agreement, franchise business, franchisee, Restaurant premises, Restaurant profits or assets.
l. Franchisor's approval of transfer by franchisee	Section 17	Every transfer is subject to prior written approval by us. You may not transfer any interest to publicly-traded company.

Provision	Section in Franchise Agreement	Summary
m. Conditions for franchisor approval of transfer	Section 17	You and/or Assignee must: • pay the applicable assignment fee and any reimburse us for reasonable attorneys' fees; • have satisfactory operational and financial capability of assignee; • have satisfactory reputation and character of assignee; • sign the then current form of Franchise Agreement (which may contain terms that are materially different from those contained in the original Franchise Agreement; • Remodel the Restaurant to current standards; • be in full performance and compliance by you under your Franchise Agreement; • execute a General Release (<u>Exhibit 8 to the Franchise Agreement</u>); • execute a Consent to and Assignment of Franchise Rights (<u>Exhibit 9 to the Franchise Agreement</u>); individual Assignee or those with 10% of more equity interest in assignee must sign personal guarantee and other with equity interest must sign Investor Covenants Regarding Confidentiality and Non-Competition (<u>Exhibit 3 to the Franchise Agreement</u>); • Assignee must satisfy all other then-current criteria for new franchisees which criteria may change occasionally.
n. Franchisor's right of first refusal to acquire franchisee's business	Section 17	We have to exercise our right within 30 days of your notifying us of terms and conditions and provide us with all information we request to evaluate the offer. If the assignment of your stock or other equity ownership interest is in an entity, we may purchase your interest together with the ownership interests of non-assigning shareholders, members, partners or other equity owners.
o. Franchisor's option to purchase Franchisee's business	Section 19	We have the right to purchase tangible Restaurant assets upon termination or expiration of Franchise Agreement.
p. Death or disability of Franchisee	Section 17	Must meet general assignment requirements.

Provision	Section in Franchise Agreement	Summary
q. Non-competition covenants during the term of the franchise	Section 21.7	You cannot either directly or indirectly, for itself, or through or on behalf of, or in conjunction with any person, partnership, corporation or other entity, own, operate, control or have any financial interest in any Competitive Business. A "Competitive Business" means a self-service restaurant or fast-food business which sells chicken and/or Mexican food products, which products individually or collectively represent more than 20% of the revenues from such self-service restaurant or fast-food business operated at any one location during any calendar quarter. A "Competitive Business" shall not include a full-service restaurant or a quick-service restaurant or fast-food business that sells certain chicken pieces such as, only chicken wings and drumsticks (with or without bones) or only chicken tenders which represents more than 80% of the revenues from such restaurant or business.
r. Non-competition covenants after the franchise is terminated or expires	Section 21.7	You cannot either directly or indirectly, for itself, or through or on behalf of, or in conjunction with any person, partnership, corporation or other entity, own, operate, control or have any financial interest in any Competitive Business. A "Competitive Business" means a self-service restaurant or fast-food business which sells chicken and/or Mexican food products, which products individually or collectively represent more than 20% of the revenues from such self-service restaurant or fast-food business operated at any one location for 2 years within 5-mile radius of your Restaurant (subject to state law). A "Competitive Business" shall not include a full-service restaurant or a quick-service restaurant or fast-food business that sells certain chicken pieces such as, only chicken wings and drumsticks (with or without bones) or only chicken tenders which represents more than 80% of the revenues from such restaurant or business.
s. Modification of the agreement	Section 23.6	No modifications unless in writing signed by us and you.
t. Integrations/merger clause	Section 23.7	Franchise Agreement is complete and exclusive expression of agreement, other than the representations contained in this Disclosure Document.
u. Dispute resolution by mediation	Section 22	All disputes (other than a few specified exemptions) will attempt to be resolved first through negotiation and mediation.
v. Choice of forum	Section 23.8	Litigation must be in California (subject to state law).
w. Choice of law	Section 23.8	California law applies (subject to state law).
x. Waiver of punitive or exemplary damages	Section 23.9	Both parties waive their right to receive an award of punitive or exemplary damages.

Development Agreement

This table lists important provisions of the Development Agreement. You should read these provisions in the Development Agreement attached to this Disclosure Document.

Provision	Section in Development Agreement	Summary
a. Length of the development term	Section 4 and Exhibit B	Earlier of termination date or date last Restaurant listed in Development Schedule opened.
b. Renewal or extension of the term	Not Applicable	Not Applicable.
c. Requirements for developer to renew or extend	Not Applicable	Not Applicable.
d. Termination by developer	Section 10	You may terminate agreement upon our receipt of notice.
e. Termination by franchisor without cause	None	Not Applicable.
f. Termination by franchisor with cause	Section 11	Violation of any covenant term within the Development Agreement; inability to pay debts; assignment to creditors; order, judgment or decree requiring dissolution of the Developer; lien or other encumbrance on your property or assets; failure to comply with Development Schedule, bankruptcy, assignment without our prior written consent; abandonment of Restaurant.
g. “Cause” defined curable defaults	Section 11	Lien or other encumbrance on your property or assets. Default under any agreement with Franchisor is subject to Cross-Default, Termination and/or Cross-Termination of all agreements with Franchisor.
h. “Cause” defined non-curable defaults	Section 11	Violation of any covenant term within the Development Agreement; Inability to pay debts; assignment to creditors; order, judgment or decree requiring dissolution of the Developer; failure to comply with Development Schedule, bankruptcy, assignment without our prior written consent; abandonment of Restaurant; Franchisee or any owner, co-owner or principal of the franchise is convicted of a felony, a crime involving moral turpitude, or any other crime or offense that is reasonably likely to adversely affect the El Pollo Loco® System, the goodwill associated therewith, or Franchisor’s interest therein. Non-curable default under any agreement with Franchisor is subject to Cross-Default, Termination and/or Cross-Termination of all agreements with Franchisor.

Provision	Section in Development Agreement	Summary
i. Developer's obligations on termination/non-renewal	None	You cannot either directly or indirectly, for itself, or through or on behalf of, or in conjunction with any person, partnership, corporation or other entity, own, operate, control or have any financial interest in any Competitive Business which is located or has outlets or restaurant units within the Territory. A "Competitive Business" means a self-service restaurant or fast-food business which sells chicken and/or Mexican food products, which products individually or collectively represent more than 20% of the revenues from such self-service restaurant or fast-food business operated at any one location during any calendar quarter. A "Competitive Business" shall not include a full-service restaurant or a quick-service restaurant or fast-food business that sells certain chicken pieces such as, only chicken wings and drumsticks (with or without bones) or only chicken tenders which represents more than 80% of the revenues from such restaurant or business.
j. Assignment of contract by franchisor	Section 8	Development Agreement is fully assignable by us.
k. "Transfer" by developer defined	Section 8	Sale, transfer, lease, merger, in whole or in part, by operation of law or otherwise.
l. Franchisor's approval of transfer by developer	Section 8	Development Agreement is personal to you and you have no assignment rights.
m. Conditions for franchisor approval of transfer	Section 8	You must have our prior written consent which is our sole and absolute right; assignee must meet then-current criteria of Franchisor for new franchisees of EPL.
n. Franchisor's right of first refusal to acquire developer's business	None	Not Applicable.
o. Franchisor's option to purchase developer's business	None	Not Applicable.
p. Death or disability of Developer	Section 8.2	Development Agreement may not be assigned by operation of law.

Provision	Section in Development Agreement	Summary
q. Non-competition covenants during the term of the franchise	Section 20	You cannot either directly or indirectly, for itself, or through or on behalf of, or in conjunction with any person, partnership, corporation or other entity, own, operate, control or have any financial interest in any Competitive Business. A "Competitive Business" means a self-service restaurant or fast-food business which sells chicken and/or Mexican food products, which products individually or collectively represent more than 20% of the revenues from such self-service restaurant or fast-food business operated at any one location during any calendar quarter. A "Competitive Business" shall not include a full-service restaurant or a quick-service restaurant or fast-food business that sells certain chicken pieces such as, only chicken wings and drumsticks (with or without bones) or only chicken tenders which represents more than 80% of the revenues from such restaurant or business.
r. Non-competition covenants after the franchise is terminated or expires	Section 20	You cannot either directly or indirectly, for itself, or through or on behalf of, or in conjunction with any person, partnership, corporation or other entity, own, operate, control or have any financial interest in any Competitive Business. A "Competitive Business" means a self-service restaurant or fast-food business which sells chicken and/or Mexican food products, which products individually or collectively represent more than 20% of the revenues from such self-service restaurant or fast-food business operated at any one location during any calendar quarter. A "Competitive Business" shall not include a full-service restaurant or a quick-service restaurant or fast-food business that sells certain chicken pieces such as, only chicken wings and drumsticks (with or without bones) or only chicken tenders which represents more than 80% of the revenues from such restaurant or business.
s. Modification of the agreement	Section 15	No modification of the Development Agreement unless in writing signed by us and you.
t. Integrations/merger clause	Section 15	Only terms of Development Agreement are binding; other promises not enforceable.
u. Dispute resolution by mediation	Section 16	All disputes (except a few specified exemptions) will attempt to be resolved first through negotiation and mediation.
v. Choice of forum	Section 18	Litigation must be in California (subject to state law).
w. Choice of law	Section 18	California law applies (subject to state law).

ITEM 18: PUBLIC FIGURES

We do not use any public figure in our franchise name or symbol or for the endorsement or recommendation of the sale of an El Pollo Loco® franchise to prospective franchisees.

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 the information is included in the disclosure document. Financial performance information that differs from that included in this Item 19 may only 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.

Written substantiation for the following financial performance representations will be provided to you upon reasonable written request.

The following information reflects certain financial performance for Franchisor Restaurants and Franchised Restaurants in the United States (together "**EPL Restaurants**") that were operating during the entire 2024 2025 fiscal year (which started on December 28, 2023 December 26, 2024 and ended on December 25, 2024 December 31, 2025) excluding EPL Restaurants that were temporarily closed for seven or more days and that opened during 2024 2025.

	<u>Transferred from Franchisee to Franchisor</u>	<u>Temporarily Closed for 7 or More Days in 2025</u>	<u>Permanently Closed</u>	<u>Opened During 2025</u>	<u>Reporting Group</u>
<u>Franchised Restaurants</u>	<u>(1)</u>	<u>1</u>	<u>0</u>	<u>8</u>	<u>319</u>
<u>Franchisor Restaurants</u>	<u>1</u>	<u>1</u>	<u>0</u>	<u>1</u>	<u>172</u>
<u>EPL Restaurants (Total)</u>	<u>0</u>	<u>2</u>	<u>0</u>	<u>9</u>	<u>491</u>

The reporting group of EPL Restaurants includes Franchised Restaurants that were transferred during our 2024 2025 fiscal year in a Franchisee-to-Franchisee transfer but excludes EPL Restaurants that initially opened or closed permanently during our 2024 2025 fiscal year. The reporting group also excludes EPL Restaurants that were the subject of a transfer between us and a Franchisee during our 2024 2025 fiscal year.

The financial performance information presented consists of average net sales for all EPL Restaurants in the reporting group. We compiled the data for Franchisor Restaurants from our financial statements prepared internally by EPL's management. Our results have not been compiled, reviewed or audited by EPL's auditors. We compiled the data for Franchised Restaurants in the reporting group from the sales reports submitted to us by Franchisees, who prepared their reports internally. We have not independently audited or verified the information provided by Franchisees and do not know if all reporting Franchisees have prepared their sales reports on a basis consistent with generally accepted accounting principles.

We have used our discretion in deciding if an EPL Restaurant closure during our ~~2024~~2025 fiscal year was temporary or permanent. Temporary closures of the EPL Restaurant were due to fire, remodel or seasonal campus locations. To be counted as a temporary closure, the EPL Restaurant must have been closed to the public for more than 7 days.

Net Sales of EPL Restaurants for Fiscal Year ~~2024~~2025

The net sales of EPL Restaurants in the reporting group is presented below for the following building categories:

- a) EPL Restaurants with Drive-Thru ("**DT**")
- b) EPL Restaurants without Drive-Thru ("**Others**")
- c) All EPL Restaurants

		(A) ¹		
		<u>EPL Restaurants with Drive-Thru</u>		
		<u>Franchised Restaurants</u>	<u>Franchisor Restaurants</u>	<u>Total EPL Restaurants</u>
<u>Tier 1</u> <u>Top 25%</u>	<u>Average Net Sales Per EPL Restaurant</u>	<u>3,347,634</u>	<u>3,195,197</u>	<u>3,299,694</u>
	<u>Median Net Sales Per EPL Restaurant</u>	<u>3,182,772</u>	<u>3,119,462</u>	<u>3,182,772</u>
	<u>Total # of EPL Restaurants</u>	<u>72</u>	<u>41</u>	<u>112</u>
	<u>No. of EPL Restaurants Over Average</u>	<u>28</u>	<u>18</u>	<u>42</u>
<u>Tier 2</u> <u>Mid-high</u> <u>51% - 75%</u>	<u>Average Net Sales Per EPL Restaurant</u>	<u>2,387,927</u>	<u>2,544,150</u>	<u>2,451,729</u>
	<u>Median Net Sales Per EPL Restaurant</u>	<u>2,396,654</u>	<u>2,556,829</u>	<u>2,440,245</u>
	<u>Total # of EPL Restaurants</u>	<u>71</u>	<u>40</u>	<u>112</u>
	<u>No. of EPL Restaurants Over Average</u>	<u>37</u>	<u>22</u>	<u>55</u>
<u>Tier 3</u> <u>Mid-low</u> <u>26%-50%</u>	<u>Average Net Sales Per EPL Restaurant</u>	<u>1,878,181</u>	<u>2,039,636</u>	<u>1,943,528</u>
	<u>Median Net Sales Per EPL Restaurant</u>	<u>1,901,999</u>	<u>2,027,709</u>	<u>1,947,808</u>
	<u>Total # of EPL Restaurants</u>	<u>71</u>	<u>40</u>	<u>111</u>
	<u>No. of EPL Restaurants Over Average</u>	<u>36</u>	<u>19</u>	<u>58</u>
<u>Tier 4</u> <u>Lowest 25%</u>	<u>Average Net Sales Per EPL Restaurant</u>	<u>1,284,394</u>	<u>1,603,052</u>	<u>1,386,643</u>
	<u>Median Net Sales Per EPL Restaurant</u>	<u>1,296,631</u>	<u>1,654,448</u>	<u>1,430,180</u>
	<u>Total # of EPL Restaurants</u>	<u>71</u>	<u>41</u>	<u>112</u>
	<u>No. of EPL Restaurants Over Average</u>	<u>38</u>	<u>23</u>	<u>63</u>
<u>Total</u> <u>All Restaurants</u>	<u>Average Net Sales Per EPL Restaurant</u>	<u>2,228,475</u>	<u>2,346,171</u>	<u>2,271,130</u>
	<u>Median Net Sales Per EPL Restaurant</u>	<u>2,087,969</u>	<u>2,283,681</u>	<u>2,150,525</u>
	<u>Total # of EPL Restaurants</u>	<u>285</u>	<u>162</u>	<u>447</u>
	<u>No. of EPL Restaurants Over Average</u>	<u>127</u>	<u>74</u>	<u>208</u>
	<u>Maximum Sales</u>	<u>5,042,463</u>	<u>4,478,370</u>	<u>5,042,463</u>
	<u>Minimum Sales</u>	<u>727,366</u>	<u>925,291</u>	<u>727,366</u>

¹ Calculation Methodology:

- 285 Franchise Restaurants with a drive-thru were assigned to the appropriate tier by Net Sales ranking.
- 162 Franchisor Restaurants with a drive-thru were assigned to the appropriate tier by Net Sales ranking.
- 447 Restaurants with a drive-thru were assigned to the appropriate tier by Net Sales ranking.
- Franchised Restaurants, Franchisor Restaurants, and Total EPL Restaurants in the with drive-thru category are calculated independently of each other. Therefore, the Total EPL Restaurants may not total the Franchised Restaurants, Franchisor Restaurants in this category.

		(B) ²		
		<u>EPL Restaurants without Drive-Thru</u>		
		<u>Franchised Restaurants</u>	<u>Franchisor Restaurants</u>	<u>Total EPL Restaurants</u>
<u>Tier 1</u> <u>Top 25%</u>	<u>Average Net Sales Per EPL Restaurant</u>	<u>2,442,186</u>	<u>2,220,531</u>	<u>2,408,301</u>
	<u>Median Net Sales Per EPL Restaurant</u>	<u>2,363,840</u>	<u>2,177,486</u>	<u>2,363,783</u>
	<u>Total # of EPL Restaurants</u>	<u>9</u>	<u>3</u>	<u>11</u>
	<u>No. of EPL Restaurants Over Average</u>	<u>4</u>	<u>1</u>	<u>4</u>
<u>Tier 2</u> <u>Mid-high</u> <u>51% - 75%</u>	<u>Average Net Sales Per EPL Restaurant</u>	<u>2,046,910</u>	<u>2,005,052</u>	<u>2,048,668</u>
	<u>Median Net Sales Per EPL Restaurant</u>	<u>2,041,251</u>	<u>2,005,052</u>	<u>2,049,497</u>
	<u>Total # of EPL Restaurants</u>	<u>8</u>	<u>2</u>	<u>11</u>
	<u>No. of EPL Restaurants Over Average</u>	<u>4</u>	<u>1</u>	<u>6</u>
<u>Tier 3</u> <u>Mid-low</u> <u>26% - 50%</u>	<u>Average Net Sales Per EPL Restaurant</u>	<u>1,739,389</u>	<u>1,832,657</u>	<u>1,749,079</u>
	<u>Median Net Sales Per EPL Restaurant</u>	<u>1,709,464</u>	<u>1,832,657</u>	<u>1,716,586</u>
	<u>Total # of EPL Restaurants</u>	<u>8</u>	<u>2</u>	<u>11</u>
	<u>No. of EPL Restaurants Over Average</u>	<u>3</u>	<u>1</u>	<u>4</u>
<u>Tier 4</u> <u>Lowest 25%</u>	<u>Average Net Sales Per EPL Restaurant</u>	<u>1,319,842</u>	<u>1,440,492</u>	<u>1,321,874</u>
	<u>Median Net Sales Per EPL Restaurant</u>	<u>1,407,090</u>	<u>1,453,636</u>	<u>1,407,090</u>
	<u>Total # of EPL Restaurants</u>	<u>9</u>	<u>3</u>	<u>11</u>
	<u>No. of EPL Restaurants Over Average</u>	<u>5</u>	<u>2</u>	<u>6</u>
<u>Total</u> <u>All Restaurants</u>	<u>Average Net Sales Per EPL Restaurant</u>	<u>1,886,725</u>	<u>1,865,849</u>	<u>1,881,980</u>
	<u>Median Net Sales Per EPL Restaurant</u>	<u>1,943,981</u>	<u>1,917,728</u>	<u>1,918,287</u>
	<u>Total # of EPL Restaurants</u>	<u>34</u>	<u>10</u>	<u>44</u>
	<u>No. of EPL Restaurants Over Average</u>	<u>18</u>	<u>6</u>	<u>24</u>
	<u>Maximum Sales</u>	<u>2,955,085</u>	<u>2,334,149</u>	<u>2,955,085</u>
	<u>Minimum Sales</u>	<u>758,975</u>	<u>1,249,913</u>	<u>758,975</u>

² Calculation Methodology:

- 34 Franchise Restaurants without a drive-thru were assigned to the appropriate tier by Net Sales ranking.
- 10 Franchisor Restaurants without a drive-thru were assigned to the appropriate tier by Net Sales ranking.
- 44 Restaurants without a drive-thru were assigned to the appropriate tier by Net Sales ranking.
- Franchised Restaurants, Franchisor Restaurants, and Total EPL Restaurants in the without drive-thru category are calculated independently of each other. Therefore, the Total EPL Restaurants may not total the Franchised Restaurants, Franchisor Restaurants in this category.

		<u>(C)</u> ³		
		<u>All EPL Restaurants</u>		
		<u>Franchised Restaurants</u>	<u>Franchisor Restaurants</u>	<u>Total EPL Restaurants</u>
<u>Tier 1</u> <u>Top 25%</u>	<u>Average Net Sales Per EPL Restaurant</u>	<u>3,281,593</u>	<u>3,176,539</u>	<u>3,250,326</u>
	<u>Median Net Sales Per EPL Restaurant</u>	<u>3,098,142</u>	<u>3,086,076</u>	<u>3,087,908</u>
	<u>Total # of EPL Restaurants</u>	<u>80</u>	<u>43</u>	<u>123</u>
	<u>No. of EPL Restaurants Over Average</u>	<u>31</u>	<u>20</u>	<u>47</u>
<u>Tier 2</u> <u>Mid-high</u> <u>51% - 75%</u>	<u>Average Net Sales Per EPL Restaurant</u>	<u>2,333,560</u>	<u>2,501,142</u>	<u>2,392,646</u>
	<u>Median Net Sales Per EPL Restaurant</u>	<u>2,367,798</u>	<u>2,484,322</u>	<u>2,387,680</u>
	<u>Total # of EPL Restaurants</u>	<u>80</u>	<u>43</u>	<u>123</u>
	<u>No. of EPL Restaurants Over Average</u>	<u>43</u>	<u>21</u>	<u>60</u>
<u>Tier 3</u> <u>Mid-low</u> <u>26%-50%</u>	<u>Average Net Sales Per EPL Restaurant</u>	<u>1,860,801</u>	<u>2,011,057</u>	<u>1,919,530</u>
	<u>Median Net Sales Per EPL Restaurant</u>	<u>1,871,869</u>	<u>1,993,737</u>	<u>1,934,067</u>
	<u>Total # of EPL Restaurants</u>	<u>79</u>	<u>43</u>	<u>122</u>
	<u>No. of EPL Restaurants Over Average</u>	<u>42</u>	<u>21</u>	<u>67</u>
<u>Tier 4</u> <u>Lowest 25%</u>	<u>Average Net Sales Per EPL Restaurant</u>	<u>1,288,106</u>	<u>1,584,242</u>	<u>1,379,951</u>
	<u>Median Net Sales Per EPL Restaurant</u>	<u>1,304,634</u>	<u>1,642,154</u>	<u>1,430,059</u>
	<u>Total # of EPL Restaurants</u>	<u>80</u>	<u>43</u>	<u>123</u>
	<u>No. of EPL Restaurants Over Average</u>	<u>43</u>	<u>24</u>	<u>71</u>
<u>Total</u> <u>All Restaurants</u>	<u>Average Net Sales Per EPL Restaurant</u>	<u>2,192,050</u>	<u>2,318,245</u>	<u>2,236,257</u>
	<u>Median Net Sales Per EPL Restaurant</u>	<u>2,063,270</u>	<u>2,212,548</u>	<u>2,099,233</u>
	<u>Total # of EPL Restaurants</u>	<u>319</u>	<u>172</u>	<u>491</u>
	<u>No. of EPL Restaurants Over Average</u>	<u>136</u>	<u>79</u>	<u>218</u>
	<u>Maximum Sales</u>	<u>5,042,463</u>	<u>4,478,370</u>	<u>5,042,463</u>
	<u>Minimum Sales</u>	<u>727,366</u>	<u>925,291</u>	<u>727,366</u>

³ Calculation Methodology:

- 319 Franchise Restaurants were assigned to the appropriate tier by Net Sales ranking.
- 172 Franchisor Restaurants were assigned to the appropriate tier by Net Sales ranking.
- 491 Restaurants were assigned to the appropriate tier by Net Sales ranking.
- Franchised Restaurants, Franchisor Restaurants, and Total EPL are calculated independently of each other. Therefore, the Total EPL Restaurants may not total the Franchised Restaurants, Franchisor Restaurants in this category.

General Notes and Assumptions Relating to this Item 19

Note 1: You should evaluate the information provided in this **Item 19** in relation to the size of the EPL Restaurant that you will establish. Costs may vary significantly depending on size.

Note 2: We compiled the figures contained in this **Item 19** from our financial statements and from actual 5253-week fiscal year and actual calendar year sales reports submitted to us by our franchisees.

Note 3: When evaluating the information provided in this **Item 19**, you should consider that the sales information provided by our franchisees and used by us in determining the numerical values provided has not been audited and has not necessarily been prepared on a basis consistent with generally accepted accounting principles.

Note 4: Sales information presented here is of actual historic results of specific EPL Restaurants located in the following states: Arizona, California, Colorado, Louisiana, Nevada, Texas and Utah as detailed below. You should evaluate the information presented in relation to the geographic area in which you will establish an EPL Restaurant. Item 20 below contains the number of EPL Restaurants in each state. EPL Restaurants generally have a stronger brand presence in those geographic areas in which there are more Restaurants and in which Restaurants have been open for a longer period of time. These Restaurants are comprised of various building sizes and building types however the typical size of an in-line EPL Restaurant without a drive-thru is approximately 1,800 to 2,000 square feet and the typical size of an EPL Restaurant with a drive-thru is approximately 1,900 to 2,800 square feet. Your results may vary depending on the size of your restaurant and its premises.

Restaurants in Operation by State

Groups	AZ	CA	CO	LA	NV	TX	UT	Total
<u>Reporting Group – Franchisor Restaurants</u>	<u>0</u>	<u>143</u>	<u>0</u>	<u>0</u>	<u>28</u>	<u>0</u>	<u>0</u>	<u>171</u>
<u>Reporting Group – Franchisee Restaurants</u>	<u>27</u>	<u>241</u>	<u>2</u>	<u>2</u>	<u>5</u>	<u>31</u>	<u>10</u>	<u>318</u>
<u>Reporting Group – EPL Restaurants (Total)</u>	<u>27</u>	<u>384</u>	<u>2</u>	<u>2</u>	<u>33</u>	<u>31</u>	<u>10</u>	<u>489</u>
Groups	AZ	CA	CO	LA	NV	TX	UT	Total
<u>Reporting Group – Franchisor Restaurants</u>	<u>0</u>	<u>144</u>	<u>0</u>	<u>0</u>	<u>28</u>	<u>0</u>	<u>0</u>	<u>172</u>
<u>Reporting Group – Franchisee Restaurants</u>	<u>27</u>	<u>242</u>	<u>2</u>	<u>2</u>	<u>5</u>	<u>31</u>	<u>10</u>	<u>319</u>
<u>Reporting Group – EPL Restaurants (Total)</u>	<u>27</u>	<u>386</u>	<u>2</u>	<u>2</u>	<u>33</u>	<u>31</u>	<u>10</u>	<u>491</u>

We do not authorize our employees or representatives to make any financial performance representations either orally or in writing, other than the information described in this item or for information which supplements these tables with respect to performance at particular locations or under particular circumstances. If you are purchasing an existing Restaurant, we may provide you with the actual records of that Restaurant. If you receive any other financial performance information or projections of your future sales, profits,

earnings, or income, you should report such communications to our management by contacting our Chief Legal Officer, Jason Weintraub, 575 Anton Blvd., Suite 1100~~3535 Harbor Blvd., Suite 100~~, Costa Mesa, CA 92626, the Federal Trade Commission and the appropriate state regulatory agencies.

**Some Restaurants have sold and earned as much as reflected in this Item 19.
Your individual results may differ. There is no assurance that you'll sell or earn as much.**

You are urged to consult with your financial, business and legal advisors in connection with the information listed in this Item 19.

ITEM 20: OUTLETS AND FRANCHISEE INFORMATION

Table No. 1 - Systemwide Outlet Summary for Years ~~2022~~2023 to ~~2024~~2025

Outlet Type	Year	Outlets at the Start of the Year	Outlets at the End of the Year	Net Change
FRANCHISED	2022	291	302	11
	2023	302	323	21
	2024	323	325	2
COMPANY-OWNED	2022	189	188	(1)
	2023	188	172	(16)
	2024	172	173	1
TOTAL OUTLETS	2022	480	490	10
	2023	490	495	5
	2024	495	498	3

Outlet Type	Year	Outlets at the Start of the Year	Outlets at the End of the Year	Net Change
FRANCHISED	2023	302	323	21
	2024	323	325	2
	2025	325	328	3
COMPANY-OWNED	2023	188	172	(16)
	2024	172	173	1
	2025	173	175	2
TOTAL OUTLETS	2023	490	495	5
	2024	495	498	3
	2025	498	503	5

Table No. 2 - Transfers of Outlets from Franchisees to New Owners (other than the Franchisor) for Years ~~2022~~2023 to ~~2024~~2025

State	Year	Number of Transfers
ARIZONA	2022	0
	2023	0
	2024	3
LOUISIANA	2022	2
	2023	0
	2024	0
TEXAS	2022	5
	2023	0
	2024	0
CALIFORNIA	2022	0
	2023	5

	2024	4
TOTALS	2022	7
	2023	5
	2024	7

State	Year	Number of Transfers
-	-	-
ARIZONA	2023	0
	2024	3
	2025	0
-		
TEXAS	2023	0
	2024	0
	2025	11
-		
CALIFORNIA	2023	5
	2024	4
	2025	10
-		
TOTALS	2023	5
	2024	7
	2025	21

Table No. 3 - Franchised Store Status Summary for Fiscal Years ~~2022~~2023 to ~~2024~~2025

<u>State</u>	<u>Year</u>	<u>Outlets at Start of Year</u>	<u>Outlets Opened (+)</u>	<u>Terminations (-)</u>	<u>Non Renewals (-)</u>	<u>Reacquired by Franchisor (-)</u>	<u>Ceased Operations Other Reasons (-)</u>	<u>Outlets at End of the Year</u>
<u>ARIZONA</u>	<u>2023</u>	<u>26</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>26</u>
	<u>2024</u>	<u>26</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>26</u>
	<u>2025</u>	<u>26</u>	<u>3</u>	<u>0</u>	<u>(1)</u>	<u>0</u>	<u>0</u>	<u>28</u>
<u>CALIFORNIA</u>	<u>2023</u>	<u>238</u>	<u>9</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>247</u>
	<u>2024</u>	<u>247</u>	<u>2</u>	<u>(1)</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>248</u>
	<u>2025</u>	<u>248</u>	<u>4</u>	<u>0</u>	<u>(5)</u>	<u>(1)</u>	<u>0</u>	<u>246</u>
<u>COLORADO</u>	<u>2023</u>	<u>1</u>	<u>1</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>2</u>
	<u>2024</u>	<u>2</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>2</u>
	<u>2025</u>	<u>2</u>	<u>1</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>3</u>
<u>LOUISIANA</u>	<u>2023</u>	<u>2</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>2</u>
	<u>2024</u>	<u>2</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>2</u>
	<u>2025</u>	<u>2</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>2</u>
<u>NEVADA</u>	<u>2023</u>	<u>5</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>5</u>
	<u>2024</u>	<u>5</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>5</u>
	<u>2025</u>	<u>5</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>5</u>
<u>NEW MEXICO</u>	<u>2023</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
	<u>2024</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
	<u>2025</u>	<u>0</u>	<u>1</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>1</u>
<u>TEXAS</u>	<u>2023</u>	<u>22</u>	<u>9</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>31</u>

<u>State</u>	<u>Year</u>	<u>Outlets at Start of Year</u>	<u>Outlets Opened (+)</u>	<u>Terminations (-)</u>	<u>Non Renewals (-)</u>	<u>Reacquired by Franchisor (-)</u>	<u>Ceased Operations Other Reasons (-)</u>	<u>Outlets at End of the Year</u>
	<u>2024</u>	<u>31</u>	<u>1</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>32</u>
	<u>2025</u>	<u>32</u>	<u>1</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>(1)</u>	<u>32</u>
-								
<u>UTAH</u>	<u>2023</u>	<u>8</u>	<u>2</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>10</u>
	<u>2024</u>	<u>10</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>10</u>
	<u>2025</u>	<u>10</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>10</u>
-								
<u>WASHINGTON</u>	<u>2023</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
	<u>2024</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
	<u>2025</u>	<u>0</u>	<u>1</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>1</u>
-								
<u>TOTALS</u>	<u>2023</u>	<u>302</u>	<u>21</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>323</u>
	<u>2024</u>	<u>323</u>	<u>3</u>	<u>(1)</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>325</u>
	<u>2025</u>	<u>325</u>	<u>11</u>	<u>0</u>	<u>(6)</u>	<u>(1)</u>	<u>(1)</u>	<u>328</u>

<u>State</u>	<u>Year</u>	<u>Outlets at Start of Year</u>	<u>Outlets Opened (+)</u>	<u>Terminations (-)</u>	<u>Non Renewals (-)</u>	<u>Reacquired by Franchisor (-)</u>	<u>Ceased Operations Other Reasons (-)</u>	<u>Outlets at End of the Year</u>
<u>ARIZONA</u>	<u>2022</u>	<u>27</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>27</u>
	<u>2023</u>	<u>27</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>27</u>
	<u>2024</u>	<u>27</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>27</u>
-								
<u>CALIFORNIA</u>	<u>2022</u>	<u>227</u>	<u>10</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>237</u>
	<u>2023</u>	<u>237</u>	<u>9</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>246</u>
	<u>2024</u>	<u>246</u>	<u>2</u>	<u>(1)</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>247</u>
-								
<u>COLORADO</u>	<u>2022</u>	<u>0</u>	<u>4</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>4</u>

	<u>2023</u>	<u>1</u>	<u>1</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>2</u>
	<u>2024</u>	<u>2</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>2</u>
-								
LOUISIANA	<u>2022</u>	<u>2</u>	<u>2</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>(2)</u>	<u>2</u>
	<u>2023</u>	<u>2</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>2</u>
	<u>2024</u>	<u>2</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>2</u>
-								
NEVADA	<u>2022</u>	<u>5</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>5</u>
	<u>2023</u>	<u>5</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>5</u>
	<u>2024</u>	<u>5</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>5</u>
-								
TEXAS	<u>2022</u>	<u>23</u>	<u>5</u>	<u>0</u>	<u>(1)</u>	<u>0</u>	<u>(5)</u>	<u>22</u>
	<u>2023</u>	<u>22</u>	<u>9</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>31</u>
	<u>2024</u>	<u>31</u>	<u>1</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>32</u>
-								
UTAH	<u>2022</u>	<u>7</u>	<u>1</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>8</u>
	<u>2023</u>	<u>8</u>	<u>2</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>10</u>
	<u>2024</u>	<u>10</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>10</u>
-								
TOTALS	<u>2022</u>	<u>291</u>	<u>19</u>	<u>0</u>	<u>(1)</u>	<u>0</u>	<u>(7)</u>	<u>302</u>
	<u>2023</u>	<u>302</u>	<u>21</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>323</u>
	<u>2024</u>	<u>323</u>	<u>3</u>	<u>(1)</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>325</u>

Table No. 4 - Status of Franchisor Outlets for Fiscal Years 20222023 to 20242025

<u>State</u>	<u>Year</u>	<u>Outlets at Start of Year</u>	<u>Outlets Opened (+)</u>	<u>Outlets Reacquired by Franchisor (+)</u>	<u>Outlets Closed (-)</u>	<u>Outlets Sold to Franchisees (-)</u>	<u>Outlets at End of the Year (Note 1)</u>
<u>ARIZONA</u>	<u>2023</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
	<u>2024</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
	<u>2025</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
-							
<u>CALIFORNIA</u>	<u>2023</u>	<u>152</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>(8)</u>	<u>144</u>

<u>State</u>	<u>Year</u>	<u>Outlets at Start of Year</u>	<u>Outlets Opened (+)</u>	<u>Outlets Reacquired by Franchisor (+)</u>	<u>Outlets Closed (-)</u>	<u>Outlets Sold to Franchisees (-)</u>	<u>Outlets at End of the Year (Note 1)</u>
	<u>2024</u>	<u>144</u>	<u>2</u>	<u>0</u>	<u>0</u>	<u>(1)</u>	<u>145</u>
	<u>2025</u>	<u>145</u>	<u>1</u>	<u>1</u>	<u>0</u>	<u>0</u>	<u>147</u>
-	-	-	-	-	-	-	-
<u>NEVADA</u>	<u>2023</u>	<u>26</u>	<u>2</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>28</u>
	<u>2024</u>	<u>28</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>28</u>
	<u>2025</u>	<u>28</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>28</u>
-	-	-	-	-	-	-	-
<u>TEXAS</u>	<u>2022</u>	<u>9</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>(9)</u>	<u>0</u>
	<u>2024</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
	<u>2025</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
-	-	-	-	-	-	-	-
<u>UTAH</u>	<u>2023</u>	<u>1</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>(1)</u>	<u>0</u>
	<u>2024</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
	<u>2025</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
-	-	-	-	-	-	-	-
<u>TOTALS</u>	<u>2023</u>	<u>188</u>	<u>2</u>	<u>0</u>	<u>0</u>	<u>(18)</u>	<u>172</u>
	<u>2024</u>	<u>172</u>	<u>2</u>	<u>0</u>	<u>0</u>	<u>(1)</u>	<u>173</u>
	<u>2025</u>	<u>173</u>	<u>1</u>	<u>1</u>	<u>0</u>	<u>0</u>	<u>175</u>

<u>State</u>	<u>Year</u>	<u>Outlets at Start of Year</u>	<u>Outlets Opened (+)</u>	<u>Outlets Reacquired by Franchisor (+)</u>	<u>Outlets Closed (-)</u>	<u>Outlets Sold to Franchisees (-)</u>	<u>Outlets at End of the Year (Note 1)</u>
<u>CALIFORNIA</u>	<u>2022</u>	<u>155</u>	<u>2</u>	<u>0</u>	<u>(2)</u>	<u>(3)</u>	<u>152</u>

	2023	152	0	0	0	(8)	144
	2024	144	2	0	0	(1)	145
NEVADA	2022	24	2	0	0	0	26
	2023	26	2	0	0	0	28
	2024	28	0	0	0	0	28
TEXAS	2023	9	0	0	0	0	9
	2022	9	0	0	0	(9)	0
	2024	0		0	0	0	0
UTAH	2022	1	0	0	0	0	1
	2023	1	0	0	0	(1)	0
	2024	0	0	0	0	0	0
TOTALS	2022	189	4	0	(2)	(3)	188
	2023	188	2	0	0	(18)	172
	2024	172	2	0	0	(1)	173

Table No. 5 - Projected Openings as of ~~December 25, 2024~~ December 31, 2025

States	Franchise Agreements Signed But Outlet Not Opened	Projected New Franchised Outlet in Next Fiscal Year	Projected New Company-Owned Outlet in Next Fiscal Year
ARIZONA	0	1	0
CALIFORNIA	1	3	1
COLORADO	0	4	0
IDAHO	0	1	0
LOUISIANA	0	0	0
NEW MEXICO	0	1	0
NEVADA	0	0	0
TEXAS	0	4	0
UTAH	0	0	0
WASHINGTON	0	1	0
INTERNATIONAL	0	0	0
TOTALS	1	15	1

States	Franchise Agreements Signed But Restaurants Not Opened	Projected New Franchised Outlet in Next Fiscal Year	Projected New Company Owned Outlet in Next Fiscal Year
ARIZONA	0	1	0
CALIFORNIA	1	5	2
COLORADO	1	3	0
IDAHO	0	3	0
LOUISIANA	0	0	0
NEVADA	0	0	0
NEW MEXICO	0	1	0
TEXAS	2	3	2
UTAH	0	0	0
WASHINGTON	0	1	0
INTERNATIONAL	0	0	0
TOTALS	4	17	4

Exhibit ~~H~~ I lists the names of all current EPL franchisees and the addresses and telephone numbers of their Restaurants. In some instances, current and former franchisees sign provisions restricting their ability to speak openly about their experience with El Pollo Loco, Inc. You may wish to speak with current and former franchisees but be aware that not all such franchisees will be able to communicate with you.

Exhibit ~~J~~ K lists the name, city and state, and current business telephone number of every franchisee who had a franchise terminated, canceled, not renewed by us or who otherwise voluntarily or involuntarily ceased to do business under their Franchise Agreement during our most recently completed fiscal year or who has not communicated with us within 10 weeks of the issuance date of this Disclosure Document. If you buy this

franchise, your contact information may be disclosed to other buyers when you leave the franchise system.

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

Franchisee Associations

The following franchise organization is associated with the EPL franchise system. This organization serves in an advisory capacity to EPL on a variety of issues, including advertising, product offering, supplies and operations:

Name:	El Pollo Loco Franchise Association
Chairperson:	Angel Lara
Mailing Address:	c/o Ka Moa, LLC, 3700 Oceanic Way, suite 101, Oceanside, CA 92056, Attn: Angel Lara
Phone:	(760) 721-3110 (Office); (949) 422-0388 (Mobile)
Fax:	(760) 721-2496
Email:	alara@peglion.com
Website:	n/a

Franchisor has not received any requests from independent franchisee organizations to be included in this Disclosure Document.

Your good faith communications with governmental agencies or regulators regarding our conduct is not restricted, provided that you reasonably believe that the content of your communications is true and accurate.

ITEM 21: FINANCIAL STATEMENTS

Attached to this Disclosure Document as Exhibit L are the audited consolidated financial statements of EPLH which includes the consolidated balance sheets as of December 31, 2025 and December 25, 2024 ~~and December 27, 2023~~; and the related consolidated statements of income, comprehensive income, changes in stockholders' equity, and cash flows for the fiscal years ended December 31, 2025, December 25, 2024, ~~and~~ December 27, 2023, ~~and December 28, 2022~~.

EPLH guarantees to assume the duties and obligations of EPL under the Franchise Agreements. A copy of the form of Guarantee is attached to this Disclosure Document as part of Exhibit M.

You must look only to EPL and EPLH and not to any other parent, to fulfill the franchisor obligations under your Franchise Agreement. There are no formal arrangements between any parent and EPL for your benefit, or on which you can rely.

ITEM 22: CONTRACT

Attached as Exhibits to this Disclosure Document are the following contracts:

<u>Exhibit</u>	<u>Exhibit Number</u>
Franchise Agreement ("FA")	Exhibit C
Memorandum of Opening Date	Exhibit 1 to the FA
Personal Guarantee of Franchise Agreement	Exhibit 2 to the FA
Investor Covenants regarding Confidentiality And Non-Competition	Exhibit 3 to the FA
Authorization Agreement for Prearranged Payments (ACH)	Exhibit 4 to the FA
El Pollo Loco® IT Support Services Agreement	Exhibit 7 to the FA
General Release	Exhibit 8 to the FA
Consent to and Assignment of Franchise Rights – Change of Ownership Interests in Franchisee Entity Change by Franchisee	Exhibit 9(A) to the FA Exhibit 9(B) to the FA
Amendment to FA to Apply Development Fee	Exhibit 10 to the FA
Amendment to Successor Franchise Agreement	Exhibit 11 to the FA
~~Remodel Schedule Participation~~ Amendment to Franchise Agreement	Exhibit 12 to the FA
Purchase Agreement ("PA")	Exhibit D
Bill of Sale	Exhibit B to the PA
Sublease	Exhibit E
Personal Guarantee of Sublease	Exhibit A to Sublease
Master Lessor's Consent	Exhibit B to Sublease
Franchise Development Agreement ("FDA")	Exhibit F
Territory	Exhibit A to FDA
Development Schedule	Exhibit B to FDA
Existing El Pollo Loco® Restaurants in the Territory	Exhibit C to FDA
Development Incentives	Exhibit D to FDA
<u>Non-Traditional License Agreement</u>	<u>Exhibit G</u>
Investor Covenants Regarding Confidentiality and Non-Competition	Exhibit I

Important Notice:

No statement, questionnaire, or acknowledgment signed or agreed to by a franchisee in connection with the commencement of the franchise relationship shall have the effect of (i) waiving any claims under any applicable state franchise law, including fraud in the inducement, or (ii) disclaiming reliance on any statement made by any franchisor, franchise seller, or other person acting on behalf of the franchisor. This provision supersedes any other term of any document executed in connection with the franchise.

ITEM 23: RECEIPTS

Copies of the Receipt are attached to the end of this Disclosure Document, following the Exhibits.

EXHIBIT A: STATE-SPECIFIC ADDENDA TO DISCLOSURE DOCUMENT, FRANCHISE AND/OR DEVELOPMENT AGREEMENT

The following are disclosures for the Multistate Disclosure Document of El Pollo Loco, Inc. required by various state franchise laws. Each provision of these disclosures will not apply unless, with respect to that provision, the jurisdictional requirements of the applicable state franchise registration and disclosure law are met independently, without reference to these disclosures.

California Disclosure

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 OFFERING CIRCULAR 14 DAYS PRIOR TO EXECUTION OF AGREEMENT.
2. California Business and Professions Code Sections 20000 through 20043 provide rights to the franchise concerning termination, transfer or non-renewal of a franchise. If the franchise agreement contains a provision that is inconsistent with the law the law will control.
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 liquidated damages clause. Under California Civil Code Section 1671, certain liquidated damages clauses are unenforceable.
5. 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.
6. Prospective franchisees are encouraged to consult private legal counsel to determine the applicability of California and federal laws (such as Business and Professions Code Section 20040.5, Code of Civil Procedure Section 1281, and the Federal Arbitration Act) to any provisions of a franchise agreement restricting venue to a forum outside of the State of California.
7. Section 31125 of the California Corporations Code requires us to give you a disclosure document, in a form containing the information that the commissioner may by rule or order require, before a solicitation of a proposed material modification of an existing franchise.
8. You must sign a general release if you renew or transfer 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. With respect to the franchises governed by California law, El Pollo Loco, Inc. will comply with the California Franchise Relations Act, Section 20025, which requires except in certain specific cases, that a franchisee be given 180 days written notice for non-renewal of the franchise agreement.

10. Franchisor's Uniform Resource Locator ("URL") address is <https://elpollocofranchising.com>.

11. OUR WEBSITE, WWW.ELPOLLOCO.COM HAS NOT BEEN REVIEWED OR APPROVED BY THE CALIFORNIA DEPARTMENT OF FINANCIAL PROTECTION AND INNOVATIONS. ANY COMPLAINTS CONCERNING THE CONTENT OF THIS WEBSITE MAY BE DIRECTED TO THE CALIFORNIA DEPARTMENT OF FINANCIAL PROTECTION AND INNOVATIONS AT WWW.DFPI.CA.GOV.

12. The Antitrust Law Section of the Office of the California Attorney General views maximum price agreements as per se violations of the Cartwright Act. As long as this represents the law of the State of California, we will not interpret the Franchise Agreement as permitting or requiring maximum price limits.

13. The highest interest rate allowed by law in California for late payment is 10% annually.

14. The State of California also requires that the following Addendum to Franchise Agreement be included in the FDD.

15. No statement, questionnaire, or acknowledgment signed or agreed to by a franchisee in connection with the commencement of the franchise relationship shall have the effect of (i) waiving any claims under any applicable state franchise law, including fraud in the inducement, or (ii) disclaiming reliance on any statement made by any franchisor, franchise seller, or other person acting on behalf of the franchisor. This provision supersedes any other term of any document executed in connection with the franchise.

16. Under California AB 1228, you must comply with the minimum wage standards for your employees beginning April 1, 2024. You must also adhere to certain working conditions, including health and safety standards and training, as set forth in the Operations Manual. Failure to comply could lead to violation of the law and possible fines and lawsuits brought by your employees.

California Addendum to Franchise Agreement and Franchise Development Agreement

In recognition of the requirement of the California Franchise Investment Law, the parties to the attached EL POLLO LOCO® FRANCHISE AGREEMENT/FRANCHISE DEVELOPMENT AGREEMENT ("**the Agreement**") agree as follows:

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 FRANCHISE DISCLOSURE DOCUMENT.

California Business and Professions Code Sections 20000 through 20043 provide rights to the franchisee concerning termination or non-renewal of a franchise. If the franchise agreement contains a provision that is inconsistent with the law, the law will control.

Section 31125 of the California Corporations Code requires us to give you a disclosure document, in a form containing the information that the commissioner may by rule or order

require, before a solicitation of a proposed material modification of an existing franchise.

You must sign a general release if you renew or transfer 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).

If the Franchise Agreement/Franchise 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.).

If the Franchise Agreement/Franchise Development Agreement contains a liquidated damages clause, under California Civil Code Section 1671, certain liquidated damages clauses are unenforceable.

The Franchise Agreement/Franchise Development Agreement contains a covenant not to compete, that extends beyond the termination of the franchise. This provision may not be enforceable under California law.

No statement, questionnaire, or acknowledgment signed or agreed to by a franchisee in connection with the commencement of the franchise relationship shall have the effect of (i) waiving any claims under any applicable state franchise law, including fraud in the inducement, or (ii) disclaiming reliance on any statement made by any franchisor, franchise seller, or other person acting on behalf of the franchisor. This provision supersedes any other term of any document executed in connection with the franchise.

To the extent this Addendum shall be deemed to be inconsistent with any terms or conditions of the Franchise Agreement, Franchise Development Agreement or Exhibits or Attachments thereto, the terms of this Addendum shall govern.

IN WITNESS WHEREOF, the parties hereto have duly executed and delivered this Addendum to the Franchise Agreement/Franchise Development Agreement on the same day and year that the Franchise Agreement/Franchise Development Agreement has been executed.

FRANCHISOR:

El Pollo Loco, Inc., a Delaware Corporation

FRANCHISEE:

_____, a

By: _____

Name: _____

Title: _____

Date: _____

By: _____

Name: _____

Title: _____

Date: _____

Hawaii Addendum to Franchise Disclosure Document

THESE FRANCHISES WILL BE/HAVE BEEN FILED UNDER THE FRANCHISE INVESTMENT LAW OF THE STATE OF HAWAII. FILING DOES NOT CONSTITUTE APPROVAL, RECOMMENDATION OR ENDORSEMENT BY THE DIRECTOR OF COMMERCE AND CONSUMER AFFAIRS OR A FINDING BY THE DIRECTOR OF COMMERCE AND CONSUMER AFFAIRS THAT THE INFORMATION PROVIDED HEREIN IS TRUE, COMPLETE AND NOT MISLEADING.

THE FRANCHISE INVESTMENT LAW MAKES IT UNLAWFUL TO OFFER OR SELL ANY FRANCHISE IN THIS STATE WITHOUT FIRST PROVIDING TO THE PROSPECTIVE FRANCHISEE, OR SUBFRANCHISOR, AT LEAST SEVEN DAYS PRIOR TO THE EXECUTION BY THE PROSPECTIVE FRANCHISEE OF ANY BINDING FRANCHISE OR OTHER AGREEMENT, OR AT LEAST SEVEN DAYS PRIOR TO THE PAYMENT OF ANY CONSIDERATION BY THE FRANCHISEE, OR SUBFRANCHISOR, WHICHEVER OCCURS FIRST, A COPY OF THE OFFERING CIRCULAR, TOGETHER WITH A COPY OF ALL PROPOSED AGREEMENTS RELATING TO THE SALE OF THE FRANCHISE.

THIS OFFERING CIRCULAR CONTAINS A SUMMARY ONLY OF CERTAIN MATERIAL PROVISIONS OF THE FRANCHISE AGREEMENT. THE CONTRACT OR AGREEMENT SHOULD BE REFERRED TO FOR A STATEMENT OF ALL RIGHTS, CONDITIONS, RESTRICTIONS AND OBLIGATIONS OF BOTH THE FRANCHISOR AND THE FRANCHISEE.

Registered agent in the state authorized to receive service of process: Commission of Securities of the State of Hawaii.

Illinois Addendum to Franchise Disclosure Document, Franchise Agreement and Franchise Development Agreement

In recognition of the requirement of the Illinois Franchise Disclosure Act, the parties to the attached El Pollo Loco® Franchise Agreement/Franchise Development Agreement (“**the Agreement**”) agree as follows:

Section 4 of the Illinois Franchise Disclosure Act provides that any provision in a franchise agreement/franchise development agreement that designates jurisdiction or venue outside the State of Illinois is void. However, a franchise agreement/franchise development agreement may provide for arbitration outside of Illinois.

Section 41 of the Illinois Franchise Disclosure Act provides that any condition, stipulation or provision purporting to bind any person acquiring any franchise to waive compliance with the Illinois Franchise Disclosure Act or any other law of Illinois is void.

Your rights upon termination and non-renewal of a franchise agreement/franchise development agreement are set forth in sections 19 and 20 of the Illinois Franchise Disclosure Act.

No statement, questionnaire, or acknowledgment signed or agreed to by a franchisee in connection with the commencement of the franchise relationship shall have the effect of (i) waiving any claims under any applicable state franchise law, including fraud in the inducement, or (ii) disclaiming reliance on any statement made by any franchisor, franchise seller, or other person acting on behalf of the franchisor. This provision supersedes any other term of any document executed in connection with the franchise.

To the extent this Addendum shall be deemed to be inconsistent with any terms or conditions of the Franchise Agreement, Franchise Development Agreement or Exhibits or Attachments thereto, the terms of this Addendum shall govern.

IN WITNESS WHEREOF, the parties hereto have duly executed and delivered this Addendum to the Franchise Agreement/Franchise Development Agreement on the same day and year that the Franchise Agreement/Franchise Development Agreement has been executed.

FRANCHISOR:

El Pollo Loco, Inc., a Delaware Corporation

FRANCHISEE:

_____, a

By: _____

Name: _____

Title: _____

Date: _____

By: _____

Name: _____

Title: _____

Date: _____

Indiana Addendum to Franchise Disclosure Document, Franchise Agreement and Franchise Development Agreement

In recognition of the requirement of the Indiana Code, the parties to the attached El Pollo Loco® Franchise Agreement/Franchise Development Agreement (**"the Agreement"**) agree as follows:

Section 23-2-2.7-1(2) and (4) of the Indiana Code states that "if a franchise agreement/franchise development agreement does not grant an exclusive territory, then a franchisor may not compete unfairly with a franchisee within a reasonable area."

Section 23-2-2.7-1(9) of the Indiana Code states: "As a condition of the sale of a franchise, a franchisor may not require a prospective franchisee to covenant not to compete with the franchisor for a period longer than three (3) years, or in an area greater than the exclusive area granted by the franchise agreement, or, in absence of such a provision in the agreement, an area of reasonable size, upon termination or failure to renew the franchise."

Section 23-2-2.7-1(5) of the Indiana Code states: "As a condition of the sale of a franchise, a franchisor may not require a prospective franchisee to assent to a release, assignment, novation, waiver, or estoppel that would relieve a person from liability under this subtitle."

A provision in a franchise agreement regarding the imposition of liquidated damages is restricted or prohibited in the state of Indiana.

Section 23-2-2.7-1(10) of the Indiana Code states: "It is unlawful for any franchise agreement entered into between a franchisor and a franchisee who is either a resident of Indiana or a nonresident who will be operating a franchise in Indiana, to limit litigation brought for breach of the agreement in any manner whatsoever, therefore, a provision in a franchise agreement restricting jurisdiction or venue to a forum outside this state or requiring the application of the laws of another state is void."

No statement, questionnaire, or acknowledgment signed or agreed to by a franchisee in connection with the commencement of the franchise relationship shall have the effect of (i) waiving any claims under any applicable state franchise law, including fraud in the inducement, or (ii) disclaiming reliance on any statement made by any franchisor, franchise seller, or other person acting on behalf of the franchisor. This provision supersedes any other term of any document executed in connection with the franchise.

To the extent this Addendum shall be deemed to be inconsistent with any terms or conditions of the Franchise Agreement, Franchise Development Agreement or Exhibits or Attachments thereto, the terms of this Addendum shall govern.

IN WITNESS WHEREOF, the parties hereto have duly executed and delivered this Addendum to the Franchise Agreement/Franchise Development Agreement on the same day and year that the Franchise Agreement/Franchise Development Agreement has been executed.

FRANCHISOR:

El Pollo Loco, Inc., a Delaware Corporation

FRANCHISEE:

_____, a

By: _____

Name: _____

Title: _____

Date: _____

By: _____

Name: _____

Title: _____

Date: _____

Maryland Addendum to Franchise Disclosure Document, Franchise Agreement and Franchise Development Agreement

In recognition of the requirement of the Maryland Franchise Registration and Disclosure Law, the parties to the attached El Pollo Loco® Franchise Agreement/Franchise Development Agreement (“**the Agreement**”) agree as follows:

Any general release required of the prospective franchisee as a condition of renewal, sale and/or assignment/transfer shall not apply to any liability under the Maryland Franchise Registration and Disclosure Act.

A franchisee may bring a lawsuit in Maryland for claims arising under the Maryland Franchise Registration and Disclosure Law. Any claims arising under the Maryland Franchise Registration and Disclosure Law must be brought within 3 years after the grant of the franchise.

The Maryland Franchise Registration and Disclosure Law states that as a condition of the sale of a franchise, a franchisor may not require a prospective franchisee to agree to a release, assignment, novation, waiver, or estoppel that would relieve a person from liability under this subtitle.

Provisions in the Franchise Agreement or Franchise Development Agreement which provides for termination upon bankruptcy of the Franchisee may not be enforceable under federal bankruptcy law (11 U.S.C. Section 101 et. seq.).

No statement, questionnaire, or acknowledgment signed or agreed to by a franchisee in connection with the commencement of the franchise relationship shall have the effect of (i) waiving any claims under any applicable state franchise law, including fraud in the inducement, or (ii) disclaiming reliance on any statement made by any franchisor, franchise seller, or other person acting on behalf of the franchisor. This provision supersedes any other term of any document executed in connection with the franchise.

To the extent this Addendum shall be deemed to be inconsistent with any terms or conditions of the Franchise Agreement, Franchise Development Agreement or Exhibits or Attachments thereto, the terms of this Addendum shall govern.

IN WITNESS WHEREOF, the parties hereto have duly executed and delivered this Addendum to the Franchise Agreement/Franchise Development Agreement on the same day and year that the Franchise Agreement/Franchise Development Agreement has been executed.

FRANCHISOR:

El Pollo Loco, Inc., a Delaware Corporation

FRANCHISEE:

_____, a

By: _____

Name: _____

Title: _____

Date: _____

By: _____

Name: _____

Title: _____

Date: _____

Michigan Addendum to Franchise Disclosure Document

THE STATE OF MICHIGAN PROHIBITS CERTAIN UNFAIR PROVISIONS THAT ARE SOMETIMES IN FRANCHISE DOCUMENTS. IF ANY OF THE FOLLOWING PROVISIONS ARE IN THESE FRANCHISE DOCUMENTS, THE PROVISIONS ARE VOID AND CANNOT BE ENFORCED AGAINST YOU.

- (a) A prohibition on the right of a franchisee to join an association of franchisees.
- (b) A requirement that a franchisee assent to a release, assignment, novation, waiver, or estoppel which deprives a franchisee of rights and protections provided in the Michigan Franchise Investment Act. This shall not preclude a franchisee, after entering into a franchise agreement, from settling any and all claims.
- (c) A provision that permits a franchisor to terminate a franchise prior to the expiration of its term except for good cause. Good cause shall include the failure of the franchisee to comply with any lawful provision of the franchise agreement and to cure such failure after being given written notice thereof and a reasonable opportunity, which in no event need be more than 30 days, to cure such failure.
- (d) A provision that permits a franchisor to refuse to renew a franchise without fairly compensating the franchisee by repurchase or other means for the fair market value at the time of expiration of the franchisee's inventory, supplies, equipment, fixtures, and furnishings. Personalized materials which have no value to the franchisor and inventory, supplies, equipment, fixtures, and furnishings not reasonably required in the conduct of the franchise business are not subject to compensation. This subsection applies only if:
 - (i) the term of the franchise is less than 5 years and
 - (ii) the franchisee is prohibited by the franchise or other agreement from continuing to conduct substantially the same business under another trademark, service mark, trade name, logotype, advertising, or other commercial symbol in the same area subsequent to the expiration of the franchise or the franchisee does not receive at least 6 months advance notice of franchisor's intent not to renew the franchise.
- (e) A provision that permits the franchisor to refuse to renew a franchise on terms generally available to other franchisees of the same class or type under similar circumstances. This section does not require a renewal provision.
- (f) A provision requiring that arbitration or litigation be conducted outside this state. This shall not preclude the franchisee from entering into an agreement, at the time of arbitration, to conduct arbitration at a location outside this state.
- (g) A provision which permits a franchisor to refuse to permit a transfer of ownership of a franchise, except for good cause. This subdivision does not prevent a franchisor from exercising a right of first refusal to purchase the franchise. Good cause shall include, but is not limited to:
 - i. The failure of the proposed transferee to meet the franchisor's then current reasonable qualifications or standards.
 - ii. The fact that the proposed transferee is a competitor of the franchisor or subfranchisor.
 - iii. The unwillingness of the proposed transferee to agree in writing to comply with all lawful obligations.
 - iv. The failure of the franchisee or proposed transferee to pay any sums owing

to the franchisor or to cure any default in the franchise agreement existing at the time of the proposed transfer.

- (h) A provision that requires the franchisee to resell to the franchisor items that are not uniquely identified with the franchisor. This subdivision does not prohibit a provision that grants to a franchisor a right of first refusal to purchase the assets of a franchise on the same terms and conditions as a bona fide third party willing and able to purchase those assets, nor does this subdivision prohibit a provision that grants the franchisor the right to acquire the assets of a franchise for the market or appraised value of such assets if the franchisee has breached the lawful provisions of the franchise agreement and has failed to cure the breach in the manner provided in subdivision (c).
- (i) A provision which permits the franchisor to directly or indirectly convey, assign, or otherwise transfer its obligations to fulfill contractual obligations to the franchisee unless provision has been made for providing the required contractual services.

If the franchisor's most recent financial statements are unaudited and show a net worth of less than \$100,000, the franchisor shall, at the request of a franchisee, arrange for the escrow of initial investment and other funds paid by the franchisee until the obligations to provide real estate, improvements, equipment, inventory, training, or other items included in the franchise offering are fulfilled. At the option of the franchisor, a surety bond may be provided in place of escrow.

No statement, questionnaire, or acknowledgment signed or agreed to by a franchisee in connection with the commencement of the franchise relationship shall have the effect of (i) waiving any claims under any applicable state franchise law, including fraud in the inducement, or (ii) disclaiming reliance on any statement made by any franchisor, franchise seller, or other person acting on behalf of the franchisor. This provision supersedes any other term of any document executed in connection with the franchise.

THE FACT THAT THERE IS A NOTICE OF THIS OFFERING ON FILE WITH THE ATTORNEY GENERAL DOES NOT CONSTITUTE APPROVAL, RECOMMENDATION, OR ENDORSEMENT BY THE ATTORNEY GENERAL.

Any questions regarding this notice should be directed to:

State of Michigan
Department of Attorney General
Consumer Protection Division
Attn: Franchise Section
525 West Ottawa Street
G. Mennen Williams Building, 1st Floor
Lansing, Michigan 48913
Telephone Number: (517) 373-7117

THIS MICHIGAN NOTICE ONLY APPLIES TO FRANCHISEES WHO ARE RESIDENTS OF MICHIGAN OR LOCATE THEIR FRANCHIES IN MICHIGAN.

Minnesota Addendum to Franchise Disclosure Document, Franchise Agreement and Franchise Development Agreement

In recognition of the requirement of the Minnesota Franchise Act, the parties to the attached El Pollo Loco® Franchise Agreement/Franchise Development Agreement (“**the Agreement**”) agree as follows:

THESE FRANCHISES HAVE BEEN REGISTERED UNDER THE MINNESOTA FRANCHISE ACT. REGISTRATION DOES NOT CONSTITUTE APPROVAL, RECOMMENDATION OR ENDORSEMENT BY THE COMMISSIONER OF COMMERCE OF MINNESOTA OR A FINDING BY THE COMMISSIONER THAT THE INFORMATION PROVIDED HEREIN IS TRUE, COMPLETE AND NOT MISLEADING.

THE MINNESOTA FRANCHISE ACT MAKES IT UNLAWFUL TO OFFER OR SELL ANY FRANCHISE IN THIS STATE WHICH IS SUBJECT TO REGISTRATION WITHOUT FIRST PROVIDING TO THE PROSPECTIVE FRANCHISEE, AT LEAST 7 DAYS PRIOR TO THE EXECUTION BY THE PROSPECTIVE FRANCHISEE OF ANY BINDING FRANCHISE OR OTHER AGREEMENT, OR AT LEAST 7 DAYS PRIOR TO THE PAYMENT OF ANY CONSIDERATION, BY THE FRANCHISEE, WHICHEVER OCCURS FIRST, A COPY OF THIS PUBLIC OFFERING STATEMENT, TOGETHER WITH A COPY OF ALL PROPOSED AGREEMENTS RELATING TO THE FRANCHISE. THIS PUBLIC OFFERING STATEMENT CONTAINS A SUMMARY ONLY OF CERTAIN MATERIAL PROVISIONS OF THE FRANCHISE AGREEMENT. THE CONTRACT OR AGREEMENT SHOULD BE REFERRED TO FOR AN UNDERSTANDING OF ALL RIGHTS AND OBLIGATIONS OF BOTH THE FRANCHISOR AND THE FRANCHISEE.

Minnesota Statute 80C.21 and Minnesota Rule 2860.4400(J) prohibit the franchisor from requiring litigation to be conducted outside Minnesota, requiring waiver of a jury trial, or requiring the franchisee to consent to liquidated damages, termination penalties or judgment notes. In addition, nothing in the Franchise Disclosure Document or agreement(s) can abrogate or reduce: (1) any of the Franchisee’s rights as provided for in Minnesota Statute 80C; or (2) Franchisee’s rights to any procedure, forum, or remedies provided for by the laws of the jurisdiction.

With respect to franchises governed by Minnesota law, the franchisor will comply with Minnesota Statute 80C.14 Subd. 3-5, which require (except in certain specified cases)

- that a franchisee be given 90 days’ notice of termination (with 60 days to cure) and 180 days’ notice for non-renewal of the franchise agreement and
- that consent to the transfer of the franchise will not be unreasonably withheld.

Minnesota considers it unfair to not protect the franchisee’s right to use the trademarks. Refer to Minnesota Statute 80C.12 Subd. 1(G). The franchisor will protect the franchisee’s rights to use the trademarks, service marks, trade names, logotypes, or other commercial symbols or indemnify the franchisee from any loss, costs, or expenses arising out of any claim, suit, or demand regarding the use of the name.

Minnesota Rules 2860.4400(D) prohibits a franchisor from requiring a franchisee to assent to a general release.

The franchisee cannot consent to the franchisor obtaining injunctive relief. The franchisor may seek injunctive relief. See Minnesota Rule 2860.4400(J) also, a court will determine

if a bond is required.

The Limitations of Claims section must comply with Minnesota Statute 80C.17 Subd. 5.

No statement, questionnaire, or acknowledgment signed or agreed to by a franchisee in connection with the commencement of the franchise relationship shall have the effect of (i) waiving any claims under any applicable state franchise law, including fraud in the inducement, or (ii) disclaiming reliance on any statement made by any franchisor, franchise seller, or other person acting on behalf of the franchisor. This provision supersedes any other term of any document executed in connection with the franchise.

To the extent this Addendum shall be deemed to be inconsistent with any terms or conditions of the Franchise Agreement, Franchise Development Agreement or Exhibits or Attachments thereto, the terms of this Addendum shall govern.

IN WITNESS WHEREOF, the parties hereto have duly executed and delivered this Addendum to the Franchise Agreement/Franchise Development Agreement on the same day and year that the Franchise Agreement/Franchise Development Agreement has been executed.

FRANCHISOR:

El Pollo Loco, Inc., a Delaware Corporation

FRANCHISEE:

_____, a

By: _____

Name: _____

Title: _____

Date: _____

By: _____

Name: _____

Title: _____

Date: _____

New York Addendum to Franchise Disclosure Document

1. The following information is added to the cover page of the Franchise Disclosure Document:

INFORMATION COMPARING FRANCHISORS IS AVAILABLE. CALL THE STATE ADMINISTRATORS LISTED IN EXHIBIT A OR YOUR PUBLIC LIBRARY FOR RESOURCES OR INFORMATION. REGISTRATION OF THIS FRANCHISE BY NEW YORK STATE DOES NOT MEAN THAT NEW YORK STATE RECOMMENDS IT OR HAS VERIFIED THE INFORMATION IN THIS FRANCHISE DISCLOSURE DOCUMENT. IF YOU LEARN ANYTHING IN THIS FRANCHISE DISCLOSURE DOCUMENT IS UNTRUE, CONTACT THE FEDERAL TRADE COMMISSION AND THE APPROPRIATE STATE OR PROVINCIAL AUTHORITY. THE FRANCHISOR MAY, IF IT CHOOSES, NEGOTIATE WITH YOU ABOUT ITEMS COVERED IN THE FRANCHISE DISCLOSURE DOCUMENT. HOWEVER, THE FRANCHISOR CANNOT USE THE NEGOTIATING PROCESS TO PREVAIL UPON A PROSPECTIVE FRANCHISEE TO ACCEPT TERMS THAT ARE LESS FAVORABLE THAN THOSE SET FORTH IN THIS FRANCHISE DISCLOSURE DOCUMENT.

2. The following is to be added at the end of Item 3:

Except as provided above, the following applies to the franchisor, its predecessor, a person identified in Item 2, or an affiliate offering franchises under the franchisor's principal trademark:

A. No such party has an administrative, criminal, or civil action pending against that person alleging: a felony, a violation of a franchise, antitrust, or securities law, fraud, embezzlement, fraudulent conversion, misappropriation of property, unfair or deceptive practices, or comparable civil or misdemeanor allegations.

B. No such party has pending actions other than routine litigation incidental to the business that is significant in the context of the number of franchisees and the size, nature, or financial condition of the franchise system or its business operations.

C. No such party has been convicted of a felony or pleaded nolo contendere to a felony charge or, within the ten years immediately preceding the application for registration, has been convicted of or pleaded nolo contendere to a misdemeanor charge or has been the subject of a civil action alleging: violation of a franchise, antifraud, or securities law; fraud; embezzlement; fraudulent conversion or misappropriation of property; or unfair or deceptive practices or comparable allegations.

D. No such party is subject to a currently effective injunctive or restrictive order or decree relating to the franchise or under a Federal, State, or Canadian franchise, securities, antitrust, trade regulation, or trade practice law resulting from a concluded or pending action or proceeding brought by a public agency; or is subject to any currently effective order of any national securities association or national securities exchange, as defined in the Securities and Exchange Act of 1934, suspending or expelling such person from membership in such association or exchange; or is subject to a currently effective injunctive or restrictive order

relating to any other business activity as a result of an action brought by a public agency or department, including, without limitation, actions affecting a license as a real estate broker or sales agent.

3. The following is added to the end of the “Summary” sections of Item 17(c), titled “Requirements for a franchisee to renew or extend,” and Item 17(m), entitled “Conditions for franchisor approval of transfer”:

However, to the extent required by applicable law, all rights you enjoy and any causes of action arising in your favor from the provisions of Article 33 of the General Business Law of the State of New York and the regulations issued thereunder shall remain in force; this proviso intends that the non-waiver provisions of General Business Law Sections 687(4) and 687(5) be satisfied.

4. The following language replaces the “Summary” section of Item 17(d), titled “Termination by a franchisee”: “You may terminate the agreement on any grounds available by law.”

5. The following is added to the end of the “Summary” sections of Item 17(v), titled “Choice of forum,” and Item 17(w), titled “Choice of law”:

The foregoing choice of law should not be considered a waiver of any right conferred upon the franchisor or the franchisee by Article 33 of the General Business Law of the State of New York.

6. Franchise Questionnaires and Acknowledgements--No statement, questionnaire, or acknowledgment signed or agreed to by a franchisee in connection with the commencement of the franchise relationship shall have the effect of (i) waiving any claims under any applicable state franchise law, including fraud in the inducement, or (ii) disclaiming reliance on any statement made by any franchisor, franchise seller, or other person acting on behalf of the franchisor. This provision supersedes any other term of any document executed in connection with the franchise.

7. Receipts--Any sale made must be in compliance with § 683(8) of the Franchise Sale Act (N.Y. Gen. Bus. L. § 680 et seq.), which describes the time period a Franchise Disclosure Document (offering prospectus) must be provided to a prospective franchisee before a sale may be made. New York law requires a franchisor to provide the Franchise Disclosure Document at the earliest of the first personal meeting, ten (10) business days before the execution of the franchise or other agreement, or the payment of any consideration that relates to the franchise relationship.

New York Addendum to, Franchise Agreement and Franchise Development Agreement

In recognition of the requirement of the New York General Business Law, the parties to the attached El Pollo Loco® Franchise Agreement/Franchise Development Agreement (“**the Agreement**”) agree as follows:

1. The following sentence shall supplement Sections 18 and 23.17 of the Franchise Agreement and Section 10 of the Franchise Development Agreement:

“You may terminate the agreement on any grounds available by law.”

The following sentence shall supplement Section 23.8 of the Franchise Agreement and Section 18 of the Franchise Development Agreement which shall be considered an integral part of the Agreement:

“The foregoing choice of law should not be considered a waiver of any right conferred upon the franchisor or the franchisee by Article 33 of the General Business Law of the State of New York.”

2. Franchise Questionnaires and Acknowledgements--No statement, questionnaire, or acknowledgment signed or agreed to by a franchisee in connection with the commencement of the franchise relationship shall have the effect of (i) waiving any claims under any applicable state franchise law, including fraud in the inducement, or (ii) disclaiming reliance on any statement made by any franchisor, franchise seller, or other person acting on behalf of the franchisor. This provision supersedes any other term of any document executed in connection with the franchise.

3. Receipts--Any sale made must be in compliance with § 683(8) of the Franchise Sale Act (N.Y. Gen. Bus. L. § 680 et seq.), which describes the time period a Franchise Disclosure Document (offering prospectus) must be provided to a prospective franchisee before a sale may be made. New York law requires a franchisor to provide the Franchise Disclosure Document at the earliest of the first personal meeting, ten (10) business days before the execution of the franchise or other agreement, or the payment of any consideration that relates to the franchise relationship.

To the extent this Addendum shall be deemed to be inconsistent with any terms or conditions of the Franchise Agreement, Franchise Development Agreement or Exhibits or Attachments thereto, the terms of this Addendum shall govern.

IN WITNESS WHEREOF, the parties hereto have duly executed and delivered this Addendum to the Franchise Agreement/Franchise Development Agreement on the same day and year that the Franchise Agreement/Franchise Development Agreement has been executed.

FRANCHISOR:

El Pollo Loco, Inc., a Delaware Corporation

FRANCHISEE:

_____, a

By: _____

Name: _____

Title: _____

Date: _____

By: _____

Name: _____

Title: _____

Date: _____

Texas Addendum to Franchise Disclosure Document

1. Item 11: Under Training, the requirement to certify the General Manager and Assistant Manager will be modified by the addition of the following:

“In Texas, each and every shift must have a certified person in charge as indicated in the Operations Manual.”

2. Each provision of this addendum is effective only to the extent (with respect to such provision) that it would apply to your franchise or development rights, without reference to this addendum.

Virginia Addendum to Franchise Disclosure Document, Franchise Agreement and Franchise Development Agreement

To the extent the Virginia Retail Franchising Act, Va. Code §§13.1-557 – 13.1- 574 applies, the terms of this Addendum apply.

Any provision in any of the contracts that you sign with us which provides for termination of the franchise upon the bankruptcy of the franchisee may not be enforceable under federal bankruptcy law (11 U.S.C. 101 et. seq.).

According to Section 13.1 – 564 of the Virginia Retail Franchising Act, it is unlawful for a franchisor to cancel a franchise without reasonable cause. If any grounds for default or termination stated in the franchise agreement does not constitute “reasonable cause,” as that term may be defined in the Virginia Retail Franchising Act or the laws of Virginia, that provision may not be enforceable.

No statement, questionnaire, or acknowledgment signed or agreed to by a franchisee in connection with the commencement of the franchise relationship shall have the effect of (i) waiving any claims under any applicable state franchise law, including fraud in the inducement, or (ii) disclaiming reliance on any statement made by any franchisor, franchise seller, or other person acting on behalf of the franchisor. This provision supersedes any other term of any document executed in connection with the franchise.

To the extent this Addendum shall be deemed to be inconsistent with any terms or conditions of the Franchise Agreement, Franchise Development Agreement or Exhibits or Attachments thereto, the terms of this Addendum shall govern.

IN WITNESS WHEREOF, the parties hereto have duly executed and delivered this Addendum to the Franchise Agreement/Franchise Development Agreement on the same day and year that the Franchise Agreement/Franchise Development Agreement has been executed.

FRANCHISOR:

El Pollo Loco, Inc., a Delaware Corporation

FRANCHISEE:

_____, a

By: _____

Name: _____

Title: _____

Date: _____

By: _____

Name: _____

Title: _____

Date: _____

Washington Addendum to Franchise Disclosure Document, Franchise Agreement and Franchise Development Agreement

The provisions of this Addendum form an integral part of, are incorporated into, and modify the Franchise Disclosure Document, the franchise agreement, and all related agreements regardless of anything to the contrary contained therein. This Addendum applies if: (a) the offer to sell a franchise is accepted in Washington; (b) the purchaser of the franchise is a resident of Washington; and/or (c) the franchised business that is the subject of the sale is to be located or operated, wholly or partly, in Washington.

1. Conflict of Laws. In the event of a conflict of laws, the provisions of the Washington Franchise Investment Protection Act, chapter 19.100 RCW will prevail.

2. Franchisee Bill of Rights. RCW 19.100.180 may supersede provisions in the franchise agreement or related agreements concerning your relationship with the franchisor, including in the areas of termination and renewal of your franchise. There may also be court decisions that supersede the franchise agreement or related agreements concerning your relationship with the franchisor. Franchise agreement provisions, including those summarized in Item 17 of the Franchise Disclosure Document, are subject to state law.

3. Site of Arbitration, Mediation, and/or Litigation. In any arbitration or mediation involving a franchise purchased in Washington, the arbitration or mediation site will be either in the state of Washington, or in a place mutually agreed upon at the time of the arbitration or mediation, or as determined by the arbitrator or mediator at the time of arbitration or mediation. In addition, if litigation is not precluded by the franchise agreement, a franchisee may bring an action or proceeding arising out of or in connection with the sale of franchises, or a violation of the Washington Franchise Investment Protection Act, in Washington.

4. General Release. A release or waiver of rights in the franchise agreement or related agreements purporting to bind the franchisee to waive compliance with any provision under the Washington Franchise Investment Protection Act or any rules or orders thereunder is void except when executed pursuant to a negotiated settlement after the agreement is in effect and where the parties are represented by independent counsel, in accordance with RCW 19.100.220(2). In addition, any such release or waiver executed in connection with a renewal or transfer of a franchise is likewise void except as provided for in RCW 19.100.220(2).

5. Statute of Limitations and Waiver of Jury Trial. Provisions contained in the franchise agreement or related agreements that unreasonably restrict or limit the statute of limitations period for claims under the Washington Franchise Investment Protection Act, or rights or remedies under the Act such as a right to a jury trial, may not be enforceable.

6. Transfer Fees. Transfer fees are collectable only to the extent that they reflect the franchisor's reasonable estimated or actual costs in effecting a transfer.

7. Termination by Franchisee. The franchisee may terminate the franchise agreement under any grounds permitted under state law. In the event of a conflict of laws, the provisions of the Washington Franchise Investment Protection Act, Chapter 19.100 RCW will prevail.

8. Certain Buy-Back Provisions. Provisions in franchise agreements or related agreements that permit the franchisor to repurchase the franchisee's business for any reason during the term of the franchise agreement without the franchisee's consent are unlawful pursuant to RCW 19.100.180(2)(j), unless the franchise is terminated for good cause.

9. Fair and Reasonable Pricing. Any provision in the franchise agreement or related agreements that requires the franchisee to purchase or rent any product or service for more than a fair and reasonable price is unlawful under RCW 19.100.180(2)(d).

10. Waiver of Exemplary & Punitive Damages. RCW 19.100.190 permits franchisees to seek treble damages under certain circumstances. Accordingly, provisions contained in the franchise agreement or elsewhere requiring franchisees to waive exemplary, punitive, or similar damages are void, except when executed pursuant to a negotiated settlement after the agreement is in effect and where the parties are represented by independent counsel, in accordance with RCW 19.100.220(2).

11. Franchisor's Business Judgement. Provisions in the franchise agreement or related agreements stating that the franchisor may exercise its discretion on the basis of its reasonable business judgment may be limited or superseded by RCW 19.100.180(1), which requires the parties to deal with each other in good faith.

12. Indemnification. Any provision in the franchise agreement or related agreements requiring the franchisee to indemnify, reimburse, defend, or hold harmless the franchisor or other parties is hereby modified such that the franchisee has no obligation to indemnify, reimburse, defend, or hold harmless the franchisor or any other indemnified party for losses or liabilities to the extent that they are caused by the indemnified party's negligence, willful misconduct, strict liability, or fraud.

13. Attorneys' Fees. If the franchise agreement or related agreements require a franchisee to reimburse the franchisor for court costs or expenses, including attorneys' fees, such provision applies only if the franchisor is the prevailing party in any judicial or arbitration proceeding.

14. Noncompetition Covenants. Pursuant to RCW 49.62.020, a noncompetition covenant is void and unenforceable against an employee, including an employee of a franchisee, unless the employee's earnings from the party seeking enforcement, when annualized, exceed \$100,000 per year (an amount that will be adjusted annually for inflation). In addition, a noncompetition covenant is void and unenforceable against an independent contractor of a franchisee under RCW 49.62.030 unless the independent contractor's earnings from the party seeking enforcement, when annualized, exceed \$250,000 per year (an amount that will be adjusted annually for inflation). As a result, any provision contained in the franchise agreement or elsewhere that conflicts with these limitations is void and unenforceable in Washington.

15. Nonsolicitation Agreements. RCW 49.62.060 prohibits a franchisor from restricting, restraining, or prohibiting a franchisee from (i) soliciting or hiring any employee of a franchisee of the same franchisor or (ii) soliciting or hiring any employee of the franchisor. As a result, any such provisions contained in the franchise agreement or elsewhere are void and unenforceable in Washington.

16. Questionnaires and Acknowledgments. No statement, questionnaire, or acknowledgment signed or agreed to by a franchisee in connection with the commencement of the franchise relationship shall have the effect of (i) waiving any claims under any applicable state franchise law, including fraud in the inducement, or (ii) disclaiming reliance on any statement made by any franchisor, franchise seller, or other person acting on behalf of the franchisor. This provision supersedes any other term of any document executed in connection with the franchise.

17. Prohibitions on Communicating with Regulators. Any provision in the franchise agreement or related agreements that prohibits the franchisee from communicating with or complaining to regulators is inconsistent with the express instructions in the Franchise Disclosure Document and is unlawful under RCW 19.100.180(2)(h).

18. Advisory Regarding Franchise Brokers. Under the Washington Franchise Investment Protection Act, a “franchise broker” is defined as a person that engages in the business of the offer or sale of franchises. A franchise broker represents the franchisor and is paid a fee for referring prospects to the franchisor and/or selling the franchise. If a franchisee is working with a franchise broker, franchisees are advised to carefully evaluate any information provided by the franchise broker about a franchise.

~~RCW 19.100.180 may supersede the franchise agreement in your relationship with the franchisor including the areas of termination and renewal of your franchise. There may also be court decisions which may supersede the franchise agreement in your relationship with the franchisor including the areas of termination and renewal of your franchise.~~

~~In any arbitration or mediation involving a franchise purchased in Washington, the arbitration or mediation site will be either in the state of Washington, or in a place mutually agreed upon at the time of the arbitration or mediation, or as determined by the arbitrator or mediator at the time of arbitration or mediation. In addition, if litigation is not precluded by the franchise agreement, a franchisee may bring an action or proceeding arising out of or in connection with the sale of franchises, or a violation of the Washington Franchise Investment Protection Act, in Washington.~~

~~A release or waiver of rights executed by a franchisee may not include rights under the Washington Franchise Investment Protection Act or any rule or order thereunder except when executed pursuant to a negotiated settlement after the agreement is in effect and where the parties are represented by independent counsel. Provisions such as those which unreasonably restrict or limit the statute of limitations period for claims under the Act, or rights or remedies under the Act such as a right to a jury trial, may not be enforceable.~~

~~Transfer fees are collectable to the extent that they reflect the franchisor’s reasonable estimated or actual costs in effecting a transfer.~~

~~Pursuant to RCW 49.62.020, a noncompetition covenant is void and unenforceable against an employee, including an employee of a franchisee, unless the employee’s earnings from the party seeking enforcement, when annualized, exceed \$100,000 per year (an amount that will be adjusted annually for inflation). In addition, a noncompetition covenant is void and unenforceable against an independent contractor of a franchisee under RCW 49.62.030 unless the independent contractor’s earnings from the party seeking enforcement, when annualized, exceed \$250,000 per year (an amount that will~~

~~be adjusted annually for inflation). As a result, any provisions contained in the franchise agreement or elsewhere that conflict with these limitations are void and unenforceable in Washington.~~

~~RCW 49.62.060 prohibits a franchisor from restricting, restraining, or prohibiting a franchisee from (i) soliciting or hiring any employee of a franchisee of the same franchisor or (ii) soliciting or hiring any employee of the franchisor. As a result, any such provisions contained in the franchise agreement or elsewhere are void and unenforceable in Washington.~~

~~No statement, questionnaire, or acknowledgment signed or agreed to by a franchisee in connection with the commencement of the franchise relationship shall have the effect of (i) waiving any claims under any applicable state franchise law, including fraud in the inducement, or (ii) disclaiming reliance on any statement made by any franchisor, franchise seller, or other person acting on behalf of the franchisor. This provision supersedes any other term of any document executed in connection with the franchise.~~

The undersigned does hereby acknowledge receipt of this addendum.

To the extent this Addendum shall be deemed to be inconsistent with any terms or conditions of the Franchise Agreement, Franchise Development Agreement or Exhibits or Attachments thereto, the terms of this Addendum shall govern.

IN WITNESS WHEREOF, the parties hereto have duly executed and delivered this Addendum to the Franchise Agreement/Franchise Development Agreement on the same day and year that the Franchise Agreement/Franchise Development Agreement has been executed.

FRANCHISOR:

El Pollo Loco, Inc., a Delaware Corporation

FRANCHISEE:

_____, a

By: _____

Name: _____

Title: _____

Date: _____

By: _____

Name: _____

Title: _____

Date: _____

Wisconsin Addendum to Franchise Disclosure Document, Franchise Agreement and Franchise Development Agreement

In recognition of the requirement of the Wisconsin Fair Dealership Law, the parties to the attached El Pollo Loco® Franchise Agreement/Franchise Development Agreement (the "**Agreement**") agree as follows:

The "Choice of Law and Jurisdiction and Venue," shall be supplemented by the following sentence, which shall be considered an integral part of the Agreement:

The Wisconsin Fair Dealership Law supersedes any provisions of the applicant's franchise contract or agreement inconsistent with that law.

No statement, questionnaire, or acknowledgment signed or agreed to by a franchisee in connection with the commencement of the franchise relationship shall have the effect of (i) waiving any claims under any applicable state franchise law, including fraud in the inducement, or (ii) disclaiming reliance on any statement made by any franchisor, franchise seller, or other person acting on behalf of the franchisor. This provision supersedes any other term of any document executed in connection with the franchise.

To the extent this Addendum shall be deemed to be inconsistent with any terms or conditions of the Franchise Agreement, Franchise Development Agreement or Exhibits or Attachments thereto, the terms of this Addendum shall govern.

IN WITNESS WHEREOF, the parties hereto have duly executed and delivered this Addendum to the Franchise Agreement/Franchise Development Agreement on the same day and year that the Franchise Agreement/Franchise Development Agreement has been executed.

FRANCHISOR:

El Pollo Loco, Inc., a Delaware Corporation

FRANCHISEE:

_____, a

By: _____

Name: _____

Title: _____

Date: _____

By: _____

Name: _____

Title: _____

Date: _____

EXHIBIT C
EL POLLO LOCO® FRANCHISE AGREEMENT



EL POLLO LOCO® FRANCHISE AGREEMENT

Dated: _____

Location:
Franchisee:
Franchisee Notice Address:
Franchisee Notice Facsimile Number:

(Disclosure Document Control No. [040125033126](#))

TABLE OF CONTENTS:

1.	Scope And Purpose Of Agreement	3
2.	The El Pollo Loco® Marks & System.....	5
3.	Term	7
4.	Site Development	7
5.	Improvements, Fixtures And Equipment.....	8
6.	Fees, Taxes And Other Charges	11
7.	Financial Reporting, Billing And Payment.....	15
8.	Advertising And Marketing.....	21
9.	Insurance And Indemnification	24
10.	Vending Machines	27
11.	Compliance With Manual And With System Standards	28
12.	Restaurant Maintenance And Repair.....	32
13.	Hours Of Operation	33
14.	Personnel Standards	34
15.	Inspections	34
16.	Training	36
17.	Assignment.....	39
18.	Default And Termination	46
19.	Rights And Obligations Upon Termination.....	52
20.	Rights To A Successor Franchise	54
21.	Proprietary Rights And Unfair Competition	55
22.	Dispute Resolution	61
23.	Miscellaneous Provisions	62
24.	Effective Date	67
25.	Acknowledgments	67
26.	Anti-Terrorism Law	68
27.	Signatures	69

EXBIBITS AND SCHEDULES:

Exhibit 1: Memorandum Of Opening Date.....	70
Exhibit 2: Personal Guarantee Of El Pollo Loco® Franchise Agreement.....	72
Exhibit 3: Investor Covenants Regarding Confidentiality And Non-Competition.....	76
Exhibit 4: Authorization Agreement For Prearranged Payments (Ach)	79
Exhibit 5: Advertising Association Documents	81
Exhibit 6: El Pollo Loco® Financial Reporting Form.....	102
Exhibit 7: IT Support Services Agreement.....	103
Exhibit 8: General Release.....	117
Exhibit 9: Consent To And Assignment Of Franchise Rights	119
Exhibit 10: Amendment To El Pollo Loco® Franchise Agreement To Apply Development Fee	132
Exhibit 11: Amendment To El Pollo Loco® Successor Franchise Agreement.....	134
Exhibit 12: Amendment To El Pollo Loco® Successor Franchise Agreement.....	140
El Pollo Loco® Franchise Agreement Schedule 1: Statement Of Ownership Of Franchisee	142

EL POLLO LOCO® FRANCHISE AGREEMENT

This El Pollo Loco® Franchise Agreement (this "**Agreement**"), dated for identification purposes only as of _____, 20____, is made and entered into by and between **El Pollo Loco, Inc.**, a Delaware corporation (the "**Franchisor**"), and _____, a _____ ("**Franchisee**" or "**you**").

A. Franchisor operates and franchises others to operate a number of retail outlets for the sale of fire-grilled food items and related products, in connection with the "**El Pollo Loco**" name and Franchisor's distinctive plan of food service operation (each, an "**EPL Restaurant**").

B. Franchisee desires to operate a restaurant under Franchisor's name and to utilize Franchisor's plan of food service operation, all in accordance with the terms, covenants and conditions of this Agreement.

C. Franchisor and Franchisee (as Developer) entered into an El Pollo Loco® Franchise Development Agreement dated _____ ("**Development Agreement**") for the Territory set forth on Exhibit A of the Development Agreement, and for restaurants to be developed per the Development Schedule set forth on Exhibit B of the Development Agreement.

1. SCOPE AND PURPOSE OF AGREEMENT

1.1. Franchisee desires and agrees to operate and manage an "**El Pollo Loco**" restaurant to be located at _____ City of _____, County of _____, State of _____ (the "**Location**"). Franchisor owns certain proprietary and other property rights and interests in and to the "El Pollo Loco" trademark and service mark, and such other trademarks, service marks, logo types, insignias, trade dress designs and commercial symbols as Franchisor may from time to time authorize or direct Franchisee to use in connection with the operation of a EPL Restaurant (the "**El Pollo Loco® Marks**"). Franchisor has a distinctive plan for the operation of retail outlets for the sale of fire-grilled food items and related products, which plan includes but is not limited to the El Pollo Loco® Marks and the El Pollo Loco® Operations Manual (the "**Manual**"), policies, standards, procedures, recipes, signs (including traditional or digital menu boards) and related items, and the reputation and goodwill of Franchisor's chain of restaurants (collectively, the "**El Pollo Loco® System**") which may be periodically modified from time to time, and as provided in this Agreement. Therefore, in entering into this Agreement, Franchisee fully understands and agrees that this Agreement is conditioned upon the continued strict adherence by Franchisee to, and Franchisee agrees to comply with, all standards, policies, procedures and requirements published or which may from time to time be published or otherwise brought to Franchisee's attention by Franchisor for the operation, maintenance or improvement of EPL Restaurants under the El Pollo Loco® System and the El Pollo Loco® Marks. Franchisee understands and agrees that strict adherence to these standards, policies, procedures and requirements is essential to the value of the El Pollo Loco® System and the El Pollo Loco® Marks.

1.2. In consideration of the foregoing representations and agreements of Franchisee and other consideration as set forth herein, and subject to all of the terms, covenants and conditions of this Agreement, Franchisor hereby grants to Franchisee, and Franchisee hereby accepts from Franchisor, the right and franchise to operate a EPL Restaurant under the El Pollo Loco® Marks and in accordance with the El Pollo Loco® System (the “**Restaurant**”) at the Location.

1.3. Except as otherwise provided in this Agreement, after the date of this Agreement and during the term of this Agreement, and so long as Franchisee is in compliance with its obligations under this Agreement, Franchisor shall not, without Franchisee’s prior written consent, establish or franchise any other person to establish, a standalone or traditional inline El Pollo Loco restaurant at any location within the “**Protected Area**” of one-half (0.5) mile radiating from your Restaurant. No Protected Area exists with respect to “**Ghost kitchens**” which we define as a professional food preparation and cooking facility set up for the preparation of delivery-only meals whether or not the facility produces menu items for multiple brands or just for EPL Restaurants. Additionally, no Protected Area exists for EPL Restaurants located in “**Non-Traditional Venues**,” which we define as any of the following types of venues: in which a facility is operated located within another primary business or in conjunction with other businesses or at institutional settings: toll roads, highway (or similar) rest stops, train stations, regional shopping malls, airports, mass transit stations, amusement, parks, and all properties controlled by the amusement park, travel stations, hotels, motels and other types of lodging facilities, ships, ports, piers, casinos, stadiums, airports, theatres, big box retailers, building supply stores, warehouse club stores, colleges and universities, schools and other types of schools, hospitals and other types of health care institutions, military and other governmental facilities, office or in-plant food service facilities, shopping malls, grocery stores, outlet malls, supermarkets and convenience stores, and any site for which the lessor, owner or operator has indicated its intent to prefer or limit the operation of its food service facilities to a master concessionaire or contract food service provider, regional shopping malls, airports, mass transit stations, professional sports stadiums and arenas, hotels and other types of lodging facilities, military bases, entertainment centers, amusement parks, casinos, universities and other types of schools, hospitals and other types of health care institutions, and similar types of captive market locations that we may designate. We will determine and designate those shopping malls that in our judgment qualify as a regional shopping mall based on the size of the shopping complex, number of anchor tenants, existence of dedicated parking space, existence of unrelated merchandisers, and prevailing consumer and industry perceptions. Restaurants in Non-Traditional Venues may share their premises with other businesses, within a host facility, and may provide limited menu items and limited or no delivery. Franchisee may sign a lease with the host facility for a Restaurant located in a Non-Traditional Venue. Franchisor and Franchisee retain all other rights and obligations in this Agreement including Franchisor’s absolute right to establish or franchise any other person to establish and operate ~~El Pollo Loco~~EPL Restaurants at any location outside the Protected Territory. Franchisor expressly retains all other rights and may, among other things, on any terms and conditions Franchisor deems advisable, and without granting Franchisee any right

therein:

a. Merchandise and distribute goods and services identified by the El Pollo Loco® Marks (including the same or similar products as sold by Franchisee at the Restaurant) to customers at any retail location, regardless of its proximity to the Location, through any method or channel of distribution, including, without limitation, at retail locations such as grocery or convenience stores and via the Internet, telemarketing, and direct marketing means, or through other non-El Pollo Loco restaurants having the same or similar menu items or through any other distribution channel; and

b. Establish and operate and franchise other restaurants (not using the Marks) having the same or similar menu items, whether within or outside of the Protected Area.

1.4. It is expressly understood and agreed by the parties that Franchisee is and shall be an independent contractor, that Franchisee is not for any purpose an employee or agent of Franchisor, and that all of the personnel employed by Franchisee at the Restaurant will be employees or agents of Franchisee and will not be employees or agents of Franchisor. Franchisee understands and agrees that, as an independent contractor, it does not have the authority to do anything for or on behalf of Franchisor including, but not limited to, holding itself out as Franchisor; signing contracts, notes or other instruments; purchasing, acquiring or disposing of any property; or incurring any other obligation or liability. It is further understood and agreed by the parties hereto that no fiduciary relationship is intended or created by this Agreement.

2. THE EL POLLO LOCO® MARKS & SYSTEM

2.1. Upon the terms, covenants and conditions contained herein and during the term hereof, Franchisee shall have the right to display and use the El Pollo Loco® Marks, but only for use in connection with retail sales and service of certain food products which Franchisee is required to prepare and sell to the general public in and at the Restaurant.

2.2. Nothing contained herein shall be construed as authorizing or permitting Franchisee to use the El Pollo Loco® Marks or the El Pollo Loco® System at any location other than the Location or for any purpose or in any manner other than that authorized herein; or in connection with the sale of any products for resale, or any products not required or approved by Franchisor, or any products prepared at any place other than at the Location; provided, however, that catering and special event sales may be undertaken by Franchisee in strict adherence with the limitations and procedures set forth in the Manual. Notwithstanding anything to the contrary contained herein, Franchisor may require Franchisee to discontinue the preparation, offer or sale of any product or item which, in the opinion of Franchisor or any of its representatives, does not conform to the quality standards or image of Franchisor and its products.

2.3. Nothing contained herein shall give Franchisee any right, title or interest in or to any of the El Pollo Loco® Marks excepting only the privilege and license, during the

term hereof, to display and use the same according to the foregoing limitations. Any and all goodwill arising in connection with Franchisee's use of the El Pollo Loco® Marks and the El Pollo Loco® System shall belong to Franchisor.

2.4. The business franchised hereunder shall be named "**El Pollo Loco**" without any suffix or prefix attached thereto. Franchisee shall use signs (including traditional or digital menu boards) ("**Signs**") and other advertising which denote that the Restaurant is named "**El Pollo Loco**" and which are approved by Franchisor in advance. If Franchisee is an entity or if Agreement is transferred to an entity, the name of such entity shall not contain any of the El Pollo Loco® Marks.

2.5. Except as Franchisor may otherwise permit in writing, Franchisee shall not display or use the trademark, trade name, service mark, logo types, label, design or other identifying symbol or name of any other person, or entity in, on or at the Restaurant or the Location.

2.6. In all public records, in Franchisee's relationship with other persons or companies, and in any offering document, prospectus or similar document, Franchisee shall indicate clearly that Franchisee's business is independently owned and that the operations of said business are separate and distinct from the operation of Franchisor's business. Franchisee shall display at the Restaurant, in such locations as may be specified by Franchisor and in all correspondence and forms, a notification that the Restaurant is operated by an independent operator and not by Franchisor.

2.7. Franchisee shall not develop, create, generate, own, license, lease or use in any manner any computer medium or electronic medium (including, without limitation, any Internet home page, e-mail address, website, domain name, bulletin board, newsgroup or other Internet-related medium) which in any way uses or displays, in whole or in part, the El Pollo Loco® Marks, or any of them, or any words, symbols or terms confusingly similar thereto without Franchisor's express written consent, and then only in such manner and in accordance with such procedures, policies, standards and specifications as Franchisor may establish from time to time.

2.8. Franchisor is the owner of, and will retain all right, title and interest in and to:

a. the domain names "**elpolloloco**" and "**crazychicken**;"

b. the URLs and/or websites:

888eptogo.com	eplfeedback.com	locotexas.com
elpolloloco.ai	eplfranchisee.com	locotx.com
elpolloloco.com	eplfranchising.com	myeplfeedback.com
elpolloloco.info	eplmarketing.com	orderelpolloloco.com
elpolloloco.net	eplportal.com	ownanelpolloloco.com
elpolloloco.org	eplsurvey.com	pollocoin.com
elpolloloco.site	epltogo.com	pollozone.com
elpolloloco.space	goairloco.com	stronglikeamadre.com

elpollo loco.vip	loco-reward.com	thepollo loco.com
elpollo loco.work	loco-rewards.com	myepl.net
elpollo locofranchising.com	loco-rewards.net	myepl.site
elpollo loco news.com	loco-rewards.org	pollo loco.ai
eplemail.com	locogiftsandgear.com	pollo loco.org
eplemployeesurvey.com	locoreward.com	

c. all existing and future domain names, URLs, websites, future addresses and subaddresses using the El Pollo Loco® Marks in any manner;

d. all software; all content prepared for, or used on, the above Websites; and

e. all intellectual property rights in and to any of them.

2.9. Franchisor reserves all rights to use the El Pollo Loco® Marks in any manner.

3. TERM

3.1. The term of this Agreement shall commence on the date Franchisee first opens the Restaurant to the public (the “**Opening Date**”) and shall end one day prior to the date which is the 20th anniversary of the Opening Date, unless sooner terminated as provided herein (“**Initial Term**”). Should Franchisee lease the site of the Restaurant, the lease or sublease must be for a term which with renewal options is not less than the Initial Term of this Agreement, and contain the provisions required in Section 2 of the Development Agreement. Should Franchisee be unable to lease the site of the Restaurant for a term equal to the Initial Term, then as our sole and absolute right to determine, the Initial Term of this Agreement may be reduced to match the term of the lease or sublease and the initial franchise fee (“**IFF**”) ~~will be appropriately pro-rated~~. Promptly following the Opening Date, the parties shall execute a Memorandum of Opening Date attached as Exhibit 1 which shall confirm the Opening Date; provided, however, if the parties fail to execute such Memorandum of Opening Date, the Opening Date shall be as determined in good faith by Franchisor. Upon the expiration or earlier termination of this Agreement, Franchisee shall have no right or option to extend the term of this Agreement. The sole conditions under which Franchisee will have the opportunity to obtain a successor franchise agreement upon the expiration of the term of this Agreement are set forth at Section 20.

4. SITE DEVELOPMENT

4.1. After execution of this Agreement, Franchisee will be required to achieve certain milestones to assure the timely development of the Restaurant

a. Within 6 months following the date of Franchisor’s execution of this Agreement, Franchisee must have completed all of the site development work (including,

but not limited to, engineering, architectural/design, entitlements, and permitting) and commence construction of the Restaurant; and

b. Within twelve (12) months following the date of Franchisor's execution of this Agreement, or the date specified in the Development Agreement, if earlier, Franchisee must have completed construction of the Restaurant at the Location and the Restaurant shall be open to the public.

4.2. Franchisee understands and acknowledges that in accepting Franchisee's Location, or by granting a franchise for a Location (whether or not formerly operated as a Franchisor or franchisee-owned Restaurant), Franchisor does not in any way endorse, warrant or guarantee either directly or indirectly the suitability of such Location or the success of the franchise business to be operated by Franchisee at such Location. The suitability of the Location and the success of the franchise business depends upon a number of factors outside of Franchisor's control including, but not limited to, Franchisee's operational abilities, site location, consumer trends and such other factors that are within the direct control of Franchisee. Franchisor may require, as a condition to its approval of a site, a **"Market Study"**, which shall include a site description and analysis, traffic and other demographic information and an analysis of the impact of the proposed site on other franchise restaurants surrounding or within the vicinity of such proposed site all in such format as the Franchisor may require. All such analyses, information and studies shall be prepared at the sole cost and expense of Franchisee.

4.3. If Franchisee purchases a currently operating Restaurant from Franchisor (a **"Turnkey Restaurant"**), then Franchisee shall begin operation of the Restaurant on the date possession of the Restaurant is transferred to Franchisee pursuant to the agreement entered into between Franchisee and Franchisor for the purchase of the Restaurant. Failure to do so shall constitute a material default hereunder. With respect to non-Turnkey Restaurants, failure to reach each milestone described in Section 4.1 above within the specified time frames shall constitute a material default hereunder. Prior to opening the Restaurant, Franchisee shall obtain and thereafter maintain throughout the term of this Agreement all necessary business licenses, permits and other documentation necessary for the operation of an ~~El Pollo Loco~~[®]EPL Restaurant.

5. IMPROVEMENTS, FIXTURES AND EQUIPMENT

5.1. If the Location is other than a Turnkey Restaurant, then this Section 5 will apply to the building, reconstruction, remodeling, or other changes necessary to conform the Location to the requirements set forth in this Section or as provided and updated by Franchisor from time to time in accordance with this Section.

5.2. Franchisee, at its sole expense, shall construct or, in the case of an existing building, remodel the Location and install such Signs, fixtures, furniture and equipment at the Location as are required in accordance with Franchisor's current requirements and specifications for same. Franchisee shall be responsible for obtaining all zoning classifications and clearances which may be required by state or local laws, ordinances

or regulations. Franchisee shall obtain from applicable governmental authorities all permits, licenses and certifications required for lawful construction or remodeling work and for the operation of the Restaurant. If requested by Franchisor, Franchisee shall submit to Franchisor a copy of all such required permits, licenses and certifications for the construction or remodeling work prior to commencing the construction or remodeling of the Location.

5.3. Franchisor shall provide Franchisee with standard plans and a sample layout for a typical ~~El Pollo Loco~~^{®EPL} Restaurant and a set of typical construction, equipment and decor specifications (the "**Plans**"). At all times, Franchisee shall use its best efforts to treat and keep the Plans and the information contained therein as confidential as possible and limit access to the Plans to employees and independent contractors of Franchisee on a need to know basis only (including preferred development professionals). Franchisee acknowledges that the unauthorized use or disclosure of Franchisor's Plans and the confidential information contained therein will cause irreparable injury to Franchisor and that damages are not an adequate remedy. Franchisee accordingly covenants that without Franchisor's prior written consent, Franchisee shall not disclose (except to such employees, agents, contractors or subcontractors who must have access to such Plans in order to construct the Restaurant at the Location) or use or permit the use of such Plans (except as may be required by applicable law or authorized by this Agreement), or copy, duplicate, record or otherwise reproduce such Plans, in whole or in part, or otherwise make the same available to any person or source not authorized in writing by Franchisor to receive such Plans or the information contained therein at any time during the term of this Agreement or thereafter.

5.4. Franchisee, at its sole expense, shall employ licensed architects, designers, engineers, development consultants or others as may be necessary to complete, substitute, adapt or modify the Plans for the Restaurant so as to create a set of final plans and specifications. Creating a set of final plans and specifications may include, but is not limited to, adapting plans for structural engineering, architectural requirements, interior and exterior materials, locally available building materials, local weather requirements and federal, state and local code requirements. In some cases, these can lead to substantial changes and costs in the provided plans. FRANCHISEE SHALL SUBMIT TO FRANCHISOR A COMPLETE SET OF FINAL PLANS AND SPECIFICATIONS, INCLUDING A SITE PLAN, AND OBTAIN FRANCHISOR'S WRITTEN APPROVAL OF SUCH PLANS AND SPECIFICATIONS PRIOR TO COMMENCING THE CONSTRUCTION OF THE RESTAURANT OR, IN THE CASE OF AN EXISTING BUILDING, THE REMODELING WORK FOR THE RESTAURANT. Franchisor shall review such final plans and specifications promptly and approve or disapprove the same, and Franchisor may provide comments on the plans and specifications to Franchisee. Such review and approval by Franchisor will be limited to items and issues relating to the El Pollo Loco[®] System only and is not intended to be a verification or approval of the structure of the building, mechanical systems or document accuracy. Examples of conceptual areas related to the El Pollo Loco[®] System include Signs, logos, finishes, decor and aesthetics, guest comfort, and ability to serve food within Franchisor's standards for quality, timeliness and cleanliness.

5.5. Franchisee shall use a qualified licensed general contractor to perform the construction or remodeling work at the Restaurant. Franchisee's general contractor shall provide a schedule to Franchisor before the start of construction. Franchisor shall not be responsible for delays in the construction, equipping or decoration of the Restaurant or for any loss resulting from the Restaurant design or construction. All changes in the Restaurant plans relating to the El Pollo Loco® System, as described in Section 5.4 above, to the construction or remodeling of the Restaurant or the implementation of such changes are subject to Franchisor's prior written approval. FRANCHISEE SHALL PROVIDE WRITTEN NOTICE TO FRANCHISOR OF THE DATE UPON WHICH CONSTRUCTION OF THE RESTAURANT COMMENCED WITHIN 7 DAYS AFTER COMMENCEMENT AND THEREAFTER SHALL PROVIDE TO FRANCHISOR MONTHLY PROGRESS REPORTS OF THE STATUS OF THE CONSTRUCTION WORK SIGNED BY FRANCHISEE'S ARCHITECT OR GENERAL CONTRACTOR. Franchisee's failure to commence the design, construction or remodeling, equipping and opening of the Restaurant promptly and with due diligence shall be grounds for the termination of this Agreement. Franchisor shall make a final inspection of the completed Restaurant and Location and may require such corrections and modifications as it deems necessary to bring the Restaurant and the Location into compliance with approved final plans and specifications. FRANCHISEE SHALL NOTIFY FRANCHISOR OF THE DATE OF COMPLETION OF CONSTRUCTION AND, WITHIN A REASONABLE TIME THEREAFTER, FRANCHISOR SHALL CONDUCT THE FINAL INSPECTION OF THE RESTAURANT AND ITS PREMISES. Franchisee acknowledges and agrees that Franchisee shall not open the Restaurant for business without the express written authorization of Franchisor and that Franchisor's authorization to open shall be conditioned upon Franchisee's furnishing to Franchisor:

a. A letter from the general contractor responsible for the construction or remodeling of the Restaurant indicating that the Restaurant has been constructed or remodeled in substantial conformance with the approved final plans and specifications, including any changes thereto approved by Franchisor, and in accordance with all applicable state and local governmental laws, statutes and ordinances regulating such construction including, without limitation, building, fire, health and safety codes; and

b. A temporary or final Certificate of Occupancy issued by the applicable local governmental entity.

5.6. Franchisee shall, at its sole expense, purchase all required Signs, fixtures, furniture and equipment for the Restaurant and Location from a distributor listed on the Approved Brands and Distributors List (as defined below) or another distributor approved pursuant to Section 11.4. The items purchased shall be installed in strict accordance with the specifications of Franchisor and erected and displayed in the manner and at such locations as are approved and authorized by Franchisor in writing. Franchisee shall maintain and display Signs which reflect the current image of ~~El Pollo Loco®~~ EPL Restaurants and shall not place additional Signs at the Restaurant without the prior written consent of Franchisor. Franchisee shall discontinue the use of and remove, or

modify, as applicable, such Signs that are declared obsolete by Franchisor within 30 days after Franchisee's receipt of Franchisor's written request, subject to reasonable extension if Franchisee is unable after using reasonable diligence to obtain required governmental approvals for modification of such Signs. Proper signage is fundamental to the El Pollo Loco® System and Franchisee hereby grants to Franchisor the right to enter the Location, including the Restaurant and any nearby areas where Signs are displayed, in order to remove and de-identify any unapproved or obsolete Signs in the event Franchisee has failed to do so within the above-specified time frame.

5.7. Franchisee is solely responsible for the acts or omissions of its contractors regarding compliance with all of the provisions of this Section 5, and Franchisor shall have no responsibility for such acts or omissions. Franchisor shall not be liable for any loss or damage arising from the design or plan of the Restaurant by reason of its approval of plans and specifications, or otherwise. Franchisee shall indemnify Franchisor for any loss, cost or expense, including attorneys' fees, that may be sustained by Franchisor because of the acts or omissions of Franchisee's contractors or arising out of the design, construction or remodeling of the Restaurant, except to the extent that any such loss, cost or expense arises as a result of the grossly negligent acts or omissions of Franchisor, its employees and/or agents.

5.8. Franchisee shall give to Franchisor at least 30 days prior written notice of the anticipated Opening Date. Franchisee shall not open the Restaurant to the public until it has received written approval from Franchisor to open. If Franchisee did not deliver to Franchisor a final Certificate of Occupancy prior to the Opening Date, Franchisee shall deliver to Franchisor a copy of an unconditional final Certificate of Occupancy issued by the applicable local governmental entity no later than 90 days following the Opening Date.

6. FEES, TAXES AND OTHER CHARGES

6.1. Franchisee shall pay to Franchisor during the term of this Agreement the following nonrefundable fees:

a. An IFF of \$40,000.00, in full within 30 days of delivery of execution copies of this Agreement to Franchisee; provided, however, if the Restaurant is a Turnkey Restaurant the IFF shall be payable upon execution of this Agreement. As our sole and absolute right to determine, you may be offered an Initial Term of less than 20 years and as such, the IFF will be appropriately pro-rated. All such payments shall be made by cashier's check or other form of payment acceptable to Franchisor. Franchisee hereby acknowledges and agrees that the grant of this franchise constitutes the sole and only consideration for the payment of the IFF and the IFF shall be fully earned by Franchisor upon execution of this Agreement. In that regard, upon the payment of any portion of the IFF, the entire IFF shall be deemed fully earned and non-refundable in consideration of the administrative and other expenses incurred by Franchisor in granting this franchise and for Franchisor's lost or deferred opportunity to franchise to others.

b. A monthly royalty fee equal to 5% of Franchisee's immediately prior

month's Net Sales (as defined in Section 7.1).

c. A monthly advertising fee, which shall be used in accordance with Section 8, for advertising, public relations and promotion and for the creation and development of advertising, public relations and promotional campaigns ("**Advertising Fee**"), in the amount of: (i) 5% of Franchisee's immediately prior month's Net Sales, as defined in Section 7.1 if the Restaurant is located outside of the Los Angeles ("**LA**") Designated Market Area ("**DMA**") or (ii) 4% of Franchisee's immediately prior month's Net Sales, as defined in Section 7.1 if the Restaurant is located within the LA DMA. If the Restaurant is located within the LA DMA, the Advertising Fee may be increased, as our sole and absolute right to determine, to not more than 1% above your original Advertising Fee during the Initial Term of this Agreement and upon 90 days written notice to you. Some existing franchisees may pay a lower Advertising Fee. Restaurants owned and operated by us will contribute on the same basis as those existing franchisees within the same DMA. Franchisor also reserves the right to increase the Advertising Fee in the future by a voting mechanism. Except as otherwise provided in existing franchise agreements, each operating EPL Restaurant (both company-owned and franchised restaurants) located in the geographical area that would be affected by such an increase in the Advertising Fee shall be entitled to one vote. Franchisor must gain an approval vote of 51% of all such operating EPL Restaurants within the applicable geographical area. The minimum geographical area that would be affected by such an increase would be no smaller than a local DMA, although, multiple local DMAs may be involved.

d. The amount of all sales taxes, use taxes and similar taxes imposed upon or required to be collected or paid by Franchisor on account of goods or services furnished to Franchisee by Franchisor, whether such goods or services are furnished by sale, lease or otherwise. Franchisee shall reimburse Franchisor for the invoice amount within 7 days after the invoice has been delivered to Franchisee.

e. Monthly "**POP Fees**" for in-restaurant and drive-thru point-of-purchase materials.

f. Monthly "**Gift Card Discount Fees**" associated with the sale of gift cards (charged to the EPL Restaurant that redeemed the gift cards and earned the sales revenue)

g. Franchisee's pro-rata share of costs for the Customer Feedback Program(s) ("**Customer Feedback Costs**").

h. "**Re-inspection Fees**" per re-inspection of Franchisee's Restaurant (required if a deficiency or unsatisfactory condition is noted for failure to meet any El Pollo Loco[®] System standards and a subsequent re-inspection is necessary to determine if the deficiency or unsatisfactory condition has been cured) and "**Coaching Fees**" (required if coaching sessions are required as determined by Franchisor in our sole and absolute right in certain circumstances).

i. A surcharge for each case of chicken (Whole Birds and Saddles) ordered by franchise and company operators as contributions to the obsolete inventory fund (the “**Obsolete Inventory Fund**”) used to pay for pertinent, unsold inventory of qualified suppliers at the conclusion of limited time promotions and to expedite the delivery of products for situations in which sales exceed prior forecasts. We periodically review the added cost per case and as our sole and absolute right, determine whether to increase or decrease the cost per case.

j. **Training fees**, beyond the initial training provided, shall be due and payable upon receipt of invoice.

k. Monthly “**Learning Management System Fees**”, associated with Pollo Zone, shall be due and payable on the tenth (10th) day after the close of the sales month.

l. **Assignment Fees.** Should Franchisee wish to transfer this Agreement with Franchisor’s consent, Franchisee will pay the appropriate fee described below (each, an “**Assignment Fee**”):

i. **New Franchisee Transfer Administration Fee.** Transfer fee equal to 40% of the then-current IFF for transfers to new franchisees (“**New Franchisee Transfer Administration Fee**”) due before transfer or within 7 days of receipt of bill, plus reimbursement of Franchisor’s reasonable attorneys’ fees to be fully paid by the earlier of (i) upon Franchisee’s signing of the assignment documentation or (ii) upon receipt of invoice.

ii. **Existing Franchisee Transfer Administration Fee.** Transfer fee equal to 25% of the then-current IFF for transfers to existing franchisees (“**Existing Franchisee Transfer Administration Fee**”) due before transfer or within 7 days of receipt of bill, plus reimbursement of Franchisor’s reasonable attorneys’ fees to be fully paid by the earlier of (i) upon Franchisee’s signing of the assignment documentation or (ii) upon receipt of invoice.

iii. **Entity Administration Fee.** \$500 administrative fee for either a change of form of entity or entity name change, with no change in principals (“**Entity Administration Fee**”) due with Franchisee’s transfer request plus reimbursement of Franchisor’s reasonable attorneys’ fees to be fully paid by the earlier of (i) upon Franchisee’s signing of the assignment documentation or (ii) upon receipt of invoice.

iv. **Trust Transfer Administration Fee.** \$500 a transfer of franchise ownership to a revocable family trust (“**Trust Transfer Administration Fee**”) due with Franchisee’s transfer request, plus reimbursement of Franchisor’s reasonable attorneys’ fees to be fully paid by the earlier of (i) upon Franchisee’s signing of the assignment documentation or (ii) upon receipt of invoice.

v. **New Principal Administration Fee.** \$2,500 per new principal

administrative fee for when Franchisee desires to add new principals to the Franchisee or any Franchisee entity ("**New Principal Administration Fee**") due with Franchisee's transfer request, plus reimbursement of Franchisor's reasonable attorneys' fees to be fully paid by the earlier of (i) upon Franchisee's signing of the assignment documentation or (ii) upon receipt of invoice.

m. Successor Fees. Should Franchisee exercise the right to renew this Agreement, Franchisee will pay the renewal fee described in Section 20 of this Agreement to be fully paid upon Franchisee's signing of the successor franchise agreement plus Franchisor's reasonable attorneys' fees to be fully paid by the earlier of (i) upon Franchisee's signing of the successor franchise agreement documentation or (ii) upon receipt of invoice.

n. "New Restaurant Opening Support Fees" as described in Section 16(h) of this Agreement, payable in full within 7 days of invoice to Franchisee.

o. Computer-based Cash Control System and Restaurant Management/Point of Sale System to be paid in full within 7 days of invoice by Franchisor to Franchisee.

p. Digital Communication Board to be paid in full within 7 days of invoice by Franchisor to Franchisee.

q. Remodel Administrative Fee and Refresh Administrative Fee. As described in Section 12.5 of this Agreement, to be paid in full within 7 days of invoice by Franchisor to Franchisee.

r. Consulting and Evaluation Services. From time to time, Franchisor may decide in its sole discretion to retain consultants to advise and make recommendations affecting the El Pollo Loco® System. Franchisee shall reimburse Franchisor its pro rata cost of such consulting and evaluation services. Such amounts shall be set forth in a written invoice delivered to Franchisee by Franchisor and Franchisee shall reimburse Franchisor for the invoice amount within 7 days after the invoice has been delivered to Franchisee.

s. IT Fees as listed in the Franchise IT Support – Fee Schedule to the El Pollo Loco® IT Support Services Agreement attached hereto as Exhibit 7.

6.2. Franchisee shall pay interest to Franchisor on any amounts which may become due to Franchisor from Franchisee, if such are not paid when due, at the rate of 15% per annum (pro-rated) or the maximum interest rate permitted by law, whichever is less.

6.3. CPI Adjustment for Fixed Dollar Amount Fees. For each fixed dollar amount fee or cost set forth in this Agreement, not more frequently than one time per calendar year, effective January 1 of such year (each, an "Adjustment Date"), such fee or amount

may be adjusted by multiplying the then-current fee by a fraction, the numerator of which is the Consumer Price Index for All Urban Consumers (CPI-U), U.S. City Average, All Items, Not Seasonally Adjusted, published by the U.S. Bureau of Labor Statistics (the "**Index**") for the November prior to the Adjustment Date, and the denominator of which is the Index for the corresponding month in the prior year, unless waived by Franchisor. If Franchisor does not implement an annual adjustment with respect to such fixed fee on any Adjustment Date (a "**Skipped Adjustment**"), Franchisor may, at any time thereafter, implement a catch-up adjustment to account for one or more Skipped Adjustments by providing Franchisee with sixty (60) days' prior written notice. The catch-up adjustment shall be calculated by multiplying the then-current fee by a fraction, the numerator of which is the Index for November prior to the effective date of the catch-up adjustment, and the denominator of which is the Index for the corresponding month in the year of the earliest Skipped Adjustment being adjusted. The Adjustment Date and Skipped Adjustment may be collectively referred herein to as the "**CPI Adjustment**".

6.2.6.4. Adjustment for Vendor Fees. For each fee or cost set forth in this Agreement set by third party vendors, effective on the date of change in fees (each, an "**Vendor Pro-rated Adjustment Date**"), such fee or amount may be adjusted by dividing the then-current fee by the number of all EPL Restaurants participating in the services provided by that vendor. If Franchisor does not implement an annual adjustment with respect to such fixed fee on any Vendor Pro-rated Adjustment Date (a "**Vendor Pro-rated Skipped Adjustment**"), Franchisor may, at any time thereafter, implement a catch-up adjustment to account for one or more Vendor Pro-rated Skipped Adjustments by providing Franchisee with sixty (60) days' prior written notice. The catch-up adjustment shall be calculated by dividing the fee at the time of the fee change by the number of all EPL Restaurants participating in the services provided by that vendor for each corresponding month in the year (or use of vendor service if appropriate) of the earliest Skipped Adjustment being adjusted. The Adjustment Date and Skipped Adjustment may be collectively referred herein to as the "**Vendor Pro-rated Adjustment**".

7. FINANCIAL REPORTING, BILLING AND PAYMENT

7.1. The term "**Net Sales**" as used in this Agreement shall mean the total revenues derived by Franchisee in and from the Restaurant from all sales of food, goods, wares, merchandise and all services, rights, and anything else of value, made in, upon, or from the Restaurant, whether for cash, check, credit or otherwise, without reserve or deduction for inability or failure to collect the same, including, without limitation, all revenues derived from delivery, curbside pickup orders, catering, and special event sales, such sales and services where the orders therefor originate at and are accepted by Franchisee into the Restaurant but delivery or performance thereof is made from or at any other place, or other similar orders are received or billed at or from the Restaurant, and any sums or receipts derived from the sale of meals to employees of the Restaurant. Net Sales is calculated after any rebates, discounts, coupons or refunds to customers, any employee meal discounts; any Loyalty Reward points or discounts. Net Sales do not include any sales taxes or other similar taxes that Franchisee collects from customers and pay to any federal, state or local taxing authority. We reserve the right to modify our

policies and practices regarding revenue recognition, revenue reporting, and the inclusion or exclusion of certain revenue from "Net Sales" as circumstances, business practices, and technology change.

7.2. Franchisee shall deliver to Franchisor on or before the sixth (6th) calendar day after each close of the sales month, a monthly Net Sales statement ("**Monthly T-Sheet**"), in the form specified by Franchisor, setting forth the amount of Net Sales for the preceding month and a calculation of the monthly fees payable on such sales. Monthly fees, such as Royalty Fees and Advertising Fees, in addition to other fees such as POP Fees, Gift Card Discount Fees, Customer Feedback Costs, Re-Inspection Fees and Coaching Fees (hereinafter collectively will be referred to as "**Fees**") shall be due and payable on the tenth (10th) day after the close of the sales month, which closing shall be designated by El Pollo Loco® as its sole and absolute right upon 10 days advance written notice to Franchisee ("**Sales Month Closing**"). Franchisee shall make all payments due hereunder by pre-arranged draft or sweep of Franchisee's business bank operating account ("**ACH**"). Franchisee will give Franchisor authorization in the format set forth in the Authorization Agreement for Prearranged Payments, Exhibit 4 attached hereto for direct debits from Franchisee's business bank operating account (the "**Operating Account**"). Franchisee acknowledges it is Franchisee's responsibility to notify Franchisor of any changes to the bank operating account in a timely fashion. Franchisor may choose, as its sole and absolute right, to accept other forms of payment including check, cashier's check and Electronic Funds Transfer ("**EFT**"). Franchisee will contribute to the Obsolete Inventory Fund as described above. Contributions are payable to the vendor at the time of inventory purchase.

7.3. If Franchisee is delinquent in any payment of such Fees, or if Franchisee has not submitted the Monthly T-Sheet for more than a two-month period when due, Franchisor may, as its sole and absolute right initiate an ACH or/and EFT transfer from the Operating Account an estimated amount of Fees due Franchisor for such period which shall be based on the average of the immediately preceding 3 months' Net Sales. If, at any time, Franchisor determines that Franchisee has under-reported the monthly Net Sales of the Restaurant, or underpaid the monthly Royalty Fees, Advertising Fees, or other amounts due to Franchisor under this Agreement, or any other agreement, Franchisor may, in addition to exercising all other rights and remedies available to it under this Agreement, initiate an immediate transfer from the Operating Account in the amount equal to the unpaid Fees in accordance with the foregoing procedure, including interest as provided in Section 6.2 above. Any overpayment of Fees will be credited to the Operating Account effective as of the first due date after Franchisor and Franchisee determine that such credit is due.

7.4. In connection with payment of the monthly Fees by ACH or EFT, Franchisee shall: (1) comply with procedures specified by Franchisor relating to ACH or EFT transfers; (2) perform those acts and sign and deliver those documents as may be necessary to accomplish payment by ACH or EFT as described in Sections 7.2 and 7.4; (3) give Franchisor an authorization in the form designated by Franchisor to initiate debit entries and/or credit correction entries to the Operating Account for payments of the

monthly Royalty Fees and Advertising Fees, or other amounts due to Franchisor under this Agreement, or any other agreement, including any interest charges; and (4) make sufficient funds available in the Operating Account for withdrawal by ACH or EFT of Fees due no later than each applicable due date.

7.5. In addition to the sales data required to be provided in the Monthly T-Sheet to be delivered pursuant to Section 7.2, Franchisee shall deliver (in the manner prescribed by Franchisor) to Franchisor, on or before the 10th day after the end of each sales month during the term of this Agreement, any other sales and menu mix data reasonably requested by Franchisor with respect to the preceding sales month, whether specified in the Manual or otherwise.

7.6. Within 30 days after the end of each calendar quarter and within 120 days after the end of each calendar year during the term of this Agreement, Franchisee shall provide to Franchisor a financial statement of the franchise business which shall include such information and data as specified in the financial reporting format set forth in Exhibit 6 attached hereto or in such other format reasonably approved by Franchisor. Such fiscal year-end financial statements must be signed by Franchisee, Franchisee's treasurer or Franchisee's chief financial officer and contain a representation that the financial statements present fairly the financial position of Franchisee and the results of operations of the franchise business during the period covered.

7.7. Franchisee shall make all payments when due to third parties for obligations arising out of or in any way connected with the existence, operation or maintenance of the Restaurant, including, but not limited to, rental and mortgage payments and payments for utilities, services, products, equipment, supplies, goods, inventory, materials, taxes, labor and other matters. In the event that Franchisee fails to make any such payment in accordance with the foregoing and the nonpayment results or may reasonably result in a condition or event which threatens public safety or health or which may materially and adversely affect the ownership, condition or operation of the Restaurant, in either case in the reasonable judgment of Franchisor, Franchisor shall have the sole and absolute right, after 5 days written notice to Franchisee, but not the obligation, to make such payment on behalf of Franchisee. Such payment shall be without prejudice and in addition to all other available rights and remedies. Any payment made by Franchisor pursuant to this Section shall be paid by Franchisee to Franchisor as an additional amount for the monthly billing period in which such payment is made by Franchisor.

7.8. Franchisee shall maintain accurate and complete books and records pertaining to the operation and maintenance of the Restaurant as required by the standards, policies and procedures established by Franchisor in accordance with the Manual. Franchisee shall be solely responsible for performing all record keeping duties, and the cost for all such services shall be borne solely by Franchisee.

7.9. Franchisee shall obtain, install, and use the computer system that Franchisor requires or approves in writing. The term "**Computer System**" means communications, computer systems, and hardware to be used by the Restaurant,

including (a) back office and point of sale systems, (b) cash register systems; (c) physical, electronic, and other security systems; (d) printers and other peripheral devices; (e) archival back-up systems; and (f) internet access mode (for example, Franchisee's telecommunications connection). In connection with the Computer System:

a. Franchisee must obtain, install, and use the computer software programs required by Franchisor (the "**Required Software**") from time to time. Franchisee must utilize any proprietary software program that Franchisor has developed or may develop, internally or with the assistance of outside suppliers or consultants, or that Franchisor may license for use by the El Pollo Loco® System.

b. Franchisor may modify specifications for and components of the Computer System and Required Software. The Computer System and Required Software must be purchased or leased from Franchisor or from suppliers approved by Franchisor and must be installed by Franchisor or by suppliers approved by Franchisor solely at Franchisee's expense. Franchisor may be the only approved supplier of the Computer System and Required Software. Franchisee is responsible, at Franchisee's expense, to ensure that all Computer System components and Required Software are: (i) installed in accordance with Franchisor's standards and procedures; (ii) functioning properly with timely upgrades, updates, modifications, and maintenance; and (iii) can interface with Franchisor's Computer System. Franchisee has sole and complete responsibility for any and all consequences if the Computer System and Required Software is not properly operated, maintained, updated, modified, and upgraded. Franchisor's modification of specifications for the Computer System and Required Software may require Franchisee, at Franchisee's expense, to purchase, lease, and/or license new or modified computer hardware and/or software and/or communications capabilities and to obtain service and support for such modifications. Franchisee shall be required to enter into an El Pollo Loco® IT Support Services Agreement (a "**Support Agreement**") in connection with the operation of the Computer System. The Support Agreement is attached to this Agreement as Exhibit 7. Franchisee agrees that Franchisor may condition any license of proprietary software to Franchisee, or your use of technology that Franchisor develops or maintains, on you signing the software license agreement or similar document Franchisor provides to regulate your use of, and our and your respective rights and responsibilities with respect to, the software or technology. Franchisor may charge Franchisee up-front and ongoing weekly or monthly fees for any proprietary software or technology Franchisor licenses to Franchisee and for other maintenance and support services provided during this Agreement's term.

c. The Computer System is for use by Franchisee only in connection with operational and management tasks of the Restaurant. Franchisee may not use the Computer System for email, word processing, spreadsheets, web surfing, or any other personal application or purpose not approved in writing by Franchisor ("**Personal Applications**"). However, Franchisee may run such Personal Applications on a separate personal computer and network provided by Franchisee, but the personal computer and network must run in "**stand alone, isolated mode**" and Franchisee must not interconnect such computer(s) with the Computer System. Franchisor reserves the right to require

Franchisee to shut down Personal Applications interfaces if Franchisor determines that such interfaces interfere with the Computer System operations, or the operation of the Restaurant. In addition, Franchisee will only install Franchisor approved Wi-Fi hardware to ensure security and controls are in place to protect and segment networks.

d. Franchisor shall have the right from time to time, and at any time, to retrieve data and information from Franchisee's Computer System, by modem or other means, and use it for any reasonable business purpose both during and after the term of this Agreement. Franchisor may, from time to time, specify in the Manual or otherwise in writing the information that Franchisee shall collect and maintain on the Computer System, and Franchisee shall provide to Franchisor such reports as Franchisor may reasonably request from the data so collected and maintained.

7.10. All of the accounts, books, records and federal, state and local tax returns and reports of Franchisee, so far as they pertain to the business transacted under this Agreement, shall be open to inspection, examination and audit by Franchisor and its authorized representatives at any and all times, and copies thereof may be made by Franchisor and retained for its own use. All of such records shall be maintained and retained by Franchisee for 7 years, and following the termination or expiration of this Agreement, the books and records for the preceding 7 years shall be maintained and retained by Franchisee for 5 years. Franchisor may inspect, examine audit and copy any and all books and records of the Franchisee's business. Any such inspection, examination and audit shall be at Franchisee's cost and expense as a result of Franchisee's failure to prepare and deliver its transmittal reports to Franchisor as required herein, or to maintain books and records as hereinabove provided, or if any such transmittal report is determined to be in error to an extent of 2% or more for the period audited. Any such cost and expense shall be set forth in a written invoice delivered to Franchisee by Franchisor. Franchisee shall reimburse Franchisor for the invoice amount within 7 days after the invoice has been delivered to Franchisee.

7.11. Franchisee shall sell or otherwise issue the stored value cards or gift cards and certificates (together "**Gift Cards**") that have been prepared utilizing the standard form of Gift Card provided or designated by Franchisor, and only in the manner specified by Franchisor in the Manual or otherwise in writing. Franchisee shall fully honor all Gift Cards that are in the form provided or approved by Franchisor regardless of whether a Gift Card was issued by Franchisee or another EPL Restaurant or purchased at any other location including without limitation, retail stores, internet sales or other means of distribution. Franchisee shall sell, issue, and redeem (without any offset against any royalty fees) Gift Cards in accordance with procedures and policies specified by Franchisor in the Manual or otherwise in writing (the "**Gift Card Program**"), including those relating to procedures by which Franchisee shall request reimbursement for Gift Cards issued by other EPL Restaurants and for making timely payment to Franchisor, other operators of EPL Restaurants, or a third-party service provider for Gift Cards issued from the EPL Restaurant that are honored by Franchisee, Franchisor or other EPL Restaurant operators. Franchisee acknowledges and agrees that, in connection with the Gift Card Program, Franchisee may be required to:

- a. Enter into a separate agreement with a third-party provider of Gift Card services under the terms and conditions as may reasonably be required by such third party for participation in the Gift Card Program;
- b. Purchase and maintain a sufficient number of Gift Cards, in a form approved by Franchisor, as may reasonably be required for participation in the Gift Card Program;
- c. Purchase or upgrade, as applicable, such hardware, software and equipment as shall be necessary to participate in the Gift Card Program;
- d. Promote and sell the Gift Cards in Franchisee's Restaurant using only marketing methods and materials approved by Franchisor;
- e. Comply in all material respects with all applicable laws, statutes and regulations in performing Franchisee's obligations under this Agreement and otherwise in connection with Franchisee's participation in the Gift Card Program; and
- f. Execute such forms or documents or take such other actions reasonably necessary or requested by Franchisor to effectuate Franchisee's participation in the Gift Card Program.

7.12. Franchisee acknowledges and agrees that Franchisor reserves the right to discontinue or modify the Gift Card Program at any time, as its sole and absolute right. Upon receipt of written notice from Franchisor of its intent to discontinue or modify the Gift Card Program, Franchisee shall, as applicable, immediately cease offering and accepting Gift Cards and/or make such modifications as Franchisor shall require.

7.13. Franchisee shall participate in the Remote Ordering System (including, but not limited to, website and mobile application ordering and payment), Loyalty Program, Third Party Delivery Program, and Digital Menu Boards Program (collectively referred to as "**Programs**"). Franchisee shall comply with procedures and policies of the Programs specified by Franchisor in the Manual or otherwise in writing, including those relating to making timely payment to third-party service providers for such Programs. Franchisee acknowledges and agrees that, in connection with the Programs, Franchisee may be required to:

- a. Enter into a separate agreement with third party service providers of the Programs under the terms and conditions as may reasonably be required by such third parties for participation in the Programs;
- b. Purchase or upgrade, as applicable, such hardware, software and equipment as shall be necessary to participate in the Programs;
- c. Comply in all material respects with all applicable laws, statutes and

regulations in performing Franchisee's obligations under this Agreement and otherwise in connection with Franchisee's participation in the Programs; and

d. Execute such forms or documents or take such other actions reasonably necessary or requested by Franchisor to effectuate Franchisee's participation in the Programs; and

e. Accept credit cards and mobile payments for orders made through these and other programs or product distribution channels, not imposing any minimum amount for the acceptance of any payment method.

7.14. We may discontinue or modify the Programs at any time, and upon receiving notice from us that we intend to do so, you must immediately cease the Programs or make the modifications that we require.

7.15. Franchisee acknowledges and agrees that it is in the best interest of the business conducted at the Restaurant and the El Pollo Loco® System as a whole, to participate in the Payment Card Industry ("PCI") Data Security Standard ("DSS") Program offered through a third party vendor. This is a set of security requirements that uses current technology and physical security best practices to protect credit cardholder data. The size of Franchisee's business and the number of transactions processed by Franchisee will determine Franchisee's specific requirements for achieving PCI compliance. Currently, the monthly cost of quarterly firewall scans is included with the Micros Platinum service monthly fees; however, such monthly cost may increase as detailed in the El Pollo Loco® IT Support Services Agreement, attached and incorporated herein as Exhibit 7. If Franchisee is found to be non-compliant with the PCI/DSS and remediation is required, a third party vendor will work directly with Franchisee to resolve any outstanding issues and Franchisee may have to pay additional fees. All franchisees are required to participate in this program from a third party vendor as to which we, as our sole and absolute right, may require approval. Franchisee further promises that the results of the PCI review of Franchisee's operations, in so far as they pertain to the business transacted under this Agreement, shall be open to inspection, examination and audit by Franchisor and its authorized representatives at any and all times, and copies thereof may be made by Franchisor and retained for its own use. All of such records shall be maintained and retained by Franchisee as required by the PCI DSS. Franchisee understands and agrees that Franchisee is solely responsible for meeting the requirements for the PCI DSS Program. Failure to do so shall be considered grounds for termination of this Agreement as provided in Section 18 hereof.

8. ADVERTISING AND MARKETING

8.1. Recognizing the value of marketing and advertising to the goodwill and public image of the El Pollo Loco® System, Franchisor administers funds for advertising, public relations, marketing research and promotion into which franchisees contribute an Advertising Fee. ~~El Pollo Loco®EPL~~ Restaurants owned and operated by Franchisor contribute on the same basis as franchisees within the same DMA.

8.2. The entire Advertising Fee will be deposited into the “**Advertising Fund**” to be allocated as Franchisor’s sole and absolute right.

8.3. Franchisor shall have the sole and absolute right to determine the expenditures, investments and all aspects of activities funded by the Advertising Fund, including media plans and buying, creative concepts, materials, endorsements and agency relationships. The Advertising Fund may be used to pay for production costs for materials and programs Franchisor chooses, including advertising agency fees, market research, concept development, design development (store prototypes and advertising), product research and development, video, audio, electronic, written advertising materials, media and public relations programs, reimbursement for Franchisor’s direct overhead and personnel costs to fulfill our obligations to Franchisee in connection to the Advertising Fund and other uses that Franchisor determine to be appropriate and beneficial for some or all EPL Restaurants. The Advertising Fund will be accounted for separately from Franchisor’s other funds. Although it has been Franchisor’s practice to spend all advertising funds in the fiscal year in which they are collected, Franchisor reserves the right to spend such advertising funds in the next fiscal year to the extent Franchisor deems appropriate. Franchisor may spend in any fiscal year an amount greater or less than the aggregate contributions made by EPL Restaurants to the Advertising Fund in that year, and the Advertising Fund may borrow from Franchisor or from other lenders to cover deficits in the Advertising Fund or cause the Advertising Fund to invest any surplus for future use by the Advertising Fund. Upon request, but not more frequently than annually, Franchisor will provide Franchisee with a written description of the expenditures made by the Advertising Fund during the fiscal year immediately preceding the request of the advertising fees received from franchisees. The statement of expenditures is not required to be audited.

8.4. If Franchisee’s Restaurant is located outside the LA DMA, Franchisor may allocate a portion of Franchisee’s Advertising Fee, in the amount that we determine in our discretion, to a Local Advertising Fund (“**LAF**”) and control all decisions regarding the use of the LAF. Franchisee will be required to pay the Advertising Fee to Franchisor at the same time as Franchisee’s royalty payments pursuant to the Authorization Agreement for Prearranged Payments (Exhibit 4 to this Agreement). The LAF monies are to be used for local marketing plans mutually developed by Franchisor and Franchisee, however Franchisor shall have final approval on any local marketing plans. Additionally, Franchisor shall execute all local marketing plans on behalf of Franchisee. Franchisee’s participation in the LAF may impact the marketing support received from the Ad Fund. For these purposes, qualifying LAF expenditures include, but are not limited to: (a) amounts contributed to Advertising Associations (defined below); and (b) amounts spent for advertising media, such as television, radio, newspaper, billboards, posters, direct mail, collateral and promotional items, advertising on vehicles (excluding the cost of any vehicle), and, if not provided by Franchisor, the cost of producing approved materials necessary to participate in such media. Non-qualifying LAF expenditures include amounts spent for items which Franchisor, in its reasonable judgment, deems inappropriate for meeting the minimum advertising requirement, including, but not limited to: permanent

on-premises Signs and traditional or digital menu boards, transportation vehicles, marketing personnel salaries, public relations or advertising agency retainer, highway signs or any other signage for directional purposes only, store labor costs associated with the execution of any marketing program, lighting, administrative costs, Yellow Pages advertising, discounts/coupons offers, free offers, employee incentive programs, and any unapproved marketing or advertising materials. Franchisee may pay out of pocket for additional local marketing items and activities, provided these items and activities are approved by Franchisor prior to use.

8.5. Franchisee shall not engage in any advertising activities without Franchisor's prior written consent. Should Franchisee submit advertising that is not approved by Franchisor, Franchisee will be required to revise and resubmit such advertising again for written approval, prior to use of such advertising. Franchisee shall submit to Franchisor for Franchisor's prior approval, at least 30 days prior to the beginning of each fiscal year, a marketing plan for Franchisee's DMA. This marketing plan may be submitted by all franchisees in Franchisee's DMA through an area advertising association. If Franchisee is using materials not prepared by Franchisor and which vary from Franchisor's standard advertising and promotional materials, such materials must be submitted to Franchisor for approval no less than 45 days prior to the beginning of such promotion or program. Franchisor will review any materials submitted for Franchisor's approval within 10 business days of receipt of such materials. Franchisee shall not use any advertising or promotional materials that Franchisor has disapproved, or that Franchisor has not approved. Franchisee may pay out of pocket for additional marketing items provided these items and activities are approved by Franchisor prior to use.

8.6. Franchisor shall have the right to establish local and/or regional advertising associations ("**Advertising Associations**") for ~~El Pollo Loco~~[®]EPL ~~restaurants~~ Restaurants in Franchisee's local or regional area, covering the geographic areas Franchisor may designate from time to time. Franchisor has the right to form, change, dissolve or merge the Advertising Associations. If Franchisor has established an Advertising Association in Franchisee's DMA, Franchisee must participate in the Advertising Association and its programs and abide by its by-laws. Each EPL Restaurant located within the area governed by the Advertising Association will have a vote. Franchisee must contribute the amounts to the Advertising Association(s) as determined by the Advertising Association members from time to time in accordance with their bylaws. Any EPL Restaurant owned by Franchisor in Franchisee's DMA or regional market area(s) will contribute to the Advertising Association on the same basis as Franchisee contributes for its Restaurant. Contributions to the local and regional Advertising Associations are credited toward the LAF advertising expenditures required pursuant to Section 8.4 above; however, if Franchisor provides Franchisee and Franchisee's Advertising Association 90 days' notice of a special promotion, including, but not limited to, any regional promotions, Franchisee must participate in the promotion and also pay Franchisor any special promotion advertising fees assessed in connection with the program, beginning on the effective date of the notice and continuing until the special promotion is concluded. Any special promotion advertising fees will be in addition

to, and not credited towards, the LAF advertising expenditure required pursuant to Section 8.4 above. The Advertising Association Membership Agreement is attached to this Agreement as Exhibit 5. Franchisor may administer the Advertising Associations and collect Franchisee's Advertising Association contributions by automatic electronic withdrawal.

8.7. Franchisor shall be under no obligation to use the Advertising Fund to advertise equally for all markets or for all DMAs. All advertising fee contributions from Franchisor-operated EPL Restaurants shall be deposited in the Advertising Fund. Franchisor shall be under no obligation to determine the incremental cost of franchise sales advertising and investor relations sections of any internet web sites established by Franchisor and funded in whole or in part by the Advertising Fund.

8.8. In addition to Advertising Fees payable pursuant to Section 6.1 of this Agreement, Franchisee shall pay Franchisor \$5,000 three months prior to the Restaurant's expected Opening Date to conduct grand opening advertising and local store marketing and promotion programs for Franchisee's Restaurant, utilizing advertising and promotional materials approved by Franchisor ("**Grand Opening**"). The Grand Opening plans will be mutually developed by Franchisor and Franchisee, however Franchisor shall have final approval of the Grand Opening plans and shall execute all such Grand Opening plans. Grand Opening advertising shall be conducted in accordance with Franchisor's specifications and standards and in accordance with a Grand Opening plan which will take place during the time period between 15 days prior to the Restaurant's Opening Date and up to 45 days following the Restaurant's Opening Date. Upon Franchisee providing the initial \$5,000, Franchisor shall contribute \$5,000 towards the Restaurant's Grand Opening provided Franchisee's Restaurant meets the following criteria: (i) Franchisee's Restaurant shall be located in a new DMA not previously developed by El Pollo Loco® (Franchise or Franchisor Restaurants), and (ii) Franchisee's Restaurant is the first or second new Restaurant opening in the DMA where Franchisee's Restaurant shall be located.

9. INSURANCE AND INDEMNIFICATION

9.1. Throughout the term hereof, Franchisee shall obtain and maintain insurance coverage with insurance carriers acceptable to Franchisor in accordance with Franchisor's current insurance requirements as modified from time to time as communicated by Franchisor. The coverage shall commence when the Location is secured by Franchisee by executed deed or (sub)lease. As proof of such insurance, a certificate of insurance shall be submitted by Franchisee for Franchisor's approval prior to Franchisee's commencement of any activities or services to be performed under this Agreement. Franchisee shall deliver a complete copy of Franchisee's then-prevailing policies of insurance to Franchisor within 30 days following the delivery of the certificate of insurance. The minimum coverage shall include the following:

a. Full compliance with the insurance requirements of Franchisee's (sub)lease, if any; and

b. Commercial general and product liability insurance written on an occurrence form that includes but is not limited to, premises-operations, property damage (including fire and extended coverage, vandalism and malicious mischief insurance for replacement value of the restaurant and its contents), products/completed operations, contractual liability, independent contractors, personal injury and advertising injury and liability assumed under an insured contract with coverage ~~no less than a minimum of~~ \$1,000,000 per occurrence and \$2,000,000 general aggregate; and

c. Automobile liability with ~~at least coverage of~~ \$1,000,000 combined single limit; and

d. Umbrella excess liability insurance with ~~a minimum limit coverage~~ of \$5,000,000 ~~limit~~ per occurrence; and

e. Employment Practices Liability Insurance with coverage of \$1,000,000 per occurrence and \$2,000,000 per aggregate; and

d.f. Property and extended coverage insurance with a maximum deductible of \$10,000 and with endorsements for vandalism and malicious mischief, covering the building, structures, equipment, improvements and the contents thereof in and at the Restaurant, on a full replacement cost basis, insuring against all risks of direct physical loss (except for unusual perils such as nuclear attack, earth movement and war), and business interruption insurance sustained form covering the rental of the Location, previous profit margins, maintenance of competent personnel and other fixed expenses; and

e.g. Such worker's compensation insurance as may be required by applicable workers compensation and/or occupational disease law; and

f.h. In connection with and prior to commencing any construction, reimage or remodeling of the Restaurant, Franchisee shall maintain Builder's All Risks Insurance in forms and amounts, and written by a carrier or carriers, acceptable to Franchisor; and

g.i. An additional insured endorsement naming Franchisor. The endorsement shall state the above-described insurance shall be primary and not contributory, as to Franchisor; and with a waiver of subrogation in favor of Franchisor. All policies must contain provisions waiving rights of recovery against any named insured by subrogation and an endorsement under the commercial property policy naming Franchisor as a loss payee; and

h.j. Commercial liability and umbrella/excess policies shall not contain: (i) mold, fungi, viruses, or bacteria exclusions applying to a good or product intended for consumption, or (ii) property damage or bodily injury caused by the ingestion of food. There may be other insurance policies (not mentioned here) required to cover potential

losses due to your particular business operations.

i.k. All public liability and property damage policies shall contain a provision that Franchisor, although named as an additional insured, shall nevertheless be entitled to recover under such policies on any loss occasioned to it, its affiliates, officers, agents and employees by reason of the negligence of Franchisor, Franchisee, or their respective principals, contractors, agents or employees. "**Affiliate**" is defined as any person or legal entity that directly or indirectly controls, is controlled by, or is under common control with the specified person or legal entity; and

j.l. All policies shall extend to and provide indemnity for all obligations assumed by Franchisee hereunder and all other items for which Franchisee is required to indemnify Franchisor under the provisions of this Agreement, whether or not the liability arose from the negligence of Franchisor, its principals, contractors, agents or employees, and shall provide Franchisor with at least 30 days prior written notice of cancellation, termination or material reduction of coverage.

9.2. Franchisor shall be named as an additional insured on all of such policies referenced in Section 9.1 above as well as loss payee on the commercial property policy to the extent of its interests and shall be provided by Franchisee with certificates of insurance evidencing such coverage prior to the Opening Date and promptly following the date any policy of insurance is renewed, modified or replaced during the term of this Agreement. All coverages shall be placed with a financially stable insurer with a minimum AM Best Ratings of A-VII. Franchisor reserves the right to specify reasonable changes (which may include increases) in the types and amounts of insurance coverage required by this Section 9. Should Franchisee fail or refuse to procure the required insurance coverage from an insurance carrier acceptable to Franchisor or to maintain it throughout the term of this Agreement, Franchisor may as its sole and absolute right, but without any obligation to do so, obtain such coverage for Franchisee, in which event Franchisee shall pay on demand the required premiums and any related fees or costs (such as, but not limited to, broker's fees, taxes or service fees) or reimburse Franchisor therefore. The amount of such premiums and any related fees or costs shall be set forth in a written invoice delivered to Franchisee by Franchisor. Franchisee shall reimburse Franchisor for the invoice amount within 7 days after the invoice has been delivered to Franchisee pursuant to Section 23.3 of this Agreement. Failure to maintain the required insurance or to promptly reimburse Franchisor for any premiums and any related fees or costs paid on behalf of Franchisee by Franchisor shall constitute a default hereunder. Should Franchisor elect to obtain such coverage for Franchisee, then Franchisee will assist Franchisor by providing the necessary information and access to enable Franchisor to obtain coverage for Franchisee. In the event of any claim, lawsuit, complaint, cross complaint, arbitration, demand, allegation, or liens and damages (collectively "**Claim**"), Franchisee shall immediately notify Franchisor in writing of the Claim and the facts surrounding such Claim pursuant to Section 23.3 of this Agreement.

9.3. Franchisee shall defend immediately upon tender of defense, at its own cost, Franchisor, its subsidiaries, parent and affiliates, shareholders, directors, officers,

employees and agents (collectively referred to, for this Sections 9.3 and 9.4 only, as “**Franchisor**”), from and against any and all claims, lawsuits, complaints, cross complaints, arbitrations, demands, allegations, costs embraced by indemnity, loss, costs, expenses (including attorneys’ fees), liens and damages (collectively referred to, for Sections 9.3 and 9.4 only, as “**Losses**”), however caused, and reimburse Franchisor for all costs and expenses (including attorneys’ fees) incurred by Franchisor in defense of any Losses, resulting directly or indirectly from or pertaining to or arising out of, or alleged to arise out of, or in connection with the Restaurant or operation of the Restaurant, including, without limitation any labor or employee-related claims whatsoever (including claims made by an employee of Franchisee resulting from the employee’s training in a Franchisor operated facility or EPL Restaurant), and Franchisee’s failure for any reason to fully inform any third party of Franchisee’s lack of authority to bind Franchisor for any purpose. Such Losses shall include, without limitation, (a) those arising from latent or other defects in the Restaurant whether or not discoverable by Franchisor, (b) those arising from the death of or injury to any person and (c) those arising from damage to the property of Franchisee or Franchisor, or any third party, whether or not any of the foregoing is a result of any strict liability imposed on Franchisor by fact, law, statute, or ordinance. Franchisee further agrees that Franchisee’s duty to defend Franchisor is separate from, independent of and free-standing of Franchisee’s duty to indemnify Franchisor and applies whether the issue of Franchisee’s negligence, breach of contract, or other fault or obligation has been determined. Franchisee’s duty to defend is regardless of the outcome of liability even if Franchisee is ultimately found not negligent and not dependent on the ultimate resolution of issues arising out of any.

9.4. Franchisee shall indemnify and hold harmless Franchisor from and against any and all Losses, however caused, resulting directly or indirectly from or pertaining to or arising out of or in connection with the Restaurant or operation of the Restaurant, including, without limitation, any labor or employee-related claims whatsoever, including any claims made by an employee of Franchisee resulting from the employee’s training in a Franchisor operated facility or EPL Restaurant, and Franchisee’s failure for any reason to fully inform any third party of Franchisee’s lack of authority to bind Franchisor for any purpose. Such Losses shall include, without limitation, (a) those arising from latent or other defects in the Restaurant whether or not discoverable by Franchisor, (b) those arising from the death of or injury to any person and (c) those arising from damage to the property of Franchisee or Franchisor, or any third party, whether or not any of the foregoing is a result of any strict liability imposed on the Franchisor by fact, law, statute, or ordinance. Franchisee further shall indemnify and hold harmless Franchisor from all said Losses and shall pay for and be responsible for all said Losses, however caused, whether by any individual, employee, third person or party, vendor, visitor, invitee, trespasser or any firm or corporation whatsoever, whether caused by or contributed to by Franchisor, the combined conduct of Franchisee and Franchisor, or active or passive negligence of Franchisor, but for the sole negligence or willful misconduct of Franchisor.

10. VENDING MACHINES

10.1. Franchisee shall not install a video game machine, juke box, cigarette

machine, public telephone or other type of vending machine or device, whether or not coin operated in the Restaurant, or on its premises, without prior written approval of Franchisor, which approval will be granted or denied as Franchisor's sole and absolute right. The revenues received by Franchisee from any approved machines shall be included in Franchisee's Net Sales.

11. COMPLIANCE WITH MANUAL AND WITH SYSTEM STANDARDS

11.1. Franchisee acknowledges and agrees that strict and continued adherence by Franchisee to Franchisor's standards, policies, specifications, procedures, requirements, menu items policies, and the Manual comprising the El Pollo Loco® System (collectively, the "**System Standards**"), as set forth in this Section 11, in the Manual, and in other standards, policies, and procedures documents created or modified by Franchisor from time to time, is required and that failure on the part of Franchisee to so adhere will be grounds for termination of this Agreement as provided in Section 18 hereof. Franchisee acknowledges that changes, modifications, deletions and additions to the System Standards may be necessary and desirable from time to time. Franchisor may make such modifications, revisions, deletions and additions, including without limitation, modifications, revisions, deletions and additions to the Manual and to the menu items required to be offered by Franchisee, which Franchisor, in good faith and exercising its judgment believes to be desirable. Franchisee agrees to comply with any such modification, revision, deletion or addition as of the date that such modification, revision, deletion or addition becomes effective, whether they involve refurbishing or remodeling the Restaurant, buying new operating assets, adding new menu items and services, initiating new programs, or otherwise modifying the nature of your operations, as if they were part of this Agreement as of the Effective Date. Franchisee acknowledges that it shall receive a copy of the Manual for the Restaurant on loan from Franchisor and that the Manual shall at all times remain the sole property of Franchisor. Franchisee understands that Franchisor has entered into this Agreement in reliance upon Franchisee's representation that it will strictly comply with all the provisions of the Manual. For purposes of this Agreement, the Manual shall be deemed to include all written directions delivered to Franchisee by Franchisor from time to time setting forth standards, specifications and procedures for the operation of Franchisee's Restaurant.

11.2. Franchisee acknowledges and agrees that it is in the best interest of the business conducted at the Restaurant to prepare and serve food in the Restaurant only from ingredients which meet the product specifications as communicated by Franchisor to Franchisee from time to time (the "**Specifications**"), and Franchisee further promises that all products, equipment, goods, inventory and supplies used in connection with the Restaurant will comply with the Specifications. Furthermore, Franchisee shall not offer or sell any product, service or other item at the Restaurant except those prior approved in writing by Franchisor.

a. All menu items shall be made in strict compliance with Franchisor's written recipes and requirements, which Franchisor may change from time to time by amendments to the Manual.

b. Franchisee acknowledges and agrees that all proprietary El Pollo Loco® marinades, marinade mixes and marinated ingredients used in the preparation of the required and approved El Pollo Loco® food products are unique. Their formulae and the process of their manufacture constitute trade secrets. Franchisee shall purchase such marinades, marinade mixes and marinated ingredients exclusively from Franchisor or, as Franchisor's sole and absolute right to determine, from Franchisor's designated distributor. The right to purchase and use such marinades, marinade mixes and marinated ingredients is licensed to Franchisee pursuant to this Agreement, and such right is restricted to use in the franchise business at the Restaurant and solely for the term of this Agreement.

11.3. Throughout the term of this Agreement, Franchisee shall be actively engaged in the management and day-to-day operation of the Restaurant. Additionally, Franchisee must participate personally in the direct operation of the Restaurant and attend Franchisor operations and business results meetings on or off (Restaurant) site or via video call, at Franchisor's discretion. If Franchisee cannot participate personally in the direct operation of the Restaurant, Franchisee must appoint a Designated Operator who will devote his or her full time to the supervision of the business, operations of the Restaurant, all franchise activities, and any other ~~El Pollo Loco®~~-Restaurant owned by Franchisee. The appointment of the Designated Operator is subject to Franchisor's prior written approval. The Designated Operator must satisfactorily complete Franchisor's Designated Operator Training Program ("**DOTP**") and become certified in the Food Protection Management Training Program ("**FPMT**P"). If at any time, for any reason, the Designated Operator ceases to perform those duties on behalf of the Restaurant(s), (a) Franchisee shall appoint a new Designated Operator within 90 days subject to Franchisor's prior written approval, and the newly appointed Designated Operator must, within 150 days of appointment, satisfactorily complete Franchisor's DOTP and have become certified in the FPMT, all at Franchisee's expense; or (b) Franchisee shall assume the duties of the Designated Operator and complete Franchisor's DOTP and become certified in the FPMT within 240 days if not previously completed/certified within the last 36 months.

11.4. Franchisee acknowledges that it has received a copy of Franchisor's list of approved brands and distributors (the "**Approved Brands and Distributors List**"). Franchisor has consulted with the distributors set forth on such list and each distributor has agreed to offer products, services, equipment, goods, inventory, supplies, ~~or~~ paper products, or data integration with Franchisor's systems, which will comply with Franchisor's Specifications. Such Approved Brands and Distributors List is furnished to Franchisee and Franchisee must purchase only those products, equipment, goods, inventory, supplies and paper products that comply with the Specifications and only those brands, and only from those distributors, which are on the Approved Brands and Distributors List. If Franchisee desires to purchase any brands and/or products from any distributor not named on the Approved Brands and Distributors List (or any brand and/or product not on the Approved Brands and Distributors List from a distributor on that list), Franchisee shall first submit to Franchisor a written request for approval of any such

brand, product and/or distributor whichever is applicable, prior to Franchisee's purchase of such product from such distributor. Franchisor shall have the right to require that its representatives be permitted to inspect the distributor's facilities and that samples from the distributor be delivered either to Franchisor or to an independent laboratory designated by Franchisor for testing. Upon completion of Franchisor's inspection or evaluation of the proposed distributor (including samples provided by such distributor), and upon submission of any additional information or data required by Franchisor, Franchisor shall promptly approve or reject such proposed distributor or services and goods. Franchisor reserves the right, at its option, to re-inspect the facilities and products of any such approved distributor or of any distributor on Franchisor's Approved Brands and Distributors List and to revoke its approval upon the distributor's failure to continue to meet any of Franchisor's then-current Specifications and criteria. Nothing in the foregoing shall require Franchisor to approve any distributor. Franchisor agrees to evaluate any item which Franchisee is considering procuring to determine whether such item complies with the Specifications. No charge shall be made by Franchisor for the services of Franchisor's employees in connection with such evaluation; however, Franchisee shall reimburse Franchisor for its reasonable cost and expenses in connection with such evaluation, including any amounts paid to independent laboratories or consultants chosen by Franchisor as its sole and absolute right to assist in such evaluation. All such amounts shall be set forth in a written invoice delivered to Franchisee by Franchisor. Franchisee shall reimburse Franchisor for the invoice amount within 7 days after the invoice has been delivered to Franchisee pursuant to Section 23.3 of this Agreement. The Approved Brands and Distributors List and any guide containing such list are proprietary information of El Pollo Loco® and must be kept strictly confidential by Franchisee. Franchisee shall not copy, distribute, release or otherwise provide any third party with all or any part of the information contained in the Approved Brands and Distributors List or guide without first obtaining the prior written approval of Franchisor, which approval may be withheld as Franchisor's sole and absolute right. (Notwithstanding anything in this Agreement to the contrary, Franchisor may designate itself the only approved distributor of some or all of the brands and/or products. Franchisor's proprietary products must be purchased from Franchisor or its designated distributor pursuant to Section 11.2.b).

11.5. As uniformity of appearance and public recognition are important to the El Pollo Loco® brand recognition and success of Franchisee and Franchisor hereunder, Franchisee shall:

a. Use only uniforms, Signs, cards, posters, notices, displays, decorations, table tents and other such advertising materials which are identical in appearance and quality to those furnished or approved by Franchisor. Franchisor may make available its menu-stock (pre-printed as to all matters other than menu prices), including specials and featured items, to Franchisee for printing in the event that Franchisee elects to charge prices not provided for in Franchisor's menu codes. Notwithstanding anything in this Agreement to the contrary, Franchisor reserves the right, to the fullest extent allowed by applicable law, to: establish maximum, minimum or other pricing requirements with respect to the prices Franchisee may charge; recommend retail prices; advertise specific retail prices for some or all products sold by Franchisee, which

prices Franchisee will be compelled to observe; engage in marketing, promotional and related campaigns, which Franchisee must participate in and which may directly or indirectly impact Franchisee's retail prices; and otherwise mandate, directly or indirectly, the prices which Franchisee may charge.) Franchisee agrees that all specials or featured items designated by Franchisor shall be included as part of the menu and shall be made available on the days and times designated by Franchisor; and

b. Not authorize or permit in the Restaurant, or on behalf of the Restaurant, any advertising, Signs, cards, posters, notices, displays, decorations or table tents other than those described in Section 11.5(a), nor authorize or permit in or around the Restaurant any products or services which are not authorized by Franchisor, without the prior written consent of Franchisor.

c. Receive written approval from Franchisor's Marketing Department to employ delivery companies as described in the Manual. Notwithstanding the foregoing, under the System, and as described in Section 7.13 above, Franchisor requires Franchisee's participation in the Remote Ordering System, Loyalty Program and Third-Party Delivery Program. Franchisee shall be required to participate, offer and conduct such programs.

d. Comply with our customer complaint resolution procedures and our commitment to customer satisfaction policy. Franchisee must reimburse Franchisor promptly if Franchisor resolves a customer complaint because you fail to resolve the matter as or when required.

e. Cooperate with Franchisor to maintain a single voice for the El Pollo Loco® brand across all social media platforms, including your agreement to refrain from creating, posting, or maintaining your own social media pages related to the El Pollo Loco® brand.

11.6. Franchisor shall have the right to remove any unauthorized material at Franchisee's expense.

11.7. At all times during this Agreement's term, Franchisee must secure and maintain all licenses, permits, and certificates required for the Restaurant's operation and operate the Restaurant in full compliance with all applicable laws, ordinances, and regulations, including, but not limited to those relating to occupational hazards, health, environment, employment, workers' compensation and unemployment insurance, and withholding and payment of taxes. Your advertising and promotion must be completely factual and conform to the highest standards of ethical advertising. The Restaurant must in all dealings with customers, suppliers, Franchisor, and the public adhere to the highest standards of honesty, integrity, fair dealing, and ethical conduct. Franchisee agrees not to engage in any business or advertising practice that could injure ~~El Pollo Loco®EPL~~ Restaurants, including Franchisee's Restaurant. Franchisee must notify us in writing immediately if (a) any legal charge is asserted against Franchisee or the Restaurant (even if there is no formal proceeding), (b) any action, suit, or proceeding is commenced against Franchisee or the Restaurant, (c) you receive any report, citation, or notice regarding the

Restaurant's failure to comply with any licensing, health, cleanliness, or safety standard, or (d) any bankruptcy or insolvency proceeding or an assignment for the benefit of creditors is commenced by or against Franchise, your owners, or the Restaurant. Franchisee shall submit copies of all government health inspections and food borne illness investigation reports of the Restaurant to Franchisor, or Franchisor's designated agent. Additionally, should Franchisee be subject to Restaurant closure by health officials or receive a "B" or equivalent restaurant rating, Franchisee will immediately notify Franchisor by the fastest means available.

12. RESTAURANT MAINTENANCE AND REPAIR

12.1. Maintenance and repair of the Restaurant are the sole responsibility and shall be done at the expense of Franchisee. For the term of this Agreement, Franchisee, at its sole cost and expense, shall maintain the Restaurant and the Location, including, but not limited to, the Restaurant building, the Location and parking lot, equipment, decor, furnishings, fixtures, wares, utensils, supplies, and inventory, in good working order and condition and in compliance with all laws. Franchisee shall make all repairs within a reasonable time period not to exceed 30 days of the date such repairs are identified as needed to bring the Restaurant into a first-class condition. Franchisee shall replace any of the Restaurant's equipment, furnishings and fixtures and repaint the Restaurant as necessary to satisfy this Section 12. Without limiting the generality of the foregoing, upon notice from Franchisor of any change required or recommended by applicable law, rule or regulation, or if Franchisor discovers any circumstance which is or may result in a danger to public health, Franchisee shall promptly, remove, repair, replace or modify any equipment or fixtures used in the Restaurant necessary to satisfy or rectify the same. All replacement equipment, furnishings and fixtures shall comply with Franchisor's then-current requirements and specifications.

12.2. Franchisee shall not make any addition to or change in the physical appearance, decor, characteristics or style of the Restaurant without the prior written consent of Franchisor which consent may be withheld or granted as Franchisor's sole and absolute right.

12.3. During the term of this Agreement, Franchisor shall require Franchisee, at Franchisee's expense, to remodel the Restaurant as we may determine based on the condition and current approved image of the building, to then current El Pollo Loco® standards, format, design and image, including, without limitation, renovation of the exterior facade, signs, interior furnishings, equipment, fixtures, and decor, to reasonably reflect the then current standards and image of the El Pollo Loco® System (collectively, "**Remodel**") as designated in plans and specifications provided by Franchisor, on the tenth (10th) anniversary of the Restaurant's Opening Date. A renewal Remodel, at Franchisee's expense, is due on the twentieth (20th) anniversary of the Restaurant's Opening Date provided Franchisee has elected to renew this Agreement.

12.4. During the term of this Agreement, Franchisor shall require Franchisee, as we may determine, to update the Restaurant to the then current El Pollo Loco® standards,

format, design and image, including, without limitation, update signs, menu boards, interior furnishings, equipment, fixtures, and decor, to reasonably reflect the then current standards and image of the El Pollo Loco® System (collectively, “**Refresh**”) to then current El Pollo Loco® standards, format, design and image, as designated pursuant to plans and specifications provided by Franchisor, on the fifth (5th) and fifteenth (15th) anniversary of the Restaurant’s Opening Date, at Franchisee’s expense.

12.5. A Remodel Administrative Fee of \$5,000 (“**Remodel Administrative Fee**”) and a Refresh Administrative Fee of \$2,500 (“**Refresh Administrative Fee**”) shall be due and payable to Franchisor 1 months prior to the applicable Remodel deadline or the Refresh deadline. The Remodel Administrative Fee and the Refresh Administrative Fee shall be credited to Franchisee upon the timely completion of the Restaurant Remodel or Refresh.

12.6. Franchisee shall be required to undertake such Remodel or Refresh, as defined above, in connection with a transfer of the Restaurant under Section 17.6.c of this Agreement.

12.7. All Signs to be used in connection with the Restaurant, both exterior and interior, must conform to Franchisor’s Sign criteria as to type, color, design and location and be approved in writing by Franchisor prior to installation or display. Franchisee shall change its Signs to conform with updated or revised requirements of Franchisor when Franchisor commits to implementing such revisions at 25% of the Franchisor’s then-operated ~~El Pollo Loco®~~EPL Restaurants and at such times as Franchisee is required to perform remodeling and refresh work pursuant to Sections 12.3 and 12.4.

12.8. Franchisee shall at all times operate its Restaurant as a clean, safe, sanitary, orderly, legal and respectable place of business in accordance with the Manual, the lease or sublease, if any, for the Location and all applicable federal, state or local laws, rules, or regulations, including, but not limited to, OSHA related safety training and compliance. Franchisee shall not cause or allow any part of its Location to be used for any immoral or illegal purpose. Any citations or penalties issued shall be the sole responsibility of Franchisee.

13. HOURS OF OPERATION

13.1. Franchisee shall keep the Restaurant fully operational and open to the public upon such days and during such minimum number of hours as Franchisor shall prescribe from time to time in the Manual. Franchisee shall supply to Franchisor prior to the commencement of the construction or remodeling work of the Restaurant proof that the Restaurant is allowed to be open to the public during such required hours and days by the applicable local governmental authorities and by the landlord under the lease for the Location. In the event that the Restaurant is closed for reasons beyond Franchisee’s control, Franchisee will immediately notify Franchisor by the fastest means available of the closing.

14. PERSONNEL STANDARDS

14.1. Subject to Section 14.5 below, Franchisee shall hire, train and supervise Restaurant employees in accordance with the applicable provisions of the Manual. Franchisee shall do everything necessary to ensure that all employees are, at all times during employment in the Restaurant, neat, clean and adequately trained and supervised in connection with the performance of their duties.

14.2. Franchisee acknowledges that adequate training and supervision are necessary in order to ensure that the Restaurant personnel provide service to the public in a courteous, efficient and skilled manner and in accordance with the standards set forth in the Manual. Franchisee understands and agrees that Franchisee is solely responsible for the performance of its Operations Director(s), General Manager(s), Assistant Manager(s), Shift Leader(s) and all other of its employees and that the acts and omissions of such employees which are inconsistent with the provisions of this Agreement shall be considered grounds for termination of this Agreement as provided in Section 18 hereof.

14.3. Franchisee shall maintain wages, hours, working conditions and other benefits for all of its employees in accordance with all federal, state and local laws and regulations.

14.4. Franchisee shall maintain all employee time, payroll and tax records and to file required reports thereon in accordance with all federal, state and local laws and regulations.

14.5. It is mutually understood and agreed by the parties that Franchisee retains the responsibility and independent authority, notwithstanding any provision of this Agreement, to establish, maintain and enforce all personnel policies and procedures. Franchisee is solely responsible for, and solely in control of, all employment matters, decisions and functions of Franchisee's employees, including but not limited to those related to (a) wages, benefits, and other compensation; (b) hours of work and scheduling; (c) the assignment of duties to be performed; (d) the supervision of the performance of duties; (e) work rules and directions governing the manner, means, and methods of the performance of duties and the grounds for discipline; (f) the tenure of employment, including hiring and discharge; and (g) working conditions related to the safety and health of employees. Franchisee further acknowledges and agrees that any personnel policies or procedures in the Manual or other written information from Franchisor are for Franchisee's optional use and are not mandatory provisions. It is Franchisee's sole responsibility to determine to what extent, if any, any such policies and procedures described in the Manual or otherwise might be applicable to operations at Franchisee's Store. Franchisor and Franchisee agree that neither is, nor will be deemed to be, a joint employer with the other and Franchisee will defend, indemnify and hold harmless Franchisor with respect to any such or similar claims.

15. INSPECTIONS

15.1. Franchisor, ~~and~~ its authorized representatives, and third party vendors, shall have the right to inspect the Restaurant and the supplies and inventory of Franchisee at Franchisee's cost. Franchisor's personnel and representatives shall have the right to enter the Restaurant at any reasonable time, and from time to time, with or without notice, for the purposes of examination, conferences with Franchisee and personnel of Franchisee, observation and evaluation of the operations being conducted at the Restaurant.

15.2. Franchisor may conduct quality control and evaluation programs, as Franchisor shall determine (including a "**accuracy guarantee**" program, social media monitoring, Food Safety Audit ("FSA"), follow up FSAs and coaching, or other similar programs). Franchisee shall allow and participate in such program(s), as required by Franchisor. ~~Franchisor shall have the right to require~~ Franchisee will promptly ~~to~~ pay its ~~pro-rata share of the~~ costs (or pro-rata share of cost if applicable) incurred in establishing and maintaining such program(s) ~~and Franchisee shall promptly pay such charges~~. Franchisee acknowledges that Franchisor ~~shall have~~ has the right, in any manner Franchisor may deem appropriate, to publish or disclose any information that is collected, produced or maintained under any program(s) implemented pursuant to this Section to other franchisees under the El Pollo Loco® System on a named basis, or to third parties outside the El Pollo Loco® System on an anonymous basis.

15.3. In connection with inspections conducted pursuant to Sections 15.1 and 15.2 above, Franchisor and its authorized representatives may deliver to Franchisee an inspection report in such form(s) as may be adopted by Franchisor from time to time (the "**Inspection Report(s)**"). The Inspection Report(s) shall indicate the principal items inspected, observed and evaluated.

15.4. In the event that any such Inspection Report indicates a deficiency or unsatisfactory condition with respect to any item listed thereon that violates any System Standards, Franchisee, at your cost, shall promptly commence to correct or repair such deficiency or unsatisfactory condition and thereafter diligently pursue the same to completion. In the event of a failure by Franchisee to comply with the foregoing obligation to correct or repair, Franchisor, in addition to all other available rights and remedies, including the right to terminate this Agreement pursuant to Section 18 below, shall have the sole and absolute right, but not the obligation, to forthwith make or cause to be made such correction or repair, and the expenses thereof, including, without limitation, meals, lodging, wages and transportation for Franchisor's personnel, if so utilized as Franchisor's sole and absolute right to determine, shall be promptly reimbursed by Franchisee. Should any deficiency or unsatisfactory condition be reported more than once within any 30 day period, Franchisor shall have the right, in addition to all other available rights and remedies, to place a Franchisor representative in charge of the Restaurant for a period of up to 30 days in each such instance, and the wages and expenses of meals, lodging and transportation of said representative, which shall be commensurate with that provided for managers of other Franchisor-owned ~~El Pollo Loco®~~ EPL Restaurants, shall promptly be reimbursed by Franchisee. All such expenses incurred by Franchisor pursuant to this Section shall be set forth in a written invoice delivered to Franchisee by Franchisor.

Franchisee shall reimburse Franchisor for the invoice amount within 7 days after the invoice has been delivered to Franchisee.

15.5. Notwithstanding Section 15.4 above, should the Inspection Report indicate a deficiency or unsatisfactory condition with respect to any item listed thereon that violates any System Standards, and Franchisor or Franchisor's agent are required to return to the Restaurant to re-inspect the Restaurant, or in Franchisor's sole and absolute determination, provide a coaching session to Franchisee, Franchisor will charge Franchisee an Re-Inspection Fee or Coaching Fee, as applicable, for each subsequent Restaurant visit ~~to Franchisee's Restaurant after the initial inspection.~~ Franchisee will give Franchisor authorization to pay the Re-Inspection Fee as a direct debit from Franchisee's Operating Account. ~~Should there be 2 consecutive Inspection Reports both indicating a deficiency or unsatisfactory condition with respect to any item listed thereon that violates any System Standards, and Franchisor or Franchisor's agent return to the Restaurant to provide a coaching session to Franchisee; or should Franchisor determine in our sole and absolute right that a coaching session is required at the Restaurant due to certain circumstances, Franchisor will charge Franchisee a Coaching Fee for each Coaching session at Franchisee's restaurant. Franchisee will give Franchisor authorization to pay each Coaching session visit charge as a direct debit from Franchisee's Operating Account.~~

15.6. In the event that the Restaurant operations threatened health or public safety or materially adversely affected the ownership, condition or operation of the Restaurant or adversely affect the El Pollo Loco® brand or goodwill, or the arrival of any health department inspector or regulatory official at the Restaurant for any reason, Franchisee must (i) immediately within 2 hours of the arrival of the inspector or official, report such issue or health department visitation to Franchisor by immediately contacting the assigned Director, Franchise Business (or equivalent) and if unable to speak directly with the assigned Director, by immediately contacting the Support Center and (ii) compensate Franchisor, or reimburse Franchisor for all fees, costs or expenses, use of internal and external resources, taxes or other types of charges which Franchisor pays on Franchisee's behalf to third parties or that Franchisor directly incurs, including payments to taxing authorities, governmental agencies, suppliers, contractors and insurance carriers, for products, services, loss in sales or revenue, supplies, equipment, goods, materials or inventory when Franchisee's Restaurant operations or nonpayment threatens health or public safety or materially adversely affects Franchisee's ownership, condition or operation of your Restaurant or materially adversely affects the "El Pollo Loco" brand or goodwill. While Franchisor has the sole and absolute right to make such payments as described above on behalf of Franchisee, it is not Franchisor's obligation to do so. Franchisor's decision to make payments on behalf of Franchisee is not in lieu of any of Franchisor's rights and remedies in this Agreement, including Franchisor's right to terminate this Agreement. Franchisee must transmit a copy of the official inspection report, any notice, fine, test results or the like to Franchisor within 24 hours of receipt, regardless of the score or grade received.

16. TRAINING

16.1. Franchisee acknowledges and agrees that it is important to the operation of the Restaurant that Franchisee and its employees receive such training as Franchisor may require from time to time. Therefore:

a. The Restaurant must be managed by not less than 4 individuals as a General Manager, Assistant Manager or Shift Leader (collectively, “**Managers**”) who: (i) have successfully completed Franchisor’s Management Training Program (“**MTP**”) at a Franchisor designated Certified Training Restaurant (“**CTR**”) (as determined by Franchisor) or in the case of on-going training and if appropriate, at Franchisee’s Restaurant or at your designated Franchise CTR (“**FCTR**”); (ii) have each become certified in the FPMT from a Franchisor’s approved vendor; and (iii) will assume responsibility for the day to day management of the operations of the Restaurant, including the preparation of food products, accounting, and the supervision and training of personnel. A minimum of 1 General Manager and 1 Assistant Manager must attend the initial MTP. The Managers may be required to sign a confidentiality agreement in a form approved by Franchisor. Each and every shift during operating hours must have a Manager in charge.

b. If at any time, for any reason, the General Manager ceases to perform those duties on behalf of the Restaurant, Franchisee must promptly designate a new General Manager who meets the above-stated qualifications.

c. If this is Franchisee’s first ~~EPL~~-Restaurant, Franchisee must also attend and satisfactorily complete the Executive Franchisee Training Program (“**EFTP**”). Such training shall be completed prior to the opening of the Restaurant. MTP, EFTP and DOTP may be collectively referred to as “**Training Programs**” or “**Initial Training Programs**” or individually as “**Training Program**” or “**Initial Training Program**”.

d. Franchisee must appoint a Designated Operator to oversee all franchise activities. The appointment of a Designated Operator is subject to Franchisor’s prior written approval. The Designated Operator must satisfactorily complete the DOTP and become certified in the FPMT prior to the opening of the Restaurant. Franchisee may be designated as a Designated Operator. ~~The Designated Operator may also be designated as a General Manager.~~

e. The Designated Operator shall devote their full time to the supervision of the business, operations of the Restaurant, all franchise activities, and any other ~~El Pollo Loco~~[®]-Restaurant owned by Franchisee. If at any time, for any reason, the Designated Operator ceases to perform those duties on behalf of the Restaurant(s), Franchisee shall appoint a new Designated Operator within 90 days, and the newly appointed Designated Operator must satisfactorily complete Franchisor’s DOTP within 150 days of appointment at Franchisee’s expense; or, Franchisee shall assume the duties of the Designated Operator and complete Franchisor’s DOTP within 240 days (if not previously completed within the last 36 months).

f. Franchisee shall implement a training program for Franchisee's employees in accordance with training standards and procedures prescribed by Franchisor and shall staff the Restaurant at all times during the term of this Agreement with a sufficient number of trained employees. If Franchisee opens and/or operates 2 Restaurants within a consecutive 12-month period or ~~more than 3~~ or more units in a consecutive 24-month period, Franchisee will need to designate (i) a Training Manager and (ii) one of your Restaurants which will become your FCTR. Franchise must have proper infrastructure, including but not limited to, an adequate number of Training Managers for all of Franchisee's Restaurants and employees, already in place to meet brand standards and your ability to grow. Each Training Manager must complete to our satisfaction their Training Manager Program conducted at Franchisor's support center and at a designated CTR or FCTR before they can be approved as a Training Manager for your organization(s). If at any time, for any reason, the Training Manager ceases to perform those duties on behalf of your organization(s), at your expense, you shall either: (a) appoint a new Training Manager within 90 days subject to EPL prior written approval, and the newly appointed Training Manager must satisfactorily complete the EPL Training Manager Program within 70 days from EPL's approval of the newly appointed Training Manager. To become certified by our training team, the Restaurant you choose as your FCTR must meet the following criteria, including but not limited to, your demonstration of consistently meeting all System's operational & performance standards as validated by Franchisor and have sufficient space for training.:_____

g. At Franchisee's cost, Franchisor may require continuing operations training from time to time to reinforce operational standards as necessary for on-going operational execution and for Franchisee to maintain a sufficient number of trained employees. Franchisor may require continuing operations training occasionally for new product roll-outs at Franchisor's cost; however Franchisee will be responsible for any and all costs for compensation, wages (including compensation of and worker's compensation insurance), lodging, living expenses, travel expenses or any other expenses incurred during the training of Franchisee's employees (collectively, "**Additional Employee Costs During Training**"). The required frequency, duration, subject matter and required attendees shall be as determined by Franchisor from time to time.

h. If the Restaurant is Franchise's or Franchise's affiliate's first Restaurant in the **El Pollo Loco® System**, Franchisor shall assist Franchisee in the initial opening of the Restaurant, defined as "**New Restaurant Opening Support**" or "**NRO Support**" for 2 weeks prior to the Restaurant opening and 2 weeks after the Restaurant opened, beyond the Initial Training Programs described above by sending certain members of Franchisor's personnel to the Restaurant to assist in the scheduled opening of the Restaurant at a cost of \$30,000 to Franchisee. Additional training beyond initial NRO Support will be at Franchisee's cost and in Franchisor's sole discretion.

i. The Restaurant shall not be opened until Franchisor is satisfied that Franchisee and Franchisee's Managers, Designated Operator, Training Manager(s) (if applicable) and other restaurant personnel have been adequately trained in the El Pollo

Loco® System.

16.2. Franchisor shall provide the Initial Training Programs as described in Section 16.1 without additional charge to Franchisee provided that Franchisee understands and agrees that Franchisee shall be solely responsible for any and all Additional Employee Costs During Training (as defined in Section 16.1(g)). Additional training beyond what is described in Section 16.1 requested by Franchisee in writing, shall be at Franchisee's cost and in Franchisor's sole discretion as to whether they can provide such additional training. Franchisor shall charge Franchisee a training fee of \$~~2,000~~500 per week per Manager for the fifth Manager and additional or replacement Managers at the Restaurant. Franchisor shall also charge Franchisee a training fee of \$~~2,000~~500 per week per Manager for each and every Manager trained if this is the fourth or subsequent Restaurant owned by Franchisee. Additionally, Franchisor shall charge Franchisee \$~~2,000~~500 per week per EFTP and or DOTP beyond the Initial Training Program described in Section 16.1. Franchisee understands and agrees that Franchisee shall also be solely responsible for any and all Additional Employee Costs During Training (as defined in Section 16.1(g)) for any additional training or any additional attendees. Such Franchisee, Designated Operator, Training Manager(s) and Managers shall not be considered an employee or agent of Franchisor.

17. ASSIGNMENT

17.1. Assignment by Franchisor. Franchisor shall have the right to assign or transfer any of its rights or delegate any of its obligations under this Agreement in whole or in part to any person, firm or corporation without any consent or approval from Franchisees; provided, however, that with respect to any assignment resulting in the subsequent performance by the assignee of the obligations of Franchisor hereunder:

a. The assignee shall expressly assume and agree to perform such obligations of Franchisor in writing; and

b. From and after the date of any such assignment, Franchisor shall have no further obligation or liability under this Agreement.

17.2. Assignment by Franchisee. The rights and duties created by this Agreement are personal to Franchisee. Franchisee acknowledges that Franchisor has entered into this Agreement in reliance on the individual or collective character, skill, aptitude, business ability, and financial capacity of Franchisee and its owners. Franchisee and each owner of an interest in this Agreement represent, warrant, and agree that all "Interests" in Franchisee are owned in the amount and manner in which Franchisee has disclosed them to Franchisor, as more particularly set forth in **Schedule 1** to this Agreement. (An "**Interest**" means any shares or partnership interests in Franchisee and any other legal or equitable right in any of Franchisee's stock, revenues, profits, rights or assets. When referring to Franchisee's rights or assets, an "**Interest**" also includes this Agreement and Franchisee's rights under and interest in this Agreement, the Restaurant and the revenues, profits or assets of the Restaurant.) Franchisee and each owner also

represent, warrant and agree that no change will be made in the ownership of an Interest other than as permitted by this Agreement or as Franchisor may otherwise approve in writing. Franchisee and each owner agree to furnish Franchisor with evidence as Franchisor may request from time to time to assure that the Interests of Franchisee and each owner remain as permitted by this Agreement, including a list of all persons or entities owning any Interest. If Franchisee is a Business Organization, Franchisee shall cause each of the owners of any equity ownership in Franchisee to execute an agreement granting Franchisor an option to purchase each of such owner's Interest in Franchisee upon an Assignment as provided in this Section 17.

17.3. Neither this Agreement nor any Interest herein nor any Interest of Franchisee or any owner may be indirectly or directly, sold, transferred, assigned, conveyed, gifted, pledged, mortgaged, or otherwise encumbered ("**Assignment**") without Franchisor's prior written approval. Any such purported Assignment occurring by operation of law or otherwise without Franchisor's prior written consent shall constitute a default of this Agreement by Franchisee and shall be null and void. Except in the instance of Franchisee advertising to sell its Restaurant and assigning this Agreement in accordance with the terms thereof, Franchisee shall not, without Franchisor's prior written consent, offer for sale or transfer at public or private auction or advertise publicly for sale or transfer, the furnishings, interior and exterior décor, items, supplies, fixtures, equipment, Franchisee's lease or the real or personal property used in connection with the Restaurant. This Agreement may not be transferred by Franchisee to a publicly-held entity, or to any entity whose direct or indirect parent's securities are publicly traded and no shares of Franchisee or any direct or indirect owner of Franchisee may be offered for sale through the public offering of securities.

17.4. In the event that Franchisee desires to make an Assignment including assigning all or any part of its rights, privileges and interests under this Agreement, Franchisee shall first offer such Assignment to Franchisor by notifying Franchisor in writing of the material terms and conditions, including price and identity of transferee upon which Franchisee would be willing to make such an Assignment. Franchisee shall also concurrently provide Franchisor with the estoppel certificate identified in Section 17.7 below and such other information as determined by Franchisor to enable Franchisor to evaluate the offer. Franchisor shall have the first right to acquire said rights, privileges and interests of Franchisee by accepting the offer in accordance with said terms and conditions or equivalent cash, as determined by Franchisor in its reasonable business judgment.

a. If the Assignment will be in the aggregate more than 50% of any one class of outstanding capital stock, the voting power, membership interests, partnership interest or other Interest in Franchisee occurring within 36 months prior to the date of the Assignment, (a "**Majority Interest**"), then Franchisor shall have the option to purchase not only the Majority Interest being transferred, but also the remaining Interest, so that the ownership of Franchisor will be 100%. Any purchase of such remaining Interest shall be valued on a basis proportionate to the price of the Interest initially being offered.

b. If, within 30 days after receipt of Franchisee's notice, Franchisor advises Franchisee of its acceptance of the offer as stated in the notice, Franchisee shall promptly make the Assignment to Franchisor on the stated terms and conditions. Should Franchisor elect to exercise its right of first refusal, Franchisee shall, if requested by Franchisor, cause Franchisee's lease or sublease, if any, with the lessor for the Location to be assigned to Franchisor (or, if the Location is owned by Franchisee, Franchisee shall lease the Location to Franchisor on commercially reasonable terms applicable in that market). Notwithstanding the foregoing, Franchisor shall have at least 60 days from the date of its notice of exercise to Franchisee to close the transaction and Franchisor shall also be entitled to all customary and reasonable representations and warranties from Franchisee regarding the Franchisee's business or any other interest being conveyed.

c. Notwithstanding the provisions of this Section 17.4, Franchisor will waive Franchisor's right of first refusal if the assignee is a revocable family trust for which Franchisee is the controlling trustee and Franchisee's immediate family members are beneficiaries provided such Assignment is not considered a Majority Interest. An immediate family member is defined as a parent; sibling; child by blood, adoption, or marriage; spouse or significant other; grandparent or grandchild.

17.5. If, within 30 days after receipt of Franchisee's notice, Franchisor does not indicate its acceptance of the offer as stated in the notice, Franchisee shall thereafter have the right, subject to the prior written consent of Franchisor, to make the Assignment to the proposed transferee on the same terms and conditions as stated in the notice. Should Franchisor not exercise its right of first refusal and should the contemplated Assignment not be completed within 120 days from the date of Franchisee's notice, or should the terms and conditions thereof (including the proposed transferee or the ownership therein) be altered in any material way, this right of first refusal shall be reinstated and any such subsequent proposed Assignment or altered terms and conditions of the current transaction must again be offered to Franchisor in accordance with the terms of these Sections 17.4 and 17.5.

17.6. Franchisee shall notify Franchisor in writing of any proposed assignee and shall promptly furnish Franchisor with such other information and documentation as Franchisor may request for the purpose of considering whether to grant its written consent. Franchisee acknowledges and agrees that Franchisor shall be entitled, at its election and without liability to Franchisee, to provide assignee with information relating to the Restaurant, including information in Franchisor's possession relating to operations and sales. Franchisor shall not unreasonably withhold its consent to an Assignment provided that Franchisee and the assignee satisfy such reasonable terms and conditions which may be imposed by Franchisor as a condition to obtaining Franchisor's consent, which may include, without limitation, the following:

a. The assignee (and its partners or the officers, directors, principal shareholders, or members of the assignee, as the case may be) shall be subject to the determination by Franchisor:

i. To have the appropriate business qualifications, restaurant operations experience, reputation, character, and aptitude necessary to operate and maintain the Restaurant;

ii. To have the ability to devote full time and best efforts to operating and maintaining the Restaurant;

iii. To be financially responsible, possess a favorable credit rating, be economically capable of carrying on the Restaurant business and have sufficient net worth as required by Franchisor for new franchisees;

iv. To not have been convicted of criminal misconduct that is relevant to the operation or ownership of the Restaurant or of any felony;

v. Shall neither directly nor indirectly own, operate, control or have any financial interest in any other business which would constitute a "**Competitive Business**" (as such term is defined in Section 21.7 of this Agreement); and

vi. Shall have demonstrated to Franchisor's satisfaction that assignee meets all of Franchisor's then-current requirements for new El Pollo Loco® franchisees, which requirements are subject to change by Franchisor from time to time as its sole and absolute right.

b. The assignee shall expressly assume in writing, via the Consent to and Assignment of Franchise Rights attached hereto as Exhibit 9 of this Agreement, all of the obligations and liabilities of and enter into Franchisor's then-current form of franchise agreement, which may contain provisions including royalty and advertising fees, materially different from those contained herein; provided, however, that the term of such new agreement shall be equal to the then-remaining term of this Agreement and assignee shall not be required to pay a new IFF. If the assignee is a partnership, corporation, limited liability company or other legal entity, then all partners, shareholders, and members of assignee that (i) hold at least a 10% interest in assignee and/or (ii) upon whose net worth Franchisor is relying in determining that the assignee has met Franchisor's financial minimum requirements for approval must sign the Personal Guarantee of Franchise Agreement ("**Personal Guarantee**") and any related documents in their individual capacity, agreeing to guarantee the obligations and liabilities of the assignee under this Agreement and to be individually bound by the terms of this Agreement as if they were a party to the Franchise Agreement. If a new partnership, corporation, limited liability company or other legal entity, at any time (including after an assignment), becomes the Franchisee or part of the Franchisee, that partnership, corporation, limited liability company or legal entity, as well as all holders of 10% interest or more in assignee, as applicable, shall execute a Personal Guarantee, guaranteeing each of Franchisee's obligations and liabilities under this Agreement and agreeing to be individually bound by the terms of this as if they were a party to this Agreement. If the assignee is a corporation, partnership or limited liability company, it also shall demonstrate to the reasonable satisfaction of Franchisor that it has established transfer instructions prohibiting the

transfer on its records of any equity securities, partnership interests or ownership interests in violation of the requirements set forth in this Section 17 and that each stock, partnership or ownership certificate of Franchisee shall have conspicuously endorsed upon its face a statement in form satisfactory to Franchisor that the assignment or transfer is subject to all of the restrictions imposed upon assignments by this Agreement;

c. The assignee or the assignor agrees to the reimage, Refresh, and/or Remodel of the Restaurant to Franchisor's then-current standards, format, design and image, as designated pursuant to plans and specifications provided by Franchisor. Franchisee will have a specified period of time to complete the required reimage and/or remodel of the Restaurant. The required reimage, Refresh and/or Remodel of the Restaurant must be completed to Franchisor's satisfaction. Should the required reimage, Refresh and/or Remodel of the Restaurant not be completed to Franchisor's satisfaction, then Franchisor may terminate this Agreement under Section 18, entitled Default and Termination;

d. A copy of the Personal Guarantee required to be executed pursuant to this Section 17 is attached hereto as Exhibit 2. All other individuals with an ownership interest in the entity (who are not required to execute the Personal Guarantee) will be considered "**Investors**" and will be required to execute the "**Investor Covenants Regarding Confidentiality and Non-Competition**" which is attached hereto as Exhibit 3;

e. The assignee shall represent and warrant to Franchisor in writing that the assignee:

i. Has conducted an independent study of the Restaurant and the business therein;

ii. Has not in any way relied upon statements or representations of Franchisor or its employees or agents except as may be contained in a Disclosure Document or other comparable Disclosure Document which may be required to be delivered to such assignee in accordance with applicable law; and

iii. Acknowledges and understands that the assignee's rights upon assignment are conditioned on full performance of Franchisee's obligations hereunder and are limited to those expressly provided for in this Agreement.

f. As of the date of such assignment, Franchisee shall have fully performed and complied with all of its obligations to Franchisor, whether under this Agreement or any other agreement, arrangement or understanding with Franchisor;

g. Franchisee shall pay and discharge all outstanding obligations to Franchisor and to third parties arising from the existence, operation or maintenance of the Restaurant including, without limitation, amounts owing under this Agreement, the lease, if any, for the Location or to employees, suppliers, taxing authorities, utility

companies and others as of the assignment date;

h. Franchisee shall pay to Franchisor the applicable Assignment Fee as provided in Section 6.1(l) and reimburse Franchisor for costs and expenses incurred in connection with such Assignment, including, without limitation, the cost of credit investigations and the preparation of Assignment agreements and Franchise Disclosure Documents which may be required to be delivered to such assignee under applicable federal or state law (for the avoidance of doubt, the foregoing fees (including the applicable Assignment Fee and reimbursement of Franchisor's reasonable attorneys' fee) is payable whether or not Franchisor ultimately approves Franchisee's request for an Assignment); and

i. In conjunction with granting the consent of Franchisor to any Assignment, Franchisee shall execute a general release, in form and substance satisfactory to Franchisor, of all claims against Franchisor and any affiliates of Franchisor.

17.7. Upon Franchisor's request, Franchisee shall, concurrently with any offer submitted to Franchisor by Franchisee regarding a transfer or purported Assignment or at any other time at Franchisor's request, furnish Franchisor with an estoppel agreement indicating any and all claims, demands and causes of action, if any that Franchisee may have against Franchisor or if none so exist, so stating, and a list of all owners having an interest in this Agreement or in Franchisee, the percentage interest of each owner and a list of all officers, directors, members and/or shareholders in such form as Franchisor may require.

17.8. Any Assignment including any encumbrance, assignment or purported encumbrance or assignment of Franchisee's rights, privileges or interests under this Agreement without Franchisor's written consent shall be null and void, of no force and effect, and shall constitute grounds for termination of this Agreement as provided in Section 18 hereof.

17.9. Any assignment based upon the legal incapacity of Franchisee, whether by operation of law or otherwise, shall be subject to Franchisor's written consent and right of first refusal as provided herein.

17.10. If this Agreement is assigned, Franchisee shall remain liable to Franchisor for the obligations under this Agreement and the obligations of the assignee hereunder and which arise as a result of acts, events or omissions which occur prior to the effective date of the assignment or within the initial term of this Agreement; provided, however, that the foregoing limitation on liability shall not reduce Franchisee's continuing liability to the extent that Franchisee is a partner, shareholder or owner of an interest in the assignee. Franchisor's consent to any transfer hereunder shall not constitute a waiver or release of any claims it may have against Franchisee as of the date of the assignment.

17.11. Any transfer of this Agreement, or any interest in this Agreement, or franchisee by will or intestate succession, or the sale of this franchise, or any interest in

Franchisee constituting a Majority Interest by the executor or administrator of Franchisee's or such shareholder's or person's estate, shall be considered to be a transfer requiring compliance with the provisions of this Section 17, including the requirements concerning Franchisor's written approval of the assignee, the assignee's qualifications and training, and the execution of agreements. In the event Franchisor does not approve the qualifications of any heir or beneficiary to operate the Restaurant, the executor or administrator of Franchisee's estate shall have a period of 12 months following written disapproval to sell the franchise business to an assignee acceptable to Franchisor, during which 12 month period the Restaurant shall be operated in accordance with all the terms and provisions of this Agreement. Such sale shall be subject to Franchisor's right of first refusal pursuant to this Section 17. If such a sale is not concluded within that period, Franchisor may terminate this Agreement.

17.12. If, for convenience of ownership, Franchisee desires to assign this Agreement to a Business Organization to hold its interest in this Agreement, Franchisor will consent to the assignment of this Agreement to a Business Organization, provided that (i) none of the securities of an Business Organization shall be traded on any public exchange or over the counter market; (ii) the certificates or other evidence of ownership held by the owner thereof shall contain a restriction on transfer referencing this Agreement, in a form required by Franchisor; (iii) the ownership of the assignee Business Organization shall be in the same proportion as the ownership of Franchisee immediately prior to the transfer; and (iv) none of the shares of stock, membership interests, voting power, equity or ownership interests in the assignee Business Organization shall be held by or for the benefit of a business competitor of Franchisor. Franchisee shall pay the Entity Administration Fee upon Franchisee's request of the transfer, for each transfer to a Business Organization, or for each transfer of ownership amongst existing owners where such transfer is for the convenience of ownership only. At the time of request for a transfer for the convenience of ownership, Franchisee shall submit the following documents to Franchisor and Franchisor shall review, approve and/or disapprove such documents within 30 days thereafter:

a. For an assignment to a corporation, Franchisee shall provide to Franchisor a (i) file stamped copy of the Articles of Incorporation (or comparable organizational document) and By-laws of the proposed assignee corporation, (ii) a sample stock certificate, (iii) a Certificate of Good Standing in the state in which the corporation is authorized to do business and the state in which the corporation will conduct the Restaurant business pursuant to this Agreement, and (iv) a list of directors, shareholders and officers and their percentage ownership of the stock of the corporation. Each share certificate of a corporation shall contain a restriction on transfer in a form designated by Franchisor.

b. For an assignment to a partnership, Franchisee shall provide to Franchisor a (i) file stamped copy of the Certificate of Limited Partnership (if applicable) or the Statement of Partnership, and (ii) a copy of the fully executed Partnership Agreement, containing an exhibit showing the percentage of ownership in the partnership by all partners. The partnership agreement shall contain a restriction on transfer in a form

designated by Franchisor.

c. For an assignment to a limited liability company, Franchisee shall provide to Company (i) Certificate of Formation (or comparable organizational document) of Limited Liability Company; (ii) a fully executed copy of the Operating Agreement, containing an exhibit showing the percentage of ownership of all members in the limited liability company; and (iii) the name of the Manager or Managers of the limited liability company. The operating agreement shall contain a restriction on transfer in a form designated by Franchisor.

d. Franchisee acknowledges that the purpose of the restrictions on transfer referenced in Sections 17.12(a) through 17.12(c) above is to protect Franchisor's trademarks, service marks, trade secrets, and operating procedures as well as the Franchisor's general high reputation and image, and is for the mutual benefit of Franchisor, Franchisee and other franchisees of the Franchisor. Franchisor shall not unreasonably restrict the issuance or transfer of stock or interests in a partnership or limited liability company, provided that, in no event, shall any share of stock of such assignee corporation, or an interest in a partnership or limited liability be sold, assigned or transferred to a business of a competitor of Franchisor or anyone of ill repute.

17.13. Where Franchisee desires to add a new principal to the Franchisee entity, Franchisee shall pay to Franchisor the New Principal Administration Fee.

17.14. In connection with a sale by Franchisee of all or substantially all of the assets relating to the Restaurant business, Franchisee may take a security interest in the Restaurant and the purchaser's rights under this Agreement in order to secure any financing that Franchisee provides to the purchaser for the purchase of the Restaurant. In the event of a default under such financing arrangement and the exercise by Franchisee of its rights under such security interest, Franchisee or the individual(s) purchasing the Restaurant out of a foreclosure sale may become the franchisee under this Agreement, subject to its compliance with each of the requirements set forth in this Section 17.

18. DEFAULT AND TERMINATION

18.1. In addition to all other available rights and remedies, Franchisor shall have the right to terminate this Agreement only for "**cause**". "**Cause**" is hereby defined as a material breach of this Agreement, including, but not limited to, any of the facts or circumstances specified in Sections 18.2, 18.3, or 18.4. The foregoing provisions of this section are subject to the provisions of any statutes or regulations which may prohibit Franchisor from terminating this Agreement without good cause or without giving Franchisee additional prior written notice of termination and opportunity to cure any default.

18.2. In addition to all other available rights and remedies, Franchisor shall have the right upon the occurrence of any of the following events to immediately terminate this

Agreement by giving written notice to Franchisee.

a. Abandonment of the Restaurant by Franchisee by failing to operate the Restaurant business for 5 consecutive days or any shorter period of time after which Franchisor reasonably determines that Franchisee does not intend to continue to operate the business, unless such failure is due to fire, flood, earthquake or other similar cause beyond Franchisee's control, in which case Franchisee shall comply with each of the requirements set forth in Section 23.17;

b. Franchisee admits to an inability to pay its debts as the same become due, is declared bankrupt or judicially determined to be insolvent, or all or a substantial part of the assets thereof are assigned to or for the benefit of any creditor, or Franchisee admits its inability to pay its debts as they come due;

c. A levy of execution is made upon the Restaurant, the license granted by this Agreement or upon any property used in the Restaurant business, and it is not discharged within 5 days of such levy;

d. The Restaurant business, equipment or premises are seized, taken over or foreclosed by a creditor, lienholder or lessor, or a final judgment rendered against Franchisee remains unsatisfied for at least 30 days and a supersedeas or other appeal bond has not been filed;

e. The right to occupy or lease the Location is lost or terminated and Franchisee has not relocated the Restaurant, if permitted, pursuant to Section 23.17;

f. Franchisee or any of its partners, officers, directors or principal shareholders is convicted of any criminal misconduct that is relevant to the operation or ownership of the Restaurant or any felony;

g. Franchisee or any of its partners, officers, directors or principal shareholders is convicted of a felony, a crime involving moral turpitude, or any other crime or offense that is reasonably likely to adversely affect the El Pollo Loco® System, the goodwill associated therewith, or our interest therein;

h. The failure of Franchisee to reach each milestone and to open and operate the Restaurant in accordance with and by the time set forth in Section 4.1;

i. Any purported Assignment, including the transfer or sublicense of this franchise, or any right hereunder, without the prior written consent of Franchisor;

j. Any material misrepresentation is made by Franchisee in connection with the acquisition of the franchise herein;

k. Franchisee engages in conduct which reflects materially and unfavorably upon the operation, the reputation of the Restaurant business, the El Pollo

Loco® System, or the goodwill associated with the El Pollo Loco® Marks;

l. Franchisee on 3 or more occasions fails to comply with 1 or more material standards or requirements of this Agreement (or as specified in the Manual), whether or not corrected after notification thereof;

m. A repetition within a one-year period of any default (whether or not that earlier default was corrected after notification thereof) shall justify Franchisor in terminating this Agreement upon written notice to Franchisee without allowance for any curative period;

n. Failure of Franchisee, for a period of 10 days after notification of noncompliance, to comply with any federal, state or local law or regulation applicable to the operation and maintenance of the Restaurant, including, but not limited to, public health and safety requirements;

o. Reasonable determination on the part of Franchisor that continued operation of the Restaurant by Franchisee will result in an imminent danger to public health or safety;

p. Except for noncompliance otherwise covered by Section 18.2.i above, failure of Franchisee to correct a deficiency or unsatisfactory condition referred to in an Inspection Report (discussed in Section 15 hereof) which Franchisor reasonably determines may have a material adverse effect on the ownership or operation of the Restaurant after having received a reasonable opportunity to cure such deficiency or unsatisfactory condition, which in no event need be more than 30 days;

q. In the event that Franchisee leases or subleases the Location and/or the leasehold improvements thereon from a third party, the failure of Franchisee to cure any and all defaults under the terms and provisions of any such lease or sublease within the time provided for the curing of any such default(s) in any such lease or sublease;

r. Any misrepresentation by Franchisee or any violation of the Anti-Terrorism Laws by Franchisee or its employees shall constitute grounds for immediate termination of this Agreement and any other agreement Franchisee has entered into with Franchisor or one of Franchisor's affiliates.

18.3. Except for any default by Franchisee under Section 18.2, or as otherwise expressly provided in this Agreement, Franchisee shall have 10 days (5 days in the case of any default in the timely payment of sums due to Franchisor or its affiliates or to vendors for any products, services or required fees due to such vendors), after Franchisor's written notice of a material default within which to remedy any material default under this Agreement, and to provide evidence of such remedy to Franchisor. If any such default is not cured within that time period, or such longer time period as applicable law may require or as Franchisor may specify in the notice of default, this Agreement and all rights granted by it shall thereupon automatically terminate without further notice or opportunity to cure.

18.4. Franchisee shall be in material default under this Section for any failure to comply with any of the requirements imposed by this Agreement. Such material defaults shall include, but are not limited to, the occurrence of any one or more of the following events:

a. Failure of Franchisee to pay to Franchisor, its affiliates or any third-parties any fees, costs, charges or other amounts due;

b. Failure of Franchisee to pay when due any rent, taxes or other payments required under any sublease with Franchisor for the Location;

c. Failure of Franchisee to cure any default by Franchisee under any loan, note or other obligation which is obtained to assist Franchisee to make any payment due Franchisor hereunder or which is secured by all or any part of Franchisee's interest in the Restaurant, the Location, and/or the improvements or furniture, fixtures or equipment therein;

d. The attachment of any involuntary lien in the sum of \$1,000.00 or more upon any of the business assets or property of Franchisee, which lien is not removed, or for which Franchisee does not post a bond sufficient to satisfy such lien, within 30 days of the filing of such lien;

e. The failure of Franchisee and/or its affiliates to cure any and all defaults under the terms and provisions of any other agreement with Franchisor, including, but not limited to, the Franchise Development Agreement, Sublease, Purchase Agreement, or any third party relating to this franchise or the operation or ownership of the Restaurant, including, but not limited to, any other franchise agreement, lease or promissory note between Franchisor or its affiliate and Franchisee within the time provided for the curing of any such defaults in any such other agreement, lease or promissory note;

f. Franchisee's misuse or unauthorized use of the El Pollo Loco® Marks;

g. Failure of Franchisee to comply with any standard or requirement of this Agreement which is not otherwise covered in this Section 18.

18.5. Cross-Default, Termination and Cross-Termination

a. Cross-Default: A default by Franchisee under this Agreement will be deemed a default of all agreements between: (i) Franchisee and Franchisee's principals in his or her individual capacity or any other entity in which Franchisee's principals are owners, members, managers, shareholders or partners (individually and collectively, "Franchisee Entity"); (ii) Franchisor or any of our affiliates or predecessors (individual and collectively, "Franchisor Entity"). A Franchise Entity's default of any other

agreement, legal instrument or other document between the Franchisee Entity and a Franchisor Entity will be deemed a default under this Agreement. A default by any guarantor of Franchisee's obligations under this Agreement or any agreement, legal instrument or document between a Franchisee Entity and a Franchisor Entity will be deemed a default of this Agreement.

b. Termination: If Franchisee fails to cure any default to Franchisor's satisfaction, within the applicable period following notice from Franchisor, if applicable, or otherwise breach this Agreement, Franchisor may, in addition to all other remedies at law or in equity or as otherwise set forth in this Agreement, immediately terminate this Agreement. This termination will be effective immediately upon the giving of notice pursuant to Section 23.

c. Cross-Termination: If this Agreement is terminated as a result of Franchisee's default of this Agreement or any other agreement related to the Restaurant, Franchisor may, at Franchisor's option, elect to terminate any or all other agreements, legal instruments or documents between a Franchisee Entity and a Franchisor Entity. If any agreement, legal instrument or document between a Franchisee Entity and a Franchisor Entity is terminated as a result of a default by the Franchisee Entity, Franchisor may, at Franchisor's sole discretion, elect to terminate this Agreement. If it is agreed that an incurable or uncured default under this Agreement or any other agreement, legal instrument or document between a Franchisee Entity and a Franchisor Entity will be grounds for termination of this Agreement or any other agreement, legal instrument or document between a Franchisee Entity and a Franchisor Entity, without additional notice or opportunity to cure.

18.6. Notwithstanding anything to the contrary contained in this Section 18, in the event any valid, applicable law of a competent governmental authority having jurisdiction over this Agreement and the parties hereto shall limit Franchisor's rights of termination hereunder or shall require longer notice periods than those set forth above, this Agreement shall be deemed amended to conform to the minimum notice periods or restrictions upon termination required by such laws and regulations. Franchisor shall not, however, be precluded from contesting the validity, enforceability or application of such laws or regulations in any action, hearing or dispute relating to this Agreement or the termination thereof.

18.7. Franchisor shall not, and cannot be held in breach of this Agreement until (i) Franchisor has received written notice from Franchisee describing in detail any alleged breach; and (ii) Franchisor has failed to remedy the breach within a reasonable period of time after such notice, which period shall not be less than 60 days plus such additional time as reasonably required by Franchisor if because of the nature of the alleged breach it cannot reasonably be cured within said 60 days, provided Franchisor promptly commences and continues diligently to cure such alleged breach. Except for breach hereof by Franchisor (subject to the preceding sentence) or as permitted under Section 23.17 hereof, Franchisee shall have no right to terminate this Agreement.

18.8. If you discontinue operating your Restaurant before this Agreement expires, with or without obtaining our prior written consent, or in the event of a termination of this Agreement arising from or related to your default and breach of its provisions, you will become obligated to pay Franchisor early termination damages ("**Early Termination Damages**"). The Early Termination Damages shall be considered damages and not a penalty, are not in lieu of other damages, and your payment of these damages shall not constitute a release of any other obligation owed to us. Franchisor, Franchisee, each individual signing on behalf of Franchisee, and each guarantor guaranteeing Franchisee's obligations hereunder, hereby acknowledge and agree that Franchisor's losses due to Franchisee's unilateral closure of the Restaurant or termination of this Agreement would be highly difficult or impossible to calculate with reasonable certainty and, therefore, have agreed at the outset of this Agreement that the Early Termination Damages, and the formula for calculating these damages, constitutes a reasonable, good faith forecast of Franchisor's estimated losses and damages due to the premature closure of the Restaurant or termination of this Agreement:

a. Compute the average monthly Royalty Fee and Advertising Fee ("**Monthly Average**") due for the forty-eight (48) month period immediately preceding (i) the date we receive notification of the closure, or (ii) if you failed to timely notify us of the closure then the date the Restaurant closed. However, if the Restaurant has been open for less than forty-eight (48) months, the Monthly Average due since the opening of the Restaurant; and

b. Multiply the Monthly Average by the number of months remaining in the Term.

18.9. In addition to all other available rights and remedies, Franchisor shall have the right (but not the obligation) under the circumstances described below, to enter the Restaurant and assume the Restaurant's management for any period of time period we feel is appropriate. If Franchisor assumes the Restaurant's management, Franchisee must pay Franchisor, in addition to the Royalty Fee and Advertising Fee, six percent (6%) of the Gross Sales, plus Franchisor's direct out-of-pocket cost and expenses for the period of time Franchisor assumes the Restaurant management. If Franchisor assumes the Restaurant management, Franchisee acknowledges that Franchisor's duty is limited to using Franchisor's reasonable efforts, and Franchisor will not be liable to Franchisee or Franchisee's owners for any debts, losses or obligations the Restaurant incurs or to any of Franchisor's creditors for supplies or services the Restaurant purchases. Franchisor may assume the Restaurant's management if Franchisee abandons the Restaurant or if Franchisee fails to comply with any provision of this Agreement and did not cure the failure in the time period Franchisor specified in Franchisor's notice to Franchisee. Franchisee agrees to complete and sign a letter of agency, letter of authorization or equivalent, and provide it to Franchisor upon Franchisor's request if Franchisor assumes the Restaurant's management so that Franchisor may keep the existing telephone, facsimile, alarm and credit card machine numbers (as applicable) in operation under Franchisor's phone service provider. Franchisee also agrees to keep the phone, water, gas or electric service (as applicable) turned on and active for thirty (30)

days after Franchisor assumes Restaurant's management to allow Franchisor to switch the services over to Franchisor or Franchisor's affiliate. Franchisor's exercise of Franchisor's management rights under this Section 18.8 will not affect Franchisor's right to terminate this Agreement.

19. RIGHTS AND OBLIGATIONS UPON TERMINATION

19.1. In the event of expiration or earlier termination of this Agreement:

a. Franchisee shall promptly cease to use, in any manner and for any purpose, directly or indirectly, the El Pollo Loco® Marks, the El Pollo Loco® System, Franchisor's trade secrets, proprietary information, policies, procedures, techniques, methods and materials used by Franchisee in connection with the franchise relationship and shall immediately return to Franchisor, or certify as destroyed any and all (including electronic) copies of any of the foregoing, including, but not limited to:

- i.** Specifications, recipes and descriptions of food products;
- ii.** The Manual, memoranda, bulletins, forms, reports, instructions and supplements thereto;
- iii.** Training methods and materials provided by Franchisor hereunder;
- iv.** Brochures, posters and other advertising materials; and
- v.** All items bearing or containing the El Pollo Loco® Marks, including without limitation, all trademarks, trade names, service marks, logotypes, designs and other identifying symbols and names pertaining thereto.

b. Franchisee shall immediately remove, obliterate or destroy all Signs and advertisements identifiable in any way with Franchisor's name and perform such reasonable redecoration and remodeling of the Restaurant and the Location as may be necessary, in Franchisor's judgment, to distinguish it from an ~~El Pollo Loco®~~ EPL Restaurant. To the extent that Franchisor is required under applicable law to repurchase certain goods from Franchisee, Franchisee hereby grants to Franchisor the option to purchase all paper goods, containers and all other items containing Franchisor's name or the El Pollo Loco® Marks which are in re-saleable or reusable condition at the lower of their cost or fair market value at the time of termination;

c. Franchisor may retain all fees paid pursuant to this Agreement;

d. On any termination or expiration of this Agreement, whether due to a default of Franchisee or otherwise, Franchisor shall have the right, at its option, for 30 days after such termination or expiration to elect to purchase Franchisee's interest in the leasehold improvements and furniture, fixtures, equipment, and any or all of the other

tangible Restaurant assets (collectively, "**Assets**") at a purchase price equal to the lesser of Franchisee's cost or the fair market value of such Assets, and to purchase Franchisee's inventory at Franchisee's cost thereof. If the parties hereto cannot agree on the fair market value for the Assets within 45 days of any such date of termination or expiration, Franchisor shall designate an independent appraiser whose determination shall be binding. If Franchisor elects to exercise any option to purchase as herein provided, it shall have the right to set off all amounts due from Franchisee and the costs of the appraisal, if any, against any payment therefor;

e. Should Franchisee fail to perform any of these tasks, the Franchisor's personnel and representative shall have the right to enter the Restaurant at any time, with or without notice, for the purposes of removing all trademarks, trade names, service marks, logotypes, designs and other identifying symbols and names pertaining to El Pollo Loco brand and to remove, obliterate or destroy all Signs and advertisements identifiable in any way with Franchisor's name and perform such reasonable redecoration and remodeling of the Restaurant and the Location as may be necessary, in Franchisor's judgment, to distinguish it from an ~~El Pollo Loco~~[®]EPL Restaurant. The cost of performing this will be billed to Franchisee and payable within 5 days of receipt of invoice; and

f. Franchisee shall comply with the covenants set forth in Section 21.7 of this Agreement.

19.2. Upon the expiration or termination of this Agreement, Franchisee shall promptly pay all sums owing to Franchisor and its subsidiaries and affiliates. In the event of termination by reason of any default of Franchisee, such sums shall include all damages (including, but not limited to, any lost future royalties and advertising fees), costs and expenses (both internal and external), including reasonable attorneys' fees (both internal and external), incurred by Franchisor as a result of the default, which obligation to pay all such sums shall give rise to and remain, until paid in full, a lien in favor of Franchisor against any and all of the personal property, furnishings, equipment, Signs, fixtures, and inventory owned by Franchisee located in the Restaurant operated hereunder at the time of any such default. Franchisee shall pay interest to Franchisor on any amounts which may become due to Franchisor from Franchisee, if such are not paid when due, at the rate of 15% per annum or the maximum interest rate permitted by law, whichever is less.

19.3. The expiration or termination of this Agreement shall be without prejudice to the rights and remedies of Franchisor against Franchisee. Furthermore, such expiration or termination shall neither release Franchisee or any of its obligations and liabilities to Franchisor existing at the time thereof nor terminate those obligations and liabilities of Franchisee which, by their nature, survive the expiration or termination of this Agreement.

19.4. Upon expiration or termination of this Agreement, Franchisor may remove all references to the Franchise and/or to the Restaurant from its website(s).

19.5. Franchisee expressly agrees that the existence of any claims it may have

against Franchisor, whether or not arising from this Agreement, shall not constitute a defense to the enforcement by Franchisor of any of the provisions of this Section 18.7, including the covenants in Section 21.7. Franchisee agrees to pay all costs and expenses (both internal and external), including reasonable attorneys' fees (both internal and external) incurred by Franchisor in connection with the enforcement of this Section 19.

19.6. Upon termination or expiration of this Agreement, Franchisor can advise all suppliers of El Pollo Loco's proprietary food items and other supplies bearing any other proprietary marks or service marks or specific to the El Pollo Loco® design scheme, to cease delivering the items and products to Franchisee.

20. RIGHTS TO A SUCCESSOR FRANCHISE

20.1. Franchisee shall have the right, subject to the conditions contained in this Section 20.1, to acquire a successor franchise for the Restaurant on the terms and conditions of Franchisor's then-current form of franchise agreement and for a term of 10 years (a "**Successor Term**") commencing on the expiration of the term of this Agreement. The then-current form of franchise agreement may have different terms and conditions such as a different protected area, higher royalty and/or advertising fees, no additional successor or renewal term upon expiration and other modifications to reflect that the then-current form of franchise agreement relates to the grant of a renewal. Franchisee's right to a successor franchise shall be conditioned upon the satisfaction of each of the following conditions prior to the expiration of the term of this Agreement: (a) Franchisee is in compliance with this Agreement in all respects including financial and operational compliance and has been in substantial compliance with this Agreement throughout the term; (b) Franchisee meets Franchisor's then-current criteria for renewing franchisees, which includes but is not limited to financial and operational standards; (c) Franchisor has not notified Franchisee of its decision that any federal or applicable state legislation, regulation or rule which is enacted, promulgated or amended after the date hereof may have an adverse effect on Franchisor's rights, remedies or discretion in franchising ~~El Pollo Loco®EPL~~ Restaurants; (d) Franchisee maintains the right to possession of the Location for the term of the successor franchise agreement; (e) Franchisee shall have paid the renewal fee described in the final sentence of this Section 20.1; and (f) Franchisee satisfies each of the conditions and executes and delivers the agreement described in Sections 20.2, 20.3 and 20.4 below. At the time of exercise, Franchisee will be obligated to pay a renewal fee equal to 50% of Franchisor's then-current standard IFF if Franchisee elects a Successor Term plus reimbursement of Franchisor's reasonable attorneys' fees to be fully paid by the earlier of (i) upon Franchisee's signing of the successor franchise agreement or (ii) upon receipt of invoice. Solely as Franchisor's sole and absolute right to determine, Franchisee may be offered a successor franchise for a term different than the standard 10 years to run concurrent with the remaining term of the (sub)lease for where the Restaurant is located. This pro-rated term successor franchise agreement ("**Pro-rated Successor Franchise Agreement**") will use the then-current form of franchise agreement (modified as described above). In order to qualify for the Pro-rated Successor Franchise Agreement, Franchisee must meet the same conditions listed above from (a) to (f) and Franchisee will be obligated to pay a renewal fee equal to 50%

of Franchisor's then-current standard IFF pro-rated to the remaining (sub)lease term.

20.2. Franchisee must give Franchisor written notice of Franchisee's desire to acquire a successor franchise at least 360 days prior to the expiration of this Agreement. Franchisor will give Franchisee notice, not later than 60 days after receipt of notice, of Franchisor's decision as to whether or not Franchisee has the right to acquire a successor franchise pursuant to Section 20.1. Notwithstanding notice of Franchisor's decision that Franchisee has the right to acquire a successor franchise for the Restaurant, Franchisee's right to acquire a successor franchise will be subject to Franchisee's continued compliance with all of the terms of this Agreement up to the date of its expiration.

20.3. If Franchisee exercises the right to acquire a successor franchise in accordance with Section 20.2 above, Franchisee shall enter into an agreement with Franchisor within 60 days following delivery of the written notice pursuant to Section 20.2, agreeing to remodel the Restaurant, add or replace improvements, fixtures, furnishings, equipment and Signs, and otherwise modify to upgrade the Restaurant to the specifications, image and standards then applicable for new ~~El Pollo Loco~~^{®EPL} Restaurants. All such remodeling, additions and replacements must be completed prior to the effective date of such successor franchise agreement.

20.4. If Franchisee has the right to acquire a successor franchise in accordance with Section 20.1 and exercises that right in accordance with Section 20.2, the parties must execute the form of franchise agreement (which may contain provisions, including royalty and advertising fees, materially different from those contained herein) and all ancillary agreements which Franchisor then customarily uses in granting renewal franchises for the operation of ~~El Pollo Loco~~^{®EPL} Restaurants, and Franchisee must execute general releases, in form and substance satisfactory to Franchisor, of any and all claims against Franchisor and its affiliates, officers, directors, employees, agents, successors and assigns. Failure by Franchisee to sign such agreements and releases within 30 days after delivery thereof to Franchisee shall be deemed an election by Franchisee not to acquire a successor franchise.

21. PROPRIETARY RIGHTS AND UNFAIR COMPETITION

21.1. In the event of any claim of or challenge to Franchisee's use of the El Pollo Loco[®] Marks licensed under this Agreement, Franchisee shall immediately notify Franchisor in writing of the facts of such claim or challenge.

a. Franchisor shall protect and defend Franchisee against any claims or challenges arising out of Franchisee's proper use of the El Pollo Loco[®] Marks licensed hereunder.

b. Franchisor shall reimburse Franchisee for all damages for which it is held liable in any such proceeding; however, the foregoing obligations of Franchisor to protect, defend and reimburse Franchisee will exist only if Franchisee has used the name or mark which is the subject of the controversy in strict accordance with the provisions of

this Agreement and the rules, regulations, procedures, requirements and instructions of Franchisor and has notified Franchisor of the challenge as set forth above.

c. Any action to be taken in the event of a claim or challenge to any of the El Pollo Loco® Marks shall be solely and absolutely within Franchisor's right to determine. Franchisor shall have the sole and absolute right to control any legal actions or proceedings resulting therefrom. Any actions taken to protect the El Pollo Loco® Marks shall also be within the sole and absolute right to determine and control of Franchisor. Franchisee shall cooperate fully with Franchisor in the prosecution or defense of any claim or challenge concerning any of the El Pollo Loco® Marks.

21.2. If it becomes advisable at any time, as the sole and absolute right of Franchisor, to modify or discontinue the use of any one or more of the El Pollo Loco® Marks or to use one or more additional or substitute names, marks or copyrights, Franchisee shall immediately comply with the instructions of Franchisor in that regard. In such event, the sole obligation of Franchisor will be to reimburse Franchisee for the actual costs, such as replacing sign faces, of physically complying with this obligation.

21.3. Franchisee acknowledges and agrees that at all times and in all respects, the El Pollo Loco® Marks are the sole property of Franchisor and that Franchisee has only a license to use such rights and marks according to the provisions hereof. Franchisee shall make no application for registration of any identifying name or mark licensed herein or similar thereto without the prior written consent of, and upon terms and conditions satisfactory to, Franchisor. Franchisee shall not register any of the El Pollo Loco® Marks, part thereof, or anything confusingly similar thereto, as a domain name, or use, or permit the usage of, any of the same in connection with any Internet web site or web page. Franchisee shall indicate the required trademark, service mark or copyright notices in the form specified by Franchisor in connection with its use of the El Pollo Loco® Marks. Franchisee shall take no action which will interfere with any of Franchisor's rights in and to the El Pollo Loco® Marks. Franchisee shall not, without Franchisor's prior written consent, sell, dispense or otherwise provide Franchisor's products or any El Pollo Loco products bearing the El Pollo Loco® Marks, except by means of retail sales in, or delivered from, the Restaurant.

21.4. Intranet.

a. Franchisor may, at its option, establish and maintain an Intranet through which franchisees of Franchisor may communicate with each other, and through which Franchisor and Franchisee may communicate with each other and through which Franchisor may disseminate the Manuals, updates thereto and other confidential information. Franchisor shall have sole and absolute right to determine and control all aspects of the Intranet, including the content and functionality thereof. Franchisor will have no obligation to maintain the Intranet indefinitely and may dismantle it at any time without Franchisor having any liability to Franchisee. (As used herein, the term "**Intranet**" shall mean an intranet, extranet or other communication network between and among Franchisor and Franchisee that is accessed by the Internet. As used herein, the term

“Internet” shall mean collectively the myriad of computer and telecommunications facilities, including equipment and software, which comprise the interconnected worldwide network of networks that employ the TCP/IP [Transmission Control Protocol/Internet Protocol], or any predecessor or successor protocols to such protocol, to communicate information of all kinds by fiber optics, wire, radio or other methods of electronic communication.)

b. If Franchisor establishes an Intranet, Franchisee shall have the privilege to use the Intranet, subject to Franchisee’s strict compliance with the standards and specifications, protocols and restrictions that Franchisor may establish from time to time. Such standards and specifications, protocols and restrictions may relate to, among other things, (i) use of abusive, slanderous or otherwise offensive language in electronic communications; (ii) confidential treatment of materials that Franchisor transmits via the Intranet; (iii) password protocols and other security precautions; (iv) grounds and procedures for Franchisor’s suspending or revoking a franchisee’s access to the Intranet; and (v) a privacy policy governing Franchisor’s access to and use of electronic communications that franchisees post to the Intranet. Franchisee acknowledges that, as administrator of the Intranet, Franchisor can technically access and view any communication that any person posts on the Intranet. Franchisee further acknowledges that the Intranet facility and all communications that are posted to it will become Franchisor’s property, free of any claims of privacy or privilege that Franchisee or any other person may assert.

c. Upon receipt of notice from Franchisor that Franchisor has established the Intranet, Franchisee shall establish and continually maintain (during all times that the Intranet shall be established and until the termination of this Agreement) an electronic connection (the specifications of which shall be specified in the Manuals) with the Intranet that allows Franchisor to send messages to and receive messages from Franchisee, subject to the standards and specifications.

d. Franchisee shall contribute a reasonable amount, not to exceed \$1,000.00 per year (which maximum amount shall increase at a rate of 3% per calendar year during the term of this Agreement, toward the cost of the Intranet’s maintenance. Such contribution shall be established by Franchisor by not later than March 1 of each calendar year and shall be payable 30 days thereafter.

e. If Franchisee shall breach this Agreement or any other agreement with Franchisor or its affiliates, Franchisor may disable or terminate Franchisee’s access to the Intranet without Franchisor having any liability to Franchisee, and in which case Franchisor shall only be required to provide Franchisee a paper copy of the Manuals and any updates thereto, if none have been previously provided to Franchisee, unless not otherwise entitled to the Manuals.

21.5. Franchisor has established a Website. As used herein, the term **“Website”** shall mean one or more Internet websites that may, among other things, provide marketing development operations and training materials, facilitate catering, take-out,

curbside pickup and delivery orders, provide information about the System and the products and services which are offered on such Website and at EPL Restaurants operated under the El Pollo Loco® Marks.

a. Franchisor may, as its sole and absolute right to determine, from time to time, without prior notice to Franchisee: (i) change, revise, or eliminate the design, content and functionality of the Website; (ii) make operational changes to the Website; (iii) change or modify the URL and/or domain name of the Website; (iv) substitute, modify, or rearrange the Website, at Franchisor's sole option, including in any manner that Franchisor considers necessary or desirable to, among other things, (1) comply with applicable laws, (2) respond to changes in market conditions or technology, and (3) respond to any other circumstances; (v) limit or restrict end-users access (in whole or in part) to the Website; and (vi) disable or terminate the Website without Franchisor having any liability to Franchisee.

b. The Website may include one or more interior pages that identifies EPL Restaurants operated under the El Pollo Loco® Marks, including the Restaurant, by among other things, geographic region, address, telephone number(s), and menu items. The Website may also include one or more interior pages dedicated to franchise sales by Franchisor and/or relations with Franchisor's investors.

c. Franchisor may, from time to time, establish a Franchisee Page. As used herein, the term "**Franchisee Page**" shall mean one or more interior pages of the Website dedicated in whole or in part to Franchisee's Restaurant. Franchisor may permit Franchisee to customize or post certain information to the Franchisee Page, subject to Franchisee's execution of Franchisor's then-current participation agreement, and Franchisee's compliance with the procedures, policies, standards and specifications that Franchisor may establish from time to time. Such participation agreement may require Franchisee to pay a reasonable fee (not to exceed \$1,000.00 per year, which maximum shall increase at a rate of 3% per year for the term of this Agreement) for the privilege of having a Franchisee Page, and may include, without limitation, specifications and limitations for the data or information to be posted to the Franchisee Page, customization specifications, the basic template for design of the Franchisee Page, parameters and deadlines specified by Franchisor, disclaimers, and such other standards and specifications and rights and obligations of the parties as Franchisor may establish from time to time. Any modifications (including customizations, alterations, submissions or updates) to the Content made by Franchisor for any purpose will be deemed to be a "**work made for hire**" under the copyright laws, and therefore, Franchisor shall own the intellectual property rights in and to such modifications. To the extent any modification does not qualify as a work made for hire as outlined above, Franchisee hereby assigns those modifications to Franchisor for no additional consideration and with no further action required and shall execute such further assignment(s) as Franchisor may request.

d. Without limiting Franchisor's general unrestricted right to permit, deny and regulate Franchisee's participation on the Website as Franchisor's sole and absolute right to determine, if Franchisee shall breach this Agreement, or any other

agreement with Franchisor or its affiliates, Franchisor may disable or terminate the Franchisee Page and remove all references to the Restaurant on the Website until said breach is cured.

21.6. Franchisee acknowledges that, in connection with the operation of the franchise business, Franchisor will be disclosing confidential information and trade secrets to Franchisee. Franchisee further acknowledges that its knowledge of, and access to, Franchisor's formulae, recipes, processes, products, techniques, know-how and other proprietary information, including without limitation the Manual and the El Pollo Loco® System (collectively referred to as the "**Confidential Information**"), are derived entirely from the material disclosed to Franchisee by Franchisor. Franchisee acknowledges and agrees that at all times and in all respects, the Confidential Information is a trade secret of Franchisor and that Franchisee has only a license to use the Confidential Information according to the provisions of this Agreement.

a. Franchisee, and each officer, director, shareholder, member, manager, partner, and other equity owner, as applicable, of Franchisee, if Franchisee is a Business Organization, shall maintain fully and strictly the secrecy of all the Confidential Information and to exercise the highest degree of diligence in safeguarding the Confidential Information during and after the term of this Agreement. Franchisee shall divulge the Confidential Information only to Franchisee's employees and only to the extent necessary to permit the efficient operation of the Restaurant during the effective term of this Agreement. After the expiration or termination of this Agreement, Franchisee shall not divulge the Confidential Information to any person or entity, nor shall Franchisee use the Confidential Information in any manner.

b. It is expressly agreed that the ownership of all of the El Pollo Loco® Marks and the Confidential Information is and shall remain vested solely in Franchisor. Nothing contained in this Agreement shall be construed to require Franchisor to divulge to Franchisee any secret processes, formulae, ingredients or other information, except the material contained in Franchisor's Manual and training materials.

c. Franchisee shall fully and promptly disclose to Franchisor, all ideas, concepts, formulas, recipes, methods, techniques, and other possible improvements (each an "**Improvement**") relating to the development or operation of a quick service flame-grilled food product and/or related service, conceived or developed by Franchisee or Franchisee's employees during the Term. Any and all such Improvements will automatically be deemed to be Franchisor's sole and exclusive property and works made-for-hire; provided, however, for any such improvements that do not qualify as work made-for-hire for Franchisor, Franchisee hereby assigns ownership of that or those Improvements to Franchisor and covenants to execute whatever assignment or other documentation Franchisor requests in order to evidence such assignment and to assist Franchisor in securing intellectual property rights in the Improvement. Franchisee may not test, offer, or sell any new products without Franchisor's prior written consent, which may be withheld as Franchisor's sole and absolute right.

d. Franchisee's good faith communications with governmental agencies or regulators regarding Franchisor's conduct is not restricted, provided that the Franchisee reasonably believes that the content of its communications is true and accurate.

21.7. To further protect the El Pollo Loco® System while this Agreement is in effect, Franchisee and each officer, director, shareholder, member, manager, partner, and other equity owner, as applicable, of Franchisee, if Franchisee is a Business Organization, shall neither directly nor indirectly, for itself, himself or herself, or through or on behalf of, or in conjunction with any person, partnership, corporation or other entity, consult, work for, be employed by, own any equity interest in, own, operate, control, engage in, provide assistance to, or have any interest (financial or otherwise) in any other business which would constitute a "**Competitive Business**" (as hereinafter defined) without the prior written consent of Franchisor; provided further, that Franchisor may, as its sole and absolute right, consent to Franchisee's continued operation of any business already in existence and operating at the time of execution of this Agreement. In addition, Franchisee covenants that, except as otherwise approved in writing by Franchisor, Franchisee shall not, for a continuous, uninterrupted period commencing upon the expiration, termination or assignment of this Agreement, regardless of the cause for termination, and continuing for 2 years thereafter, either directly or indirectly, for itself, or through or on behalf of, or in conjunction with any person, partnership, corporation or other entity, consult, work for, be employed by, own equity interest in, own, operate, control, engage in, provide assistance to, or have any interest (financial or otherwise) in any Competitive Business which is located or has outlets or restaurant units within a radius of 5 miles of the location of the Restaurant. The foregoing shall not apply to operation of an ~~El Pollo Loco~~®-Restaurant by Franchisee pursuant to another franchise agreement with Franchisor or the ownership by Franchisee of less than 5% of the issued or outstanding stock of any company whose shares are listed for trading on any public exchange or on the over-the-counter market, provided that Franchisee does not control or become involved in the operations of any such company. For purposes of this Section 21.7, a Competitive Business shall mean a quick-service restaurant or fast-food business which sells chicken and/or Mexican food products, which products individually or collectively represent more than 20% of the revenues from such quick-service restaurant or fast-food business operated at any one location during any calendar quarter. A "**Competitive Business**" shall not include a full-service restaurant or a quick-service restaurant or fast-food business that sells certain chicken pieces such as, only chicken wings and drumsticks (with or without bones) or only chicken tenders which represents more than 80% of the revenues from such restaurant or business.

21.8. In the event that any provision of this Section 21 shall be determined by a court of competent jurisdiction to be invalid or unenforceable, this Agreement shall not be void, but such provision shall be limited to the extent necessary to make it valid and enforceable.

21.9. Franchisee understands and acknowledges that Franchisor shall have the right to reduce the scope of any obligation imposed on Franchisee by Section 21.7,

without Franchisee's consent, and that such modified provision shall be effective upon Franchisee's receipt of written notice thereof.

21.10. Franchisee acknowledges that violation of the covenants not to compete contained in this Agreement would result in immediate and irreparable injury to Franchisor for which no adequate remedy at law will be available. Accordingly, Franchisee hereby consents to the entry of a preliminary and permanent injunction prohibiting any conduct by Franchisee in violation of the terms of those covenants not to compete set forth in this Agreement. Franchisee expressly agrees that it may conclusively be presumed that any violation of the terms of said covenants not to compete was accomplished by and through Franchisee's unlawful utilization of Franchisor's Confidential Information, know-how, methods and procedures.

22. DISPUTE RESOLUTION

22.1. Initial Meeting and Mediation – Except as otherwise provided in this Agreement, before any legal action involving any claim or controversy between Franchisor and Franchisee (including its affiliates) relating to (a) this Agreement, (b) the parties' business activities conducted as a result of this Agreement, or (c) the parties' relationship or business dealings with each other generally is filed, the following procedures shall be complied with:

a. The party wishing to resolve a dispute shall initiate negotiation proceedings by first requesting in writing a meeting. Within 45 days of receipt of the initial request for such a meeting, the parties shall meet, discuss and negotiate toward a resolution of the controversy at a location within the county in which Franchisor is then located.

b. If negotiation efforts do not succeed, the parties shall engage in mandatory but non-binding mediation by a mediator jointly chosen by the parties or if the parties cannot agree upon a mediator, appointed by, and in accordance with the procedures of, JAMS or, if JAMS is no longer in existence, an organization of similar quality.

c. A mediation meeting will be held at a place and at a time mutually agreeable to the parties and the mediator. The Mediator will determine and control the format and procedural aspects of the mediation meeting which will be designed to ensure that both the mediator and the parties have an opportunity to present and hear an oral presentation of each party's views regarding the matter in controversy. The parties will act in good faith to resolve the controversy in mediation.

d. The mediation will be held as soon as practicable after the negotiation meeting is held.

e. The mediator will be free to meet and communicate separately with each party either before, during or after the mediation meeting within 60 days of demand

by either party.

22.2. At the election of Franchisor, the provisions of this Section 22 shall not apply to controversies relating to any fee due Franchisor by Franchisee or its affiliates, any promissory note payments due Franchisor by Franchisee, or any trade payables due Franchisor by Franchisee as a result of the purchase of equipment, goods or supplies. The provisions of this Section 22 shall also not apply to any controversies relating to the use and protection of the El Pollo Loco Marks, the Manual or the El Pollo Loco® System, including without limitation, Franchisor's right to apply to any court of competent jurisdiction for appropriate injunctive relief for the infringement of the El Pollo Loco Marks or the El Pollo Loco® System.

23. MISCELLANEOUS PROVISIONS

23.1. In the event that Franchisee is comprised of more than one person, firm, corporation or other entity, Franchisee's rights, privileges, interests, obligations and liabilities under this Agreement shall be joint and several with respect to such persons, firms, corporations or other entities.

23.2. If Franchisee is a Business Organization, Franchisor will require, as a condition to the effectiveness hereof, the written guarantee and assumption of Franchisee's obligations hereunder by any or all of the shareholders, members, partners, other equity owners, as applicable, of a Business Organization and/or some other natural persons associated with Franchisee, the form of which is attached hereto as Exhibit 2. Franchisor may also require that Franchisee maintain transfer instructions restricting a transfer on its records of any securities, partnership interests or other ownership interests in violation of the restrictions set forth in Section 17 and that each stock, partnership or other ownership certificate of Franchisee shall have conspicuously endorsed upon its face a statement in form satisfactory to Franchisor that further assignment or transfer thereof is subject to each of the restrictions imposed upon assignments by this Agreement.

23.3. All notices required under this Agreement shall be in writing and shall be either (i) served personally; (ii) sent by certified or registered United States mail to the party to be charged with receipt thereof; (iii) by reputable overnight delivery service or (iv) sent via facsimile. Notices served personally are effective immediately on delivery, and those served by mail shall be deemed given 48 hours after deposit of such notice in a United States post office with postage prepaid and duly addressed to the party to whom such notice or communication is directed. Notices served by overnight delivery shall be deemed to have been given the day after deposit of such notice with such service. Notices served via facsimile shall be deemed to have been given the day of faxing such notice.

The address for Franchisor shall be:

Attention: Chief Legal Officer re EPL # _____, El Pollo Loco, Inc., 575 Anton Blvd., Suite 1100, Costa Mesa, California 92626.

The address and facsimile number for Franchisee shall be:

The address and facsimile number listed on the cover page of this Agreement.

Any notice that we send to you may be sent only to the first person identified on Schedule 1, Statement of Ownership Interest of Franchisee, even if you have multiple owners. Franchisor or Franchisee may from time to time change its address for notice pursuant to this Section by giving a written notice of such change to the other party in the manner provided herein. Notwithstanding anything to the contrary contained herein, Franchisor may deliver bulletins and updates to the Manual by electronic means, such as by the internet (e-mail) or an intranet, if any, established by Franchisor.

23.4. Notwithstanding the above, Franchisor may elect to utilize email or similar communications to Franchisee for the purpose of communicating System modifications, operations, marketing and other bulletins, menu changes, product or equipment safety or recall alerts, or any other message Franchisor determines, and Franchisee hereby acknowledges that such communications will constitute actionable communication under this Agreement and shall ensure that Franchisee's communications system includes the capability, and is set or programmed, to receive such communications from Franchisor on a continual basis throughout the Term. Franchisee must never opt out or refuse to accept any of such Franchisor communications at any time during the Term.

23.5. The receipt and acceptance by either party of any delinquent payment due hereunder shall not constitute a waiver of any other default. No delay or omission in the exercise of any right or remedy of either party upon any default by the other hereunder shall impair such right or remedy or be construed as a waiver of any term, covenant or condition of this Agreement to be performed by the other party. To be effective, any waiver of any other default must be in writing and shall not constitute a waiver of any other default concerning the same or any other term, covenant or condition of this Agreement.

23.6. Franchisor's consent to or approval of any act or conduct of Franchisee requiring such consent or approval shall not be deemed to waive or render unnecessary Franchisor's consent to or approval of any subsequent act or conduct hereunder.

23.7. The provisions of this Agreement are intended by the parties to be a complete and exclusive expression of their agreement. No other agreements, representations, promises, commitments or the like, of any nature, exist between the parties except as set forth or referenced herein. Notwithstanding the foregoing, nothing in this Agreement shall disclaim or require Franchisee to waive reliance on any representation that Franchisor made in the most recent disclosure document (including its exhibits and amendments) that Franchisor delivered to Franchisee or its representative, subject to any agreed-upon changes to the contract terms and conditions described in that disclosure document and reflected in this Agreement (including any riders or addenda signed at the same time as this Agreement). The provisions of this Agreement may not be contradicted by any other statement concerning the subject matter herein. Subject to our right to modify the Manual and other documents related to the System Standards, this Agreement may not be amended or modified except by a written

agreement signed by the parties hereto. Nothing in this or any related agreement is intended to disclaim the representations we made in the latest Franchise Disclosure Document that we furnished to you.

23.8. In the event of the bringing of any action by either party against the other arising out of or in connection with this Agreement or the enforcement thereof, or by reason of the breach of any term, covenant or condition of this Agreement on the part of either party, the party in whose favor final judgment is entered shall be entitled to have and recover from the other party reasonable attorneys' fees (internal and external) plus costs and expenses (internal and external) reasonably incurred from commencing, and prosecuting the legal proceeding and until the proceeding has come to a complete end (including appeals and settlements), the amount to be fixed by the court rendering such judgment.

23.9. This Agreement shall be governed by and construed in accordance with the laws of the state in which Franchisor's then-current headquarters is located (i.e., currently, the State of California); provided however that: (i) the provisions in Section 21.7 covering competition following the expiration, termination or assignment of this Agreement shall be governed by the laws of the state in which the breach occurs; (ii) the provisions of any law of a state regarding franchises (including registration, disclosure or relationship issues, and the regulations promulgated thereunder) shall not apply unless such state's jurisdictional, definitional and other requirements are met independently of, and without reference to, this Section; and (iii) if any matter related to this Agreement would be unenforceable under the laws of the state where Franchisor's then-current headquarters is located, but would be enforceable under the laws of the state in which the Franchisee is based, then the laws of the state in which the Franchisee is based shall apply to such matter. **ANY ACTION BROUGHT BY EITHER PARTY AGAINST THE OTHER IN ANY COURT, WHETHER FEDERAL OR STATE, SHALL BE BROUGHT WITHIN THE STATE IN WHICH FRANCHISOR'S HEADQUARTERS (CURRENTLY THE STATE OF CALIFORNIA) IS THEN LOCATED. THE ACTION SHALL BE BROUGHT IN FEDERAL COURT IF FEDERAL COURT JURISDICTION IS AVAILABLE AND, IF NOT, IN STATE COURT. THE PARTIES HEREBY WAIVE ANY RIGHT TO DEMAND OR HAVE TRIAL BY JURY IN ANY ACTION RELATING TO THIS AGREEMENT IN WHICH FRANCHISOR IS A PARTY. THE PARTIES CONSENT TO THE EXERCISE OF PERSONAL JURISDICTION OVER THEM BY SUCH COURTS IN CALIFORNIA AND TO THE PROPRIETY OF VENUE OF SUCH COURTS FOR THE PURPOSE OF CARRYING OUT THIS PROVISION, AND EACH PARTY WAIVES ANY OBJECTION THAT IT WOULD OTHERWISE HAVE TO THE SAME. ANY ACTION BETWEEN FRANCHISEE AND FRANCHISOR SHALL INVOLVE ONLY THE INDIVIDUAL CLAIMS OF FRANCHISEE AND SHALL NOT INVOLVE ANY CLASS, GROUP, JOINT, CONSOLIDATED, REPRESENTATIVE OR ASSOCIATIONAL ACTION.**

23.10. Except with respect to Franchisee's obligation to indemnify Franchisor pursuant to Sections 9.3 and 9.4 of this Agreement, the parties waive to the fullest extent permitted by the law any right to or claim for any punitive or exemplary damages against the other and agree that, in the event of a dispute between them, the party making a claim

shall be limited to recovery of any actual damages it sustains and injunctive relief. Any and all claims and actions arising out of or relating to this Agreement, the relationship of Franchisee and Franchisor, or Franchisee's operation of the Restaurant, brought by either party hereto against the other, whether in mediation, or a legal action, shall be commenced within a year from the occurrence of the facts giving rise to such claim or action, or such claim or action shall be barred.

23.11. Any provision of this Agreement which may be determined by competent authority to be prohibited or unenforceable in any jurisdiction shall, as to that jurisdiction, be ineffective to the extent of the prohibition or unenforceability without invalidating the remaining provisions of this Agreement. Any prohibition against or unenforceability of any provision of this Agreement in any jurisdiction, including the state whose law governs this Agreement, shall not invalidate the provision or render it unenforceable in any other jurisdiction. To the extent permitted by applicable law, Franchisee waives any provision of law which renders any provision of this Agreement prohibited or unenforceable in any respect.

23.12. Franchisee recognizes the unique value and secondary meaning attached to the El Pollo Loco® System, the El Pollo Loco® Marks, the Confidential Information and the associated standards of operation and trade practices, and Franchisee agrees that any noncompliance with the terms of this agreement or any unauthorized or improper use will cause irreparable damage to Franchisor and its franchisees. Franchisee therefore agrees that if it should engage in any such unauthorized or improper use, during or after the term of this Agreement, Franchisor shall be entitled to both permanent and temporary injunctive relief from any court of competent jurisdiction in addition to any other remedies prescribed by law. Franchisee agrees and acknowledges that in such event, Franchisee may be required to post a bond while Franchisor shall not be required to post a bond.

23.13. Franchisee shall grant no security interest in the franchise or in any of the tangible assets of the business including the furniture, fixtures and equipment located in the Restaurants, unless the secured party agrees that in the event of any default by Franchisee and exercise of its right to take and sell such assets under any documents relating to such security interests, Franchisor shall have the right and option to exercise a right of first refusal to purchase such assets on the same terms and conditions offered by the secured party. If, within 30 days after receipt of the offer, which would include information and documentation as Franchisor may need or require for the purpose of considering whether to exercise its right of first refusal to purchase such assets, Franchisor does not indicate its acceptance of the offer as stated in the notice, secured party shall thereafter have the right to make the sale to the proposed transferee on the same terms and conditions as stated in the notice. Should Franchisor not exercise its right of first refusal and should the contemplated sale not be completed within 120 days from the date of the notice, or should the terms and conditions thereof (including the proposed transferee or the ownership therein) be altered in any material way, this right of first refusal shall be reinstated and any such subsequent proposed sale or altered terms and conditions of the current transaction must again be offered to Franchisor in accordance with the terms listed above.

23.14. This Agreement shall be binding upon and inure to the benefit of the parties hereto, their permitted heirs, successors and assigns.

23.15. This Agreement shall not be binding upon Franchisor unless and until it shall have been accepted and signed by authorized officers of Franchisor. This Agreement may be executed in one or more counterparts, each of which will constitute an original, but all of which together will constitute but a single document. A signature on this Agreement transmitted via facsimile or electronic mail/PDF or equivalent, electronic signature (such as DocuSign or equivalent), shall be considered an original for all purposes hereunder.

23.16. The parties intend to confer no benefit or right on any person or entity not a party to this Agreement, and no third party shall have the right to claim the benefit of any provision hereof as a third party beneficiary of any such provision. Franchisee may not make any express or implied agreements, warranties, guarantees, or representations, or incur any debt, in the name or on behalf of Franchisor. Franchisor will not be obligated for any damages to any person or property directly or indirectly arising out of the Restaurant.

23.17. If following commencement of business at the Restaurant, the Restaurant is damaged or destroyed to the extent that Franchisor determines that the Restaurant must be closed for repairs for more than 60 days, or if the Location is taken by condemnation proceedings or Franchisee's lease is terminated through no act or failure to act on its part (except the failure to utilize any available options to extend such lease, or Franchisee's willful truncation of such lease), then at Franchisor's option, Franchisor may elect to:

a. terminate this Agreement, require Franchisee to relocate the Restaurant, or in the case of a casualty, require Franchisee to rebuild the Restaurant.

b. require Franchisee to rebuild the Restaurant, and Franchisee shall, at its own expense, repair or reconstruct the Restaurant, and such construction shall be completed, and the Restaurant shall reopen for business not later than 12 months following the date the triggering event occurred. The minimum acceptable appearance for the reconstructed Restaurant will be that which existed just prior to the casualty; however, every effort shall be made to have the reconstructed Restaurant reflect the then-current image, design and specifications of new ~~El Pollo Loco~~[®]EPL Restaurants.

c. require Franchisee to relocate the Restaurant, Franchisee must execute Franchisor's then-current form of Development Agreement within 30 days of the date Franchisor notifies Franchisee of Franchisor's election. Franchisee must follow the site selection and approval procedures associated with the Development Agreement; provided, however, that no development fee shall be required to be paid. Upon approval by Franchisor of a new site, Franchisee must execute Franchisor's then-current form of franchise agreement; provided, however, that the term of such new agreement shall be

equal to the remaining term of this Agreement and Franchisee shall not be required to pay a new IFF. Franchisee will submit a replacement site for the new Restaurant, in accordance with the time frames indicated in the then-current form of Development Agreement, and which replacement site shall be located in an area defined as a radius surrounding the existing site of the Restaurant, the exact dimensions of which shall be reasonably negotiated between Franchisee and Franchisor taking into consideration the rights of other then-existing and potential franchisees. If Franchisor approves the new site, Franchisee shall either acquire or lease the site and design, construct and furnish the Restaurant in conformance with the design and construction requirements imposed by Franchisor for new ~~El Pollo Loco®~~ EPL Restaurants. The new Restaurant must be open for business not later than 12 months following the date of the casualty or loss of possession of the original Location.

d. terminate this Agreement, and Franchisee shall promptly comply with the requirements set forth at Sections 19.1 and 19.2.

24. EFFECTIVE DATE

24.1. This Agreement shall be effective as of the date it is executed by Franchisor (the “**Effective Date**”).

25. ACKNOWLEDGMENTS

25.1. Franchisee acknowledges that Franchisee has received a complete copy of the El Pollo Loco® Disclosure Document, together with all exhibits, issuance date ~~April 1, 2025~~ March 31, 2026 (Control Number 040125.2033126), at least 14 calendar days prior to the date on which this Agreement was executed by Franchisee or payment of any monies to Franchisor.

25.2. The execution of this Agreement by Franchisee will not constitute or violate any other agreement or commitment to which Franchisee is a party.

25.3. Each individual executing this Agreement on behalf of Franchisee is duly authorized to do so, and this Agreement constitutes a valid and binding obligation of Franchisee.

25.4. Incorporated herein by this reference is all of the additional information provided by Franchisee to Franchisor as part of the application process pertinent to the grant of franchise evidenced by this Agreement. Franchisee acknowledges that Franchisor has relied on each item of such information in granting this franchise.

25.5. No statement, questionnaire, or acknowledgment signed or agreed to by a franchisee in connection with the commencement of the franchise relationship shall have the effect of (i) waiving any claims under any applicable state franchise law, including fraud in the inducement, or (ii) disclaiming reliance on any statement made by any franchisor, franchise seller, or other person acting on behalf of the franchisor. This provision supersedes any other term of any document executed in connection with the

franchise.

26. ANTI-TERRORISM LAW

26.1. Franchisee certifies that neither Franchisee or its employees, or anyone associated with Franchisee is listed in the Annex to Executive Order 13224¹. Franchisee promises not to hire or have any dealings with a person listed in the Annex. Franchisee certifies that it has no knowledge or information that, if generally known, would result in Franchisee, its employees, or anyone associated with Franchisee being listed in the Annex to Executive Order 13224. Franchisee promises to comply with and assist Franchisor to the fullest extent possible in Franchisor's efforts to comply with the Anti-Terrorism Laws (as defined below). In connection with such compliance, Franchisee certifies, represents, and warrants that none of its property or interests is subject to being "**blocked**" under any of the Anti-Terrorism Laws, and that Franchisee are not otherwise in violation of any of the Anti-Terrorism Laws. Franchisee is solely responsible for ascertaining what actions must be taken by Franchisee to comply with all such Anti-Terrorism Laws. Franchisee specifically acknowledges and agrees that Franchisee's indemnification responsibilities as provided in this Agreement pertain to Franchisee's obligations under this Section. Any misrepresentation by Franchisee under this Section or any violation of the Anti-Terrorism Laws by Franchisee or its employees shall constitute grounds for immediate termination of this Agreement and any other agreement Franchisee has entered into with Franchisor or one of Franchisor's affiliates. "**Anti-Terrorism Laws**" means Executive Order 13224 issued by the President of the United States, the Terrorism Sanctions Regulations (Title 31, Part 595 of the U.S. Code of Federal Regulations), the Foreign Terrorist Organizations Sanctions Regulations (Title 31, Part 597 of the U.S. Code of Federal Regulations) the Cuban Assets Control Regulations (Title 31, Part 515 of the U.S. Code of Federal Regulations), the USA PATRIOT Act, and all other present and future federal, state and local laws, ordinances, regulations, policies, lists and any other requirements of any Governmental Authority (including the United States Department of Treasury Office of Foreign Assets Control) addressing or in any way relating to terrorist acts and acts of war.

¹ <http://www.treasury.gov/offices/enforcement/ofac/sanctions/terrorism.html>.

27. SIGNATURES

IN WITNESS WHEREOF, this Agreement has been executed by the parties hereto as of the date(s) first set forth below.

FRANCHISOR:
EL POLLO LOCO, INC., a Delaware Corporation

By: _____
Name: _____
Title: _____
Date: _____

FRANCHISEE:
_____,
a _____

By: _____
Name: _____
Title: _____
Date: _____

By: _____
Name: _____
Title: _____
Date: _____

EXHIBIT 1: MEMORANDUM OF OPENING DATE

On or about _____, 20__, **El Pollo Loco, Inc.**, a Delaware corporation (“**Franchisor**”), and _____, a _____ (“**Franchisee**”), entered into an El Pollo Loco® Franchise Agreement (the “**Franchise Agreement**”) for an “**El Pollo Loco**” Restaurant Unit No. _____ located at _____ (the “**Location**”).

The parties hereby agree that:

~~1.~~ the Opening Date of the Restaurant at the Location was _____, 20__;

~~1.~~

~~2.~~

~~3.~~ the term of the Franchise Agreement shall expire on _____, 20__, unless sooner terminated as provided in the Franchise Agreement;

~~2.~~

~~4.~~ Franchisee will complete

~~3.~~ a Refresh by the 5th anniversary of the Opening Date on _____, 20__,

~~4.~~ Franchisee will complete a Remodel by the 10th anniversary of the Opening Date on _____, 20__;

~~5.~~ Franchisee will complete a Refresh by the 15th anniversary of the Opening Date on _____, 20__; and

~~6.~~ Franchisee will complete a Remodel by the 20th anniversary of the Opening Date on _____, 20__ provided the Franchise Agreement is renewed.

This Memorandum of Opening Date may be executed in two or more counterparts, each of which shall be deemed an original but all of which together shall constitute a single instrument. A signature on this Memorandum of Opening Date transmitted via facsimile or electronic mail/PDF or equivalent, electronic signature (such as DocuSign or equivalent), shall be considered an original for all purposes hereunder.

IN WITNESS WHEREOF, the parties hereto have caused this Memorandum of Opening Date to be executed as of the date(s) below.

FRANCHISOR:
EL POLLO LOCO, INC., a Delaware Corporation

By: _____

Name: _____

Title: _____

FRANCHISEE:

_____,
a _____

By: _____

Name: _____

Title: _____

El Pollo Loco #____
Location: _____

Date: _____

Date: _____

EXHIBIT 2: PERSONAL GUARANTEE OF EL POLLO LOCO® FRANCHISE AGREEMENT

As of _____, the undersigned hereby unconditionally guarantees, absolutely and irrevocably the performance and payment by Franchisee (as defined below) of, and expressly agrees to adopt and be individually bound by as if the undersigned were a party to each and all of the terms, covenants and conditions of that certain El Pollo Loco® Franchise Agreement dated _____, 20____ (the "**Agreement**") between **El Pollo Loco, Inc.**, a Delaware corporation ("**Franchisor**") whose address is 575 Anton Blvd., Suite 1100, Costa Mesa, CA 92626 and _____, a _____ ("**Franchisee**") whose address is _____. The undersigned further agrees as follows:

1. This guarantee will continue unchanged by any bankruptcy, reorganization or insolvency of Franchisee or by any disaffirmance or abandonment by a trustee of Franchisee.
2. This covenant and agreement on the part of the undersigned shall continue in favor of Franchisor notwithstanding any extension, modification or alteration of the Agreement entered into by and between the parties thereto, or their successors or assigns, and no extension, modification, alteration or assignment of the Agreement shall in any manner release or discharge the undersigned and the undersigned does hereby consent thereto.
3. The liability of the undersigned under this guarantee shall be primary and in any right of action which shall accrue to Franchisor under the Agreement, Franchisor may, at its option, proceed against the undersigned without having commenced any action or having obtained any judgment against Franchisee.
4. The undersigned shall pay Franchisor's reasonable attorneys' fees (both internal and external) and all costs and other expenses (both internal and external) incurred in any collection or attempted collection or in any negotiations relative to the obligations hereby guaranteed or enforcing this guarantee against the undersigned, individually and jointly from commencing and prosecuting the legal proceeding and until the proceeding has come to a complete end (including appeals and settlements), only if final judgment is entered in favor of Franchisor.
5. The undersigned hereby waives notice of any demand by Franchisor as well as any notice of default in the payment of any and all amounts contained or reserved in the Agreement.
6. All sums due under this guarantee shall bear interest from the date due until the date paid at the maximum contract rate permitted by law. The obligations under this guarantee include, without limitation, payment when due of any and all sums due under the Agreement and all damages to which Franchisor is or may be entitled whether under applicable law, indemnification payments and payment of any and all legal fees, courts costs and litigation expenses incurred by Franchisor in endeavoring to collect or enforce

any of the foregoing against Franchisee, the undersigned, or in connection with any property securing any or all of the foregoing or this guarantee.

7. The undersigned agrees that one or more successive or concurrent actions may be brought on this guarantee, in the same action in which Franchisee may be sued or in separate actions, as often as deemed advisable by Franchisor. The obligations under this guarantee are joint and several, and independent of the obligations of Franchisee.

8. No election in one form of action or proceeding, or against any party, or on any obligation, shall constitute a waiver of Franchisor's right to proceed in any other form of action or proceeding or against any other party. The failure of Franchisor to enforce any of the provisions of this guarantee at any time or for a period of time shall not be construed to be a waiver of any such provision or the right thereafter to enforce the same. All remedies under this guarantee shall be cumulative and shall be in addition to all rights, powers and remedies given to Franchisor by law or under any other instrument or agreement.

9. All rights, benefits and privileges under this guarantee shall inure to the benefit of and be enforceable by Franchisor and its successors and assigns and shall be binding upon the undersigned and the undersigned's heirs, representatives, successors and assigns. Neither the death of the undersigned nor notice thereof to Franchisor shall terminate this guarantee as to the undersigned's estate, and, notwithstanding the death of the undersigned or notice thereof to Franchisor, this guarantee shall continue in full force and effect. The provisions of this guarantee may not be waived or amended except in writing executed by the undersigned and a duly authorized representative of Franchisor.

10. The undersigned represents and warrants that (i) it is in the undersigned's direct interest to assist Franchisee in procuring the Agreement, because Franchisee has a direct or indirect corporate or business relationship with the undersigned, (ii) this guarantee has been duly and validly authorized executed and delivered and constitutes the binding obligation of the undersigned, enforceable in accordance with its terms, and (iii) the execution and delivery of this guarantee does not violate (with or without the giving of notice, the passage of time, or both) any order, judgment, decree, instrument or agreement to which the undersigned is a party or by which it or its assets are affected or bound.

11. If any provision of this guarantee or the application thereof to any party or circumstance is held invalid, void, inoperative, or unenforceable, the remainder of this guarantee and the application of such provision to other parties or circumstances shall not be affected thereby, the provisions of this guarantee being severable in any such instance. This guarantee is the entire and only agreement between the undersigned and Franchisor respecting the guarantee of the Agreement, and all representations, warranties, agreements, or undertakings heretofore or contemporaneously made, which are not set forth in this guarantee, are superseded.

12. All notices given under this guarantee shall be in writing and shall be either (i) served personally; (ii) sent by certified or registered United States mail to the party to be charged with receipt thereof; (iii) by reputable overnight delivery service or (iv) sent via facsimile. Notices served personally are effective immediately on delivery, and those served by mail shall be deemed given 48 hours after deposit of such notice in a United States post office with postage prepaid and duly addressed to the party to whom such notice or communication is directed. Notices served by overnight delivery shall be deemed to have been given the day after deposit of such notice with such service. Notices served via facsimile shall be deemed to have been given the day of faxing such notice. The address for either party shall be the address listed on the above in the first paragraph of this guarantee. Either party may from time to time change its address for notice pursuant to this Section by giving a written notice of such change to the other party in the manner provided herein.

13. This guarantee is governed by and construed according to the laws of the State of California applicable to contracts made and to be performed in such state. In order to induce Franchisor to accept this guarantee, and as a material part of the consideration therefore, the undersigned (i) agrees that all actions or proceedings relating directly or indirectly to this guarantee shall, at the option of the Franchisor, be litigated in courts located within the State of California, and (ii) consents to the jurisdiction of any such court and consents to the service of process in any such action or proceeding by personal delivery or any other method permitted by law.

14. The undersigned waives and relinquishes any rights it may have under California Civil Code 2845, 2849 and 2850 or otherwise to require Franchisor to (a) proceed against Franchisee or any other guarantor, pledgor or person liable under the Agreement; (b) proceed against or exhaust any security for the Franchisee or this guarantee; or (c) pursue any other remedy in Franchisor's power whatsoever. In other words, Franchisor may proceed against the undersigned for the obligations guaranteed without first taking any action against Franchisee or any other guarantor, pledgor or person liable under the Agreement and without proceeding against any security. The undersigned shall not have, and hereby waives (a) any right of subrogation, contribution, indemnity and any similar right that the undersigned may otherwise have, (b) any right to any remedy which Franchisor now has or may hereafter have against Franchisee, and (c) any benefit of any security now or hereafter held by Franchisor. The undersigned waives (a) all presentments, demands for performance, notices of non-performance, protests, notices of protests and notices of dishonor; (b) all other notices and demands to which the undersigned might be entitled, including without limitation notice of all the following: the acceptance hereof; any adverse change in Franchisee's financial position; any other fact which might increase the undersigned's risk; any default, partial payment or non-payment under the Franchisee and any changes, modifications, or extensions thereof; and any revocation, modification or release of any guarantee of any or all of the Agreement by any person (including without limitation any other person signing this guarantee); (c) any defense arising by reason of any failure of Franchisor to obtain, perfect, maintain or keep in force any security interest in any property of Franchisee or any other person; (d) any defense based upon or arising out of any bankruptcy, insolvency, reorganization,

arrangement, readjustment of debt, liquidation or dissolution proceeding commenced by or against Franchisee or any other guarantor or any person liable under the Agreement.

15. Without limiting the generality of the foregoing or any other provision of this guarantee, the undersigned expressly waives any and all benefits which might otherwise be available to it under California Civil Code 2839 (which provides that a surety is exonerated by the performance or the offer of performance of the principal obligation), 2899 (which provides for the order of resort to different funds held by the creditor) and 3433 (which provides for the right of a creditor to require that another creditor entitled to resort to several sources of payments first resort to sources not available to the first creditor). The undersigned waives the rights and benefits under California Civil Code 2819 and agrees that by doing so its liability shall continue even if Franchisor alters any obligations under the Agreement in any respect or Franchisor's rights or remedies against Franchisee are in any way impaired or suspended without the undersigned's consent. Franchisor may without notice assign this guarantee in whole or in part.

16. This guarantee of the Agreement may be executed in two or more counterparts, each of which shall be deemed an original but all of which together shall constitute a single instrument. A signature on this guarantee of the Agreement transmitted via facsimile or electronic mail/PDF or equivalent, electronic signature (such as DocuSign or equivalent), shall be considered an original for all purposes hereunder.

The use of the singular herein shall include the plural. The obligations of two or more parties shall be joint and several. The terms and provisions of this guarantee of the Agreement shall be binding upon and inure to the benefit of the respective successors and assigns of the parties herein named.

IN WITNESS WHEREOF, the undersigned executed this this Personal Guarantee of the El Pollo Loco® Franchise Agreement on the date(s) set forth below.

By: _____
Name: _____
Title: An individual _____
Date: _____

EXHIBIT 3: INVESTOR COVENANTS REGARDING CONFIDENTIALITY AND NON-COMPETITION

Statement of Ownership of Franchisee:

Name of Principal/Investor	Percentage of Ownership Interest

In conjunction with your investment in _____ a _____ ("**Franchisee**") you ("**Investor**" or "**You**"), acknowledge and agree as follows:

- 1) Franchisee owns and operates, or is developing, pursuant to an El Pollo Loco® Franchise Agreement dated _____ ("**Franchise Agreement**") with El Pollo Loco, Inc. ("**EPL**"), which Franchise Agreement requires persons with legal or beneficial ownership interests in Franchisee under certain circumstances to be personally bound by the confidentiality and non-competition covenants contained in the Franchise Agreement. All capitalized terms contained herein shall have the same meaning set forth in the Franchise Agreement.
- 2) You own or intend to own a certain percentage of legal or beneficial ownership interest in Franchisee (as described above) and acknowledge and agree that your execution of this Agreement is a condition to such ownership interest and that you have received good and valuable consideration for executing this Agreement. EPL may enforce this Agreement directly against you and your Owners (as defined below).
- 3) If you are a corporation, partnership, limited liability company or other entity, all persons who have a legal or beneficial interest in you ("**Owners**") must also execute this Agreement.
- 4) You and your Owners, if any, may gain access to parts of EPL's Confidential Information as a result of investing in Franchisee. The Confidential Information is proprietary and includes EPL's trade secrets. You and your Owners hereby agree that while you and they have a legal or beneficial ownership interest in franchise and thereafter you and they: (a) will not use the Confidential Information in any other business or capacity (such use being an unfair method of competition); (b) will exert best efforts to maintain the confidentiality of the Confidential Information; and (c) will not make unauthorized copies of any portion of the Confidential Information disclosed in written, electronic or other form. If you or your Owners cease to have an interest in franchisee, you and our Owners, if any, must deliver to EPL any such Confidential Information in your or their possession.
- 5) During the term of the Franchise Agreement and during such time as you and your Owners, if any, have any legal or beneficial ownership interest in Franchisee, you and your Owners, if any, agree that you and they will not, without EPL's consent (which consent may be withheld as EPL's sole and absolute right) directly or indirectly (such as

through an affiliate or through your or their Immediate Families) own any legal or beneficial interest in, or render services or give advice in connection with: (a) any Competitive Business located anywhere, or (b) any entity located anywhere that grants franchises or licenses interest to others to operate any Competitive Business.

6) For a period of 2 years, starting on the earlier to occur of the date you or your Owners cease to have any legal or beneficial ownership interest in Franchisee and the effective date of termination or expiration of the Franchise Agreement, neither you nor any of your Owners directly or indirectly (such as through an affiliate or through your or their Immediate Families) shall own a legal or beneficial interest in, or render services or give advice to: (a) any Competitive Business operating at or within a radius of 5 miles of the Restaurant and/or any El Pollo Loco Restaurant then in operation or under construction; or (b) any entity that grants franchises or license other interest to others to operate any Competitive Business. If you or any of your Owners fail to or refuse to abide by any of the foregoing covenants and EPL obtains enforcement in a judicial or arbitration proceeding, the obligations under the breached covenant will continue in effect for a period of time ending 2 years after the date such person commences compliance with the order enforcing the covenant.

7) You and each of your Owners expressly acknowledge the possession of skills and abilities of a general nature and the opportunity to exploit such skills in other ways, so that enforcement of the covenants contained in Sections 5 and 6 will not deprive any of you of your personal goodwill or ability to earn a living. If any covenant herein, which restricts competitive activity, is deemed unenforceable by virtue of its scope or in terms of geographic area, type of business activity prohibited and/or length of time, but could be rendered enforceable by reducing any part of all of it, you and we agree that it will be enforce to the fullest extent permissible under applicable law and public policy. EPL may obtain in any court of competent jurisdiction any injunctive relief, including temporary restraining orders and preliminary injunctions, against conduct or threatened conduct for which no adequate remedy at law may be available or which may cause it irreparable harm. You and each of your Owners acknowledges that any violation of Section 4, 5, or 6 hereof would result in irreparable injury for which no adequate remedy at law may be available. If EPL files a claim to enforce this Agreement and prevails in such proceeding, you agree to reimburse EPL for all its cost and expense, including reasonable attorneys' fees.

8) You and each of your Owner's good faith communications with governmental agencies or regulators regarding Franchisor's conduct is not restricted, provided that You and each of your Owners reasonably believe that the content of its communications is true and accurate.

9) This Investor Covenants regarding Confidentiality and Non-Competition Agreement ("**Investor Agreement**") may be executed in two or more counterparts, each of which shall be deemed an original but all of which together shall constitute a single instrument. A signature on this Investor Agreement transmitted via facsimile or electronic mail/PDF or equivalent, electronic signature (such as DocuSign, or equivalent), shall be considered an original for all purposes hereunder.

El Pollo Loco # _____
Location: _____

IN WITNESS WHEREOF, the undersigned have executed and delivered these Investor Covenants regarding Confidentiality and Non-Competition Agreement on the date(s) set forth below.

INVESTOR:

If an Individual:

By: _____
Name: _____
Title: An individual
Date: _____

By: _____
Name: _____
Title: An individual
Date: _____

If a corporation, partnership, limited liability company or other legal entity:

_____, a _____

By: _____
Name: _____
Title: _____
Date: _____

By: _____
Name: _____
Title: _____
Date: _____

OWNERS:

By: _____
Name: _____
Title: An individual
Date: _____

By: _____
Name: _____
Title: An individual
Date: _____

**EXHIBIT 4: AUTHORIZATION AGREEMENT FOR PREARRANGED PAYMENTS
(ACH)**

On _____, 20____ and going forth, the undersigned depositor ("**Depositor**") hereby authorizes El Pollo Loco, Inc. ("**El Pollo Loco**") to initiate debit entries and/or credit correction entries to the Depositor's checking and/or savings account(s) indicated attached as Exhibit A and the depository ("**Depository**") to debit such account pursuant to El Pollo Loco's instructions ("**Authorization**").

This authority is to remain in full force and effect until Depository has received joint written notification from El Pollo Loco and Depositor of the Depositor's termination of such authority in such time and in such manner as to afford Depository a reasonable opportunity to act on it. Notwithstanding the foregoing, Depository shall provide El Pollo Loco and Depositor with 30 days' prior written notice of the termination of this authority. If an erroneous debit entry is initiated to Depositor's account, Depositor shall have the right to have the amount of such entry credited to such account by Depository, if within 15 calendar days following the date on which Depository sent to Depositor a statement of account or a written notice pertaining to such entry or 45 days after posting, whichever occurs first, Depositor shall have sent to Depository a written notice identifying such entry, stating that such entry was in error and requesting Depository to credit the amount thereof to such account. These rights are in addition to any rights Depositor may have under federal and state banking laws.

This Authorization may be executed in two or more counterparts, each of which shall be deemed an original but all of which together shall constitute a single instrument. A signature on this Authorization transmitted via facsimile or electronic mail/PDF or equivalent, electronic signature (such as DocuSign, or equivalent) shall be considered an original for all purposes hereunder.

Depositor: _____

By: _____	By: _____
Name: _____	Name: _____
Title: _____	Title: _____
Date: _____	Date: _____

El Pollo Loco # _____
Location: _____

**EXHIBIT A to
AUTHORIZATION AGREEMENT FOR PREARRANGED PAYMENTS (ACH)**

(to be completed by Depositor)

Depository:
Branch:
Street Address, City, State, Zip Code:
Bank Transit/ABA Number:
Account Number:

ATTACH VOID CHECK

EXHIBIT 5: ADVERTISING ASSOCIATION DOCUMENTS

ADVERTISING ASSOCIATION MEMBERSHIP AGREEMENT

THE [NAME OF AREA] EL POLLO LOCO® RESTAURANT ADVERTISING ASSOCIATION

MEMBERSHIP AGREEMENT

THIS [NAME OF AREA] EL POLLO LOCO® RESTAURANT ADVERTISING ASSOCIATION MEMBERSHIP AGREEMENT is effective as of _____, 20____, by and between the [NAME OF AREA] EL POLLO LOCO® RESTAURANT ADVERTISING ASSOCIATION, INC. a _____ Nonprofit Corporation [the "**Association**"] and _____, a _____ (the "**Member**").

BACKGROUND INFORMATION:

EL POLLO LOCO, INC. (the "**Franchisor**") owns, operates and franchises quick service restaurants which specialize in the sale of retail marinated _____ grilled chicken and Mexican food items related to the El Pollo Loco® concept ("**Restaurants**"). The Member owns and operates one or more Restaurants within the _____ [described geographic area] (the "**Association Area**"). The Association was organized by the Franchisor and its franchisees that own Restaurants in the Association Area in order to pool advertising funds.

OPERATIVE TERMS:

1. **Bylaws**. The Association has adopted Bylaws and may amend, modify or replace them from time to time in accordance with its governing documents, subject to the written consent of the Franchisor (the "**Bylaws**"). Unless the context requires otherwise, terms used in this Agreement will have the meanings as defined in the Bylaws.

2. **Membership**. By signing this Agreement:

(a) The Member agrees to become a member of the Association and agrees to be bound by and adhere to the Bylaws, and to observe any administrative rules, regulations and policy statements adopted by the Association in accordance with the Bylaws; and

(b) The Association accepts and enrolls the Member as a member in good standing with full rights and Benefits of membership.

3. **Scope**. This Agreement is applicable to all of the Member's Restaurants located in the Association Area, whether currently existing, or opened or acquired after

the signing of this Agreement.

4. Contributions.

(a) **Obligation to Pay:** The Member agrees to make such contributions to the Association, and at such time and in such manner, as are determined by the Association from time to time in accordance with the Bylaws. Contributions are non-refundable.

(b) **Reports:** Each contribution must be accompanied by a report containing such information as the Association may determine from time to time, showing the amount of the contribution the Member is required to pay with respect to the Member's Restaurants located in the Association Area. The Member authorizes and instructs the Franchisor to furnish to the Association, on request, copies of the Member's reports and records in Franchisor's possession for the purpose of verifying contributions due. The Association may review reports and other information available to the Franchisor to verify that the proper amount of contributions have been made by the Member.

(c) **Collection by Franchisor:** The Member acknowledges and agrees that the Association may authorize Franchisor to receive and collect contributions and related reports on behalf of the Association. In such case, the Member shall make contributions to Franchisor, and shall report to Franchisor, at such times and in such manner as Franchisor may determine to be appropriate from time to time.

5. **Benefits.** The Association agrees that it will operate on a not-for-profit basis in accordance with governing documents and that all contribution will be spent solely for the purposes permitted in its Articles of Incorporation and Bylaws.

6. **Effective Date and Term.** The Agreement becomes effective on the date signed by both Parties and will continue until the earlier of:

(a) The Association discontinues operations or is dissolved; or

(b) Until the Member no longer owns and operates a Restaurant located in the Association Area under a valid Franchise Agreement with Franchisor, or until the Member no longer owns or operates a Restaurant located in the Association Area, if the Member is the Franchisor or an affiliate of Franchisor.

In the event this Agreement terminates pursuant to Section 6(b), the Member's voting and other membership rights in the Association automatically terminate on the effective date of termination of the Franchise Agreement (or closure of the Restaurant, if the Franchisor or its affiliate is the Member), provided however, if the Member owes contributions at the time of such termination (or closure), then it will still be obligated and responsible for all contributions that accrued prior to the date of such termination (or closure).

7. **Franchise Transfers.** The parties recognize that the timing of payment of contributions may not always coincide with the consummation of the sale of a Restaurant.

Accordingly, the parties agree as follows:

(a) **Timing:** The Member will remain responsible to the Association for all contributions due through the date of the consummation of any sale of an El Pollo Loco® restaurant owned by the Member that is subject to this Agreement.

(b) **Credit Balances:** If the Member sells or closes an El Pollo Loco® restaurant subject to this Agreement at a time when the Member has a credit balance with the Association, the credit balance will not be refunded, but will be: (i) retained for the benefit of other members of the Association, if the transaction involves a closing of the Member's El Pollo Loco® restaurant or the termination or expiration of the Member's Franchise Agreement; or (ii) credited to the Restaurants of the purchaser that are subject to this Agreement, if a sale, transfer or assignment is involved; or (iii) credited to the Member's other Restaurants that are still subject to this Agreement.

8. **Delinquencies.** The Member agrees to abide by all rules and regulations regarding delinquent contributions, including the payment of interest and late payment fees, adopted by the Association from time to time. The Member acknowledges and agrees that delinquent contributions (a) constitute a breach of the Franchise Agreement; (b) may result in loss of voting rights and other privileges with the Association; and/or (c) may result in cancellation of membership with the Association.

9. **Entity Participation.** If the Member is a corporation, limited liability company, partnership or other business entity, the Member will duly authorize a person to represent its interests at Association meetings (the "**Representative**"). The Representative must be a: (i) shareholder, partner, member (in case of an LLC), director or officer of the Member; or (ii) the Member's Operating Partner, as defined in the Member's Franchise Agreement; or (iii) in the event the Member is Franchisor or one of its affiliates, an officer or other designated representative of the Franchisor or its affiliate. The Association shall be entitled to rely on any written authorization appointing the Representative that the Association in good faith believes to be valid unless and until the Association shall have received an authorization for a successor Representative's decisions, votes and consents to bind the Member at any such meeting without any further inquiry. The same person can be a Representative for more than 1 Member.

10. **Program Participation.** The Member will not be required, as a condition of membership in this Association or otherwise, to participate in any advertising or promotion that contains a specified retail price, or a minimum retail price, for any product or service furnished by Restaurant in the Association Area. However, the Member's obligation to pay contributions pursuant to this Agreement will not be affected in any way by the Member's decision not to participate.

11. **Miscellaneous.**

(a) **Severability:** If any part of this Agreement is held invalid for any reason, the remainder of this Agreement will not be affected and will remain in full force and effect in

accordance with its terms.

(b) Costs of Collection: Member agrees to reimburse the Association (or, if applicable, Franchisor) for all costs and expenses, including attorneys' fees and expenses, incurred in connection with collecting delinquent contributions. Reimbursement is due within 30 days of written notice.

(c) Waivers: No waiver of any provision of this Agreement will be valid unless in writing and signed by the person signed by the person against whom it is sought to be enforced. The failure by either party to insist upon strict performance of any provision will not be construed as a waiver or relinquishment of the right to insist upon strict performance of the same provision at any other time or to insist on strict performance of any other provision of this Agreement.

(d) Liabilities and Beneficiaries: Neither party will be liable to any other person who is not Party to this not a Party to this not a party to this Agreement by virtue of their relationship to each other. No other person has any rights because of this Agreement, except for the parties. However, notwithstanding the foregoing, although the Franchisor may not be a party to this Agreement, and is not bound by it, Franchisor is a third-party intended beneficiary.

(e) Entire Agreement: This Agreement reflects the entire understanding of the parties with respect to the subject matter hereof and supersedes all prior oral or written agreements, communications or understandings with respect to the matters provided for herein. This Agreement may be executed in two or more counterparts, each of which shall be deemed an original but all of which together shall constitute a single instrument. A signature on this Agreement transmitted via facsimile or electronic mail/PDF or equivalent, electronic signature (such as DocuSign, or equivalent) shall be considered an original for all purposes hereunder.

[NAME OF AREA] EL POLLO LOCO® RESTAURANT

By: _____
Name: _____
Title: _____
Date: _____

ADVERTISING ASSOCIATION, INC.
[Name of Member]

By: _____
Name: _____
Title: _____
Date: _____

El Pollo Loco #____
Location: _____

**BYLAWS OF [NAME OF AREA] EL POLLO LOCO® RESTAURANT
ADVERTISING ASSOCIATION, INC.**

Adopted as of _____, 20____

TABLE OF CONTENTS

ARTICLE

ARTICLE 1 OFFICES

- SECTION 1.1 REGISTERED AND PRINCIPAL OFFICE
- SECTION 1.2 OTHER OFFICES
- SECTION 1.3 REGISTERED AGENT FOR SERVICE OF PROCESS

ARTICLE 2 POWERS AND PURPOSE

- SECTION 2.1 POWERS
- SECTION 2.2 PURPOSES
- SECTION 2.3 USE OF TRADEMARKS

ARTICLE 3 MEMBERS

- SECTION 3.1 MEMBERS
- SECTION 3.2 ENROLLMENT
- SECTION 3.3 ENTITY MEMBERSHIP
- SECTION 3.4 MEMBERS IN GOOD STANDING
- SECTION 3.5 ANNUAL AND QUARTERLY MEETINGS OF THE MEMBERS
- SECTION 3.6 SPECIAL MEETINGS
- SECTION 3.7 PLACE OF MEETING
- SECTION 3.8 NOTICE OF MEETINGS
- SECTION 3.10 CLOSURE OF BOOKS AND FIXING OF RECORD DATE
- SECTION 3.11 QUORUM
- SECTION 3.12 VOTING
- SECTION 3.13 REPRESENTATIVES
- SECTION 3.14 ACTION WITHOUT MEETING
- SECTION 3.15 ORGANIZATION
- SECTION 3.16 MEMBER MEETINGS BY TELEPHONE

ARTICLE 4 DIRECTORS

- SECTION 4.1 NUMBER
- SECTION 4.2 VACANCIES
- SECTION 4.3 REMOVAL OF DIRECTORS
- SECTION 4.4 QUALIFICATION
- SECTION 4.5 TERMS
- SECTION 4.6 RESIGNATION
- SECTION 4.7 POWERS
- SECTION 4.8 MEETINGS
- SECTION 4.9 NOTICE OF SPECIAL MEETING
- SECTION 4.10 ACTION WITHOUT A MEETING
- SECTION 4.11 QUORUM AND VOTING
- SECTION 4.12 ORGANIZATION
- SECTION 4.13 COMPENSATION
- SECTION 4.14 ATTENDANCE BY TELEPHONE

ARTICLE 5 OFFICERS

- SECTION 5.1 OFFICES
- SECTION 5.2 TERM OF OFFICE; VACANCIES
- SECTION 5.3 REMOVAL OF OFFICERS
- SECTION 5.4 RESIGNATIONS
- SECTION 5.5 COMPENSATION
- SECTION 5.6 REFUND OF PAYMENT
- SECTION 5.7 POWERS AND DUTIES
- SECTION 5.8 DELEGATION OF DUTIES

ARTICLE 6 CONTRIBUTIONS

- SECTION 6.1 CONTRIBUTIONS
- SECTION 6.2 PAYMENT OF CONTRIBUTIONS
- SECTION 6.3 PAYMENT IN PAYMENTS

ARTICLE 7 NOTICES

- SECTION 7.1 RECORDING
- SECTION 7.2 WAIVER

ARTICLE 8 DESIGNATED FINANCIAL AGENTS, SIGNATURES AND SEAL

- SECTION 8.1 DESIGNATED FINANCIAL AGENTS
- SECTION 8.2 OTHER AGREEMENTS

ARTICLE 9 AMENDMENTS OF BYLAWS

ARTICLE 10 INDEMNIFICATION

- SECTION 10.1 INDEMNIFICATION IN PROCEEDINGS OTHER THAN ACTIONS BY,
OR IN THE RIGHT OF THE CORPORATION
- SECTION 10.2 INDEMNIFICATION OF PERSONS PARTIES TO A PROCEEDING BY
OR IN THE RIGHT OF CORPORATION
- SECTION 10.3 MANDATORY INDEMNIFICATION
- SECTION 10.4 AUTHORIZATION OF INDEMNIFICATION IS REQUIRED
- SECTION 10.5 ADDITIONAL CONDITIONS TO INDEMNIFICATION
- SECTION 10.6 PREPAYMENT OF EXPENSES
- SECTION 10.7 INDEMNIFICATION DISALLOWED IN CERTAIN
CIRCUMSTANCES
- SECTION 10.8 NONEXCLUSIVITY

ARTICLE 11 GENERAL PROVISIONS

- SECTION 11.1 FISCAL YEAR
- SECTION 11.2 GENDER AND NUMBER
- SECTION 11.3 ARTICLES AND OTHER HEADINGS
- SECTION 11.4 MINUTES, BOOKS AND RECORDS OF ACCOUNT
- SECTION 11.5 STATUTORY CITES

**BYLAWS OF _____ [NAME OF AREA] _____ EL POLLO LOCO® RESTAURANT
ADVERTISING ASSOCIATION, INC.**

ARTICLE 1 - Officers

Section 1.1 - Registered and Principal Office. The initial registered office of the _____ [NAME OF AREA] El Pollo Loco® restaurant Advertising Association, Inc. (the “**Corporation**”) will be located at _____. The initial principal office of the Corporation will be located at _____.

Section 1.2 - Other Offices. The Corporation may have offices at such other place or places within or without the State of Delaware as the Board of Directors may from time to time establish.

Section 1.3 - Registered Agent for Service of Process. The Corporation’s Board of Directors will have the right to designate a registered agent for service of process, who may be an individual or a corporation. The registered agent so designated will serve until a successor is elected by the Board of Directors.

ARTICLE 2 - Powers and Purposes

Section 2.1 - Powers. The Corporation will have all of the powers accorded nonprofit corporations under the Missouri Nonprofit Corporation Act (the “**Act**”). The Corporation will utilize such powers to engage in any lawful activity which is consistent with its purposes as set forth in the Articles of Incorporation.

Section 2.2 - Purposes. The purposes for which the Corporation is formed are to establish, maintain, administer and operate a promotional and advertising fund (the “**Fund**”) for the benefit of the El Pollo Loco® restaurants (“**EPL’s**”) of its members located in _____ [describe geographic area] _____ (the “**Association Area**”) and to further any and all purposes consistent with the objectives of the Corporation.

Section 2.3 - Use of Trademarks. The Corporation recognizes that its activities will necessarily involve advertising and promotional programs that contain the intellectual property rights, including copyrights, trademarks, service marks, logos, and designs derived from El Pollo Loco, Inc. (the “**Franchisor**”). As such, the Corporation has entered into, or will enter into, the [NAME OF AREA] _____ El Pollo Loco® restaurant Advertising Association Authorization Agreement.

ARTICLE 3 - Members

Section 3.1 - Members. The members will consist of (a) owners of franchised Restaurants located in the Association Area operating under valid and effective Franchise Agreements with Franchisor; and (b) the Franchisor or any of its affiliates, to the extent that it or any of its affiliates owns or operates any Restaurants located within the Association Area.

Any Franchisee who ceases to be a party to any valid and effective Franchise Agreement with the Franchisor for a El Pollo Loco® restaurant located in the Association Area, whether due to transfer, expiration or termination, will automatically cease to be a member of the Corporation, but will continue to remain liable to the Corporation for past due unpaid contributions or other amounts payable to the Corporation at the time membership ceases. However, if a Franchisee operates under multiple Franchise Agreements and ceases to be bound by one or more Franchise Agreements, whether due to transfer, expiration or termination, but continues to be bound by other Franchise Agreements for Restaurants located in the Association Area, the Franchisee shall continue to be a member, but its voting rights shall be reduced to reflect the number of remaining Restaurants that the Franchisee owns in the Association Area. Likewise, to the extent the Franchisor or an affiliate of Franchisor owns or operates one or more Bakery Cafes in the Association Area and has been a member of the Corporation and ceases to own or operate any such Restaurants in the Association Area, then its membership with respect to such Restaurants will automatically terminate.

In accordance with the terms of the _____[NAME OF AREA]_____ El Pollo Loco® restaurant Advertising Association Authorization Agreement, a representative of Franchisor shall be entitled to notice of all regular and special meetings of the Members of the corporation and shall have the right to attend all meetings, either in person or in any other manner of attendance authorized in these Bylaws. However, unless the Franchisor is a Member of the Corporation by virtue to vote at a meeting of the Members in accordance with Section 3.12 of these Bylaws.

Section 3.2 – Enrollment. Notwithstanding any of the foregoing, no person will be enrolled as a Member of the Corporation nor will it have any rights as a Member unless and until it has signed a Membership Agreement with the Corporation. Notwithstanding the foregoing, Members shall be required to make contributions as required by their Franchise Agreements, regardless of whether they have signed Membership Agreements.

Section 3.3 - Entity Membership. For all membership purposes, any business entity (corporation, partnership, limited liability company, etc.), together with its owners, is deemed a single Member.

Section 3.4 - Members in Good Standing. A Member will be in good standing as long as: (a) the Member is not delinquent in the payment of any contribution or other monetary obligation to the Corporation; and (b) Member shall not have received a notice of default from Franchisor with respect to one or more Restaurants located in the Association Area which default remains uncured to the satisfaction of Franchisor. Loss of good standing will not relieve the Member of the obligation to make contributions, when due.

Section 3.5 - Annual and Quarterly Meetings of the Members. The annual meeting of the Members shall be held for the election of directors, consideration and approval of the succeeding year's advertising budget and the transaction of such other business as may properly come before the meeting. The annual meeting will be held at such time within

the first quarter of the Corporation's fiscal year as the Board of Directors may determine. Quarterly meetings of the Members shall be held for consideration and approval of advertising and promotional programs and the transaction of such other business as may properly come before the meeting. In addition, at the final quarterly meeting of the fiscal year, the Members shall consider and approve the level(s) of Member contributions for the succeeding fiscal year. Quarterly meetings will be held at times within the second, third and fourth quarters of the Corporation's fiscal year as the Board of Directors may determine.

The notice of annual or quarterly meetings of Members, except as otherwise required by law, need not state the matters to be considered at such meetings.

Section 3.6 - Special Meetings. Special meetings of the Members, for any purpose or purposes, unless otherwise prescribed by applicable law, may be called on the written request of (i) a majority of the Board of Directors, or (ii) Members constituting 25% of the voting rights of the Members in good standing, or (iii) Franchisor. Requests for a special meeting must state the purpose or purposes of the proposed meeting. The notice of any special meeting of the Members must state the purpose or purposes for which the meeting is called.

Section 3.7 - Place of Meeting. All meetings of the Members will be at such places as will be determined from time to time by the Board of Directors of the Corporation.

Section 3.8 - Notice of Meetings. Written notice of each meeting of the Members stating the Place, day and hour thereof, must be delivered to each Member of record entitled to vote at such meeting, personally or by telephone, telegram, cablegram, e-mail, first class mail, confirmed facsimile transmission or any other means of personal delivery providing evidence of actual delivery; and if mailed, the notice shall be deemed to be given when deposited in the United States mail addressed to the Members at the Members' addresses, as they appear in the records of the Corporation, with postage thereon prepaid. Notice must be given by or under the direction of the Secretary, or the officer or persons calling the meeting not more than 60 not less than 10 days before the date of the meeting; provided that oral notice to the Member may be given in lieu of written notice so long as the party giving the notice to the Member files with the Corporation a written statement of the date, time, place and manner of the oral notice. No notice need be given of the time and place of reconvening of any adjourned meeting, if the time and place to which the meeting is adjourned are announced at the adjourned meeting.

Section 3.9 - Waiver of Notice. A written waiver of notice signed by any Member, whether before or after any meeting, shall be equivalent to the giving of timely notice to said Member. Attendance of a Member at a meeting shall constitute a waiver of notice of such meeting and waiver of any and all objections to the place of the meeting, the time of the meeting, or the manner in which it has been called or convened, except when a Member attends a meeting for the express purpose, as stated at the beginning of the meeting, of objecting to the transaction of business because the meeting is not lawfully called or convened. Neither the business to be transacted at, nor the purpose of, any meeting of the Member need be specified in any written waiver of notice.

Section 3.10 - Closure of Books and Fixing of Record Date. For the purpose of determining Members entitled to notice of, or to vote at, any meeting of the Members or any adjournment thereof, the Board of Directors may provide that the books will be closed for a period of not less than 3 and not more than 30 days immediately preceding such meeting. If the books are not closed and no record date is fixed by the Board of Directors, the date on which notice of the meeting is mailed will be the record date for the determination of Members entitled to notice and to vote.

Section 3.11 – Quorum. Except as otherwise required by the Act, the Articles of Incorporation or these Bylaws, the presence of Members holding a majority of the votes will constitute a quorum at all meetings of the Members. In case a quorum is not present at any meeting, a majority of the Members present will have the power to adjourn the meeting from time to time, without notice other than announcement at the meeting of the time and place to which the meeting is adjourned, until a quorum is present. At any such adjourned meeting at which a quorum is present, any business may be transacted which might have been transacted at the meeting as originally noticed; but only those Members entitled to vote at the meeting as originally noticed will be entitled to vote at any adjournment or adjournments thereof.

Section 3.12 – Voting. Each Member will be entitled at each Members' meeting and upon each matter presented at such meeting to one vote for each El Pollo Loco® restaurant located in the Association Area that the Member owns, or, in the case of Franchisor, owns or operates. Notwithstanding the fixing of the record date in Section 3.10, Members may only participate in and vote at meetings subject to being in good standing, in accordance with the Bylaws, both on the record date and at the time of the meeting. Furthermore, in the event that a meeting is postponed or continue, a Member must be in good standing at the time the meeting is reconvened in order to participate and vote at the meeting.

Any Member who is not in good standing pursuant to Section 3.4(a) hereof shall have all rights and privileges of membership (including the right to vote and participate as a Member, director or officer in any meeting) suspended. Any Member who is not in good standing pursuant to Section 3.4(b) hereof shall have its right to vote (but not its right to participate) suspended at any meeting of the members or the board of directors of the Corporation. Any dispute regarding the good standing of a Member and its right to vote at a membership meeting will be determined conclusively by the Chairman of the meeting, in conjunction with the representative of the Franchisor present at the meeting, which determination will be final and binding. Any such suspension shall continue until the Member is in good standing again.

The list of Members must be produced at any Member's meeting upon the request of any Member. Upon the demand of any Member, the note upon any question before the meeting must be by written ballot. Except as otherwise provided by these bylaws, by the Act, or by the Articles of Incorporation, all matters will be decided by a majority of the votes of Members present at the meeting. There is no cumulative voting for directors or on any other matter.

Section 3.13 – Representatives. If a Member is a corporation, limited liability company, partnership or other business entity, the Member will duly authorize a person to represent its interests at Association meetings (the “**Representative**”). The Representative must be a: (i) shareholder, partner, member (in case of an LLC), director or officer of the Member; or (ii) the Member’s Operating Partner, as defined in the Member’s Franchise Agreement; or (iii) in the event the Member is Franchisor or one of its affiliates, an officer or other designated representative of Franchisor or its affiliate. The Corporation shall be entitled to rely on any written authorization appointing the Representative that the Corporation in good faith believes to be valid unless and until the Corporation shall have received an authorization for a successor Representative that the Corporation in good faith believes to be valid. The Corporation shall be entitled to rely on the Representative’s decisions, votes and consents to bind the Member at any such meeting without any further inquiry. The same person can be a Representative for more than 1 Member.

Section 3.14 - Action Without Meeting. Any action of the Members of the Corporation may be taken without a meeting, without prior notice and without a vote, if one or more consents in writing, setting forth the action so taken, are signed by the Members having not less than two-thirds (2/3) of the votes that would be necessary to authorize or take such action at a meeting at which all Members entitled to vote thereon were present and voted. Such consents must be delivered to the Corporation in the manner required by the Act. Neither the Articles of Incorporation nor these Bylaws will be construed, interpreted or deemed to have, in any way, limited or prevented the utilization of the ability to take written action in lieu of formal meetings as may be permitted by the Act.

Section 3.15 – Organization. Meeting of the Members must be presided over by the President, or if the President is not present, by the Vice President, if a Vice President has been elected, or if neither the President nor the Vice President is present, then by a chairman to be chosen by a majority of the Members entitled to vote who are present in person at the meeting. The Secretary of the Corporation, or in the Secretary’s absence, the Assistant Secretary, will act as secretary of every meeting, but if neither is present, the Members entitled to vote who are present in person may choose any person present to act as secretary of the meeting.

At all meetings of the Members the order of business will be as follows:

- (1) Calling meeting to order.
- (2) Proof of notice of meeting and determination of quorum.
- (3) Reading and disposing of minutes of previous meeting.
- (4) Announcement of purposes for the meeting.
- (5) Reports of officers.
- (6) Unfinished business.
- (7) New business, including election of directors if an annual meeting.
- (8) Adjournment.

Section 3.16 - Member Meetings by Telephone. Any Member may participate in a Members’ meeting or may conduct a Members’ meeting through the use of, any means

of communication enabling all persons participating in the meeting to hear each other at the same time during the meeting. Participating by such means will constitute presence in person at a meeting.

ARTICLE 4 - Directors

Section 4.1 – Number. There will be at least 3 directors on the Board. From time to time, the exact number of directors may be determined by vote of the Members at any time, but never less than 3 and never an amount less than as otherwise required by the Act.

Section 4.2 – Vacancies. Whenever a vacancy occurs on the Board of Directors, including a vacancy resulting from an increase in the number of directors or the removal of 1 or more directors, it may be filled by the affirmative vote of a majority of the remaining directors even if the remaining directors constitute less than a quorum.

Section 4.3 - Removal of Directors. Any director may be removed with or without cause by vote of a majority of the Members at a membership meeting, or by written action in lieu of meeting signed by the Members having not less than two-thirds (2/3) of the votes that would be necessary to authorize or take such action at a meeting at which all Members entitled to vote thereon were present and voted.

Section 4.4 – Qualification. Each director must be either a Member (if the Member is an individual) or the Member's Representative. If there are less than 3 Members at any time, then the franchisor, through Franchisor's representative designated as its "**Member's Representative**", shall have the right to designate 2 directors one of which shall be the Member's Representative and the other shall be an officer of Franchisor. However, any director serving on the Board of Directors will be automatically suspended at any time during which the director, or the business organization for which the director is the Representative, is not in good standing. In addition, directors will be automatically removed as directors if, at any time, the Member with which they are associated is expelled from membership or is no longer a franchise of the Franchisor either because the Franchise Agreement has expired, or it has been terminated or transferred.

Section 4.5 – Terms. Directors will hold office until their respective successors are duly elected and qualified or until there is a decrease in the number of directors.

Section 4.6 – Resignation. Any director may resign at any time. Such resignation will be made in writing and will take effect upon its delivery to the President or the Board of Directors or its Chairman.

Section 4.7 – Powers. Except for those rights reserved to the Members under these bylaws, the business of the Corporation will be managed by its Board of Directors, which may exercise all such powers of the Corporation and do all such lawful acts and things as are not prohibited by the Act, by the Articles of Incorporation or by these Bylaws. The Board of Directors will determine the compensation, if any, to be paid to each officer and director of the Corporation, including those officers who may also be directors.

Section 4.8 – Meetings. The Board of Directors of the Corporation may hold meetings,

whether annual or special, either within or without the State of Missouri, The annual meeting of the Board of Directors for the purpose of electing officers and transacting such other business as may be brought before the meeting will be held at such time and place as the Board of Directors may determine. The Board of Directors may by resolution provide for the time and place of other regular meetings, and no notice of such regular meetings need to be given.

All other meetings of the Board may be called on the written request of (i) any director or (ii) Members with 25% of the voting rights of Members in good standing, at such time and place as may be stated in such request.

In accordance with the terms of the ____[NAME OF AREA]____ El Pollo Loco® restaurant Advertising Association Authorization Agreement, a representative of Franchisor shall be entitled to notice of all regular and special meetings of the Board of Directors of the Corporation and shall have the right to attend all meetings, either in person or in any other manner of attendance authorized in these Bylaws. However, unless the Franchisor is a Director of the Corporation, the Franchisor representative shall have no right to participate in any action of the Board of Directors in accordance with Sections 4.10 and 4.11 of these Bylaws.

Section 4.9 - Notice of Special Meetings. Written notice of the place, day and hour of any special meeting of the Board of Directors must be given by or under direction of the Secretary, to each director at least 2 days before the meeting; provided, however, that oral notice may be given to directors in lieu of written notice so long as the party giving the notice to the directors files with the Corporation a written statement of the date, time, place and manner of the oral notices. Neither the business to be transacted at, nor the purpose of, any meeting of the Board of Directors, need be stated in the notice or waiver of notice of such meeting.

Section 4.10 - Action Without a Meeting. Any action required to be taken, or which may be taken, at a meeting of the Board of Directors may be taken without a meeting, if a consent in writing, setting forth the action so to be taken, is signed by all of the directors entitled to vote. Such consent will have the same effect as a unanimous vote.

Section 4.11 - Quorum and Voting. At all meetings of the Board, a majority of the directors then in office will constitute a quorum for the transaction of business. The act of a majority of directors present at a meeting where a quorum is present will be the act of the Board of Directors, except as may be otherwise specifically provided by law, the Articles of Incorporation or these Bylaws. If at any meeting of the Board of Directors there is less than a quorum present, a majority of those present may adjourn the meeting, without further notice, from time to time and place to place until a quorum will have been obtained.

Section 4.12 – Organization. The President of the Corporation will act as Chairman and the Secretary will act as Secretary at all meetings of the Board.

Section 4.13 – Compensation. Directors must not receive any stated salary for their services as directors or as members of committees, but by resolution of the Board a fixed

fee and /or expenses of attendance may be allowed for attendance at each meeting.

Section 4.14 - Attendance by Telephone. Any member or members of the Board of Directors will be deemed present and voting at a meeting of the Board if said member or members participate in the meeting by means of a conference telephone or other communications equipment enabling all persons participating in the meeting to hear other at the same time. Participation by such means will constitute presence in person at a meeting.

ARTICLE 5 - Officers

Section 5.1 – Officers. The officers of this Corporation will consist of a President, a Secretary and a Treasurer, and may consist of such other officers, including, but not limited to, 1 or more Vice Presidents, Assistant Secretaries and Assistant Treasurers with such titles, powers and duties as may be prescribed from time to time by the Board of Directors. They will be elected by the Board of Directors at its annual meeting.

Section 5.2 - Term of Office; Vacancies. Each officer shall hold office for a year and until such officer's successor is duly elected and qualified. A vacancy in any office arising from any cause may be filled for the unexpired portion of the term by the Board of Directors.

Section 5.3 - Removal of Officers. Any officer may be removed at any time with or without cause by action of the Board of Directors by the affirmative vote of a majority of the directors then in office. Election or appointment of an officer will not of itself create contract rights.

Section 5.4 – Resignations. An officer may resign at any time by delivering notice to the Corporation. A resignation is effective when the notice is delivered unless the notice specifies a later effective date. If a resignation is made effective at a later date and the Corporation accepts the future effective date, the Board of Directors may fill the pending vacancy before the effective date if the Board of Directors provides that the successor does not take office until the effective date of the pending vacancy.

Section 5.5 – Compensation. No compensation will be paid to any officer of the Corporation, except the Board of Directors may determine a fixed fee or other reimbursement for expenses.

Section 5.6 - Refund of Payment. In the event that the Internal Revenue Service disallows, in whole or in part, the deduction by the Corporation as an ordinary and necessary business expense of any payment made to an officer of the Corporation, whether as salary, commission, bonus or other form of compensation or as interest, rent or reimbursement of expenses incurred by such officer, such officer must reimburse the Corporation to the full extent of such disallowance. The Board of Directors of the Corporation will have the duty to require each such officer to make such reimbursement, and it will be the legal duty of each such officer thus to reimburse the Corporation.

Section 5.7 - Powers and Duties.

A. In General. The officers of the Corporation will have such powers and duties as generally pertain to their respective offices, including the powers and duties provided by these Bylaws, as well as such powers and duties as from time to time may be conferred by the Board of Directors.

B. President. The President will:

- (1) preside at all meetings of the Board of Directors in the absence of the Chairman of the Board, if any;
- (2) present at each annual meeting of the directors a report of the condition of the business of the Corporation;
- (3) cause to be called regular and special meetings of the directors in accordance with these Bylaws;
- (4) jointly with the Treasurer, sign and make contracts and agreements in the name of the Corporation;
- (5) see that the books, reports, statements and certificates required by statute are properly kept and filed according to law;
- (6) jointly with the Treasurer, sign notes, drafts or bills of exchange, warrants or other orders for the payment of money duly drawn on behalf of the Corporation;
- (7) supervise all employees of the Corporation including the hiring and firing of such employees as the President deems advisable;
- (8) jointly with the Treasurer, purchase on behalf of the Corporation, tangible or intangible assets; and
- (9) have general charge of and control over the affairs of the Corporation and perform the entire duties incident to such position and office, the enforcement of these Bylaws and all other things which the President is required to do by law.

C. Vice President. The Vice President, if any will;

- (1) in the absence or disability of the President, perform the duties and exercise the powers of the President;
- (2) perform such other duties and have such other powers as the Board of Directors may from time to time prescribe.

D. Secretary. The Secretary will:

- (1) prepare the minutes of the meetings of the Board of Directors and keep the minutes in appropriate permanent books of record;
- (2) give and serve all notices of the Corporation;
- (3) be the custodian of the records and of the seal, and affix the latter when required, and authenticate records of the Corporation when required; and
- (4) attend to all correspondence and perform all the duties incident to the office of the Secretary.

E. Treasurer. The Treasurer will:

- (1) keep accounts of and have the care and custody of and responsible for all the funds and securities of the Corporation;
- (2) deposit all such funds in the name of the Corporation in such bank or banks, trust company or trust companies, or safe deposit vaults as the Board of Directors may designate;
- (3) exhibit, at times required by law or these Bylaws, the corporate financial books and accounts to any director upon application at the office of the Corporation during business hours;
- (4) render a statement of the condition of the finances of the Corporation (at each regular meeting of the Board of Directors, and at such other times as it will be required of the Treasurer) and a full financial report at the annual meeting of the directors;
- (5) keep at the office of the Corporation current books of account of all its business transactions and such other books of account that the Board of Directors may require;
- (6) jointly with the President, sign and make contracts and agreements in the name of the Corporation;
- (7) jointly with the President, sign notes, drafts or bills of exchange, warrants or other orders for the payment of money duly drawn on behalf of the Corporation;
- (8) jointly with the President, purchase on behalf of the corporation, tangible or intangible assets, and
- (9) do and perform all other duties pertaining to the office of the Treasurer.

F. Assistant Secretary and Assistant Treasurer. The Assistant Secretary or Assistant Secretaries and the Assistant Treasurer will, in the absence or disability of the Secretary, or Treasurer, respectively, perform the duties of such officer and generally assist, in the case of an Assistant Secretary, the Secretary, or an Assistant Treasurer, the Treasurer.

Section 5.8 - Delegation of Duties. In the case of the absence or disability of any officer of the Corporation or for any other reason deemed sufficient by a majority of the Board, the Board of Directors may delegate such officer's respective powers or duties to any other officer or to any director or agent of the Corporation for a specified period or until said delegation is revoked by the Board of Directors, provided that such delegation is otherwise permitted by law and by the Articles of Incorporation and these Bylaws.

ARTICLE 6 - Contributions

Section 6.1 – Contributions. The Members will determine at the final quarterly Member meeting of the fiscal year the amount of contributions to be paid to the Corporation by its Members during the succeeding fiscal year. The amount of the contributions will generally be a percentage of Net Sales, as defined in the most recent Disclosure Document issued by the Franchisors, uniform among Members on a per El Pollo Loco® restaurant basis. The Members may, subject to Franchisor's approval, vary the level of benefits and/or contributions for any El Pollo Loco® restaurant that is located in a geographical area in which broadcast coverage is less than 85%, according to the most recent A.C. Nielsen or

Arbitron coverage study, in order to achieve approximate equivalence in contributions and benefits of Members. If any Restaurants of a Member are located in geographical areas covered, according to the most recent A.C. Nielsen or Arbitron coverage study, by more than one regional advertising association, the variation in benefits and/or contribution may be coordinated with such other regional advertising association.

Section 6.2 Payment of Contributions. Subject to the terms of the _____/[NAME OF AREA]__ El Pollo Loco® restaurant Advertising Association Authorization Agreement, the Board of Directors will set the dates and method of payment for contributions. However, Members will not have to pay their contributions for new Restaurants until after their El Pollo Loco® restaurant have opened for business.

Section 6.3 - Default in Payments. The Board of Directors will establish policies and procedures for dealing with situations in which Members have not timely paid contributions. The Board of Directors may set interest rates and fees to offset administrative expenses, collection costs, etc. for delinquent payments.

ARTICLE 7- Notices

Section 7.1 – Recording. Whenever these Bylaws require notice to be given to Members, directors, or committee members, proof of such notice whether given by mail, e-mail, telecopy, telephone, telegraph, cablegram or by personal contact will be recorded and filed by the Secretary in the minute book and incorporated into the minutes for the meeting to which such notice pertains.

Section 7.2 – Waiver. Whenever any notice of a meeting is required to be given under the provisions of the Act, of the Articles of Incorporation, or of these bylaws, a waiver thereof in writing, signed by the person or persons entitled to such notice either before, at, or after the meeting, will be deemed equivalent to such required notice. Attendance of a person entitled to notice at a meeting will also constitute a waiver of notice of such meeting; provided, however, that such attendance will not constitute such a waiver if said person attends said meeting solely for the purpose of, and limits that person's participation at the meeting to, objecting to the transaction of any business because the meeting is not lawfully called or convened and states such objection at the beginning of the meeting.

ARTICLE 8 - Designated Financial Agents, Signatures and Seal

Section 8.1 - Designated Financial Agents. All funds of the Corporation will be deposited in the name of the Corporation in such bank or other financial institutions as the Board of Directors may from time to time designate and will be drawn out on checks, drafts or other order signed on behalf of the Corporation by such person or persons as the Board of Directors may from time to time designate.

Section 8.2 - Other Agreements. Except as otherwise specifically provided by these Bylaws, all contracts, agreements, deeds, bonds, mortgages and other obligations and instruments must be signed on behalf of the Corporation by the President and Treasurer or by such other officers or agents as the Board of Directors may from time to time by

resolution provide.

ARTICLE 9 - Amendments of Bylaws

The Bylaws may be altered, amended or repealed only by the Members at a meeting of Members, provided that the notice of the meeting contains a written proposal to amend these Bylaws along with the text of the amendments, and subject to the prior written approval of Franchisor in accordance with the _____[NAME OF AREA]_____ El Pollo Loco® restaurant Advertising Association Authorization Agreement. Nevertheless, the amendment of any Bylaw or replacement of these Bylaws will not be effective unless it has been approved by a voting requirement that is in excess of the voting requirement that it is replacing. In other words, voting requirement specifying approval by two-thirds (2/3) can only be changed by a vote of at least that number.

ARTICLE 10 - Indemnification

Section 10.1 - Indemnification in Proceedings Other Than Actions by, or in the Right of, the Corporation. The Corporation will indemnify any person who was or is a party to any proceedings (other than an action by, or in the right of, the Corporation), by reason of the fact that that person is or was a director, officer, employee, or agent of the Corporation, or is or was serving at the request of the Corporation as a director, committee member, officer, employee or agent of another corporation, partnership, joint venture, trust, or other enterprise against liability incurred in connection with such proceeding, including any appeal thereof, if the indemnitee acted in good faith and in a manner the indemnitee reasonably believed to be in, or not opposed to, the best interests of the Corporation, and, with respect to any criminal action or proceeding, had no reasonable cause to believe the indemnitee's conduct was unlawful.

Section 10.2 - Indemnification of Persons Parties to a Proceeding by or in the Right of the Corporation. The Corporation will indemnify any person who was or is a party to any proceeding by or in the right of the Corporation to procure a judgment in its favor by reason of the fact that person is or was a director, officer, employee, or agent of the Corporation or is or was serving at the request of the Corporation as the director, officer, employee or agent of another corporation, partnership, joint venture, trust or other enterprise, against expenses and amounts paid in settlement not exceeding, in the judgment of the Board of Directors, the estimated expense of litigating the proceeding to conclusion, actually and reasonably incurred in connection with the defense or settlement of such proceeding, including any appeal thereof. Such indemnification may be authorized if such person acted in good faith and in a manner that person reasonably believed to be in, or not opposed to, the best interests of the Corporation. Provided, however, that no indemnification may be made hereunder in respect of any claim, issue, or matter as to which such person has been adjudged to be liable, unless, and only to the extent that, the court in which such proceeding was brought, or any other court of competent jurisdiction, determines upon application that, despite the adjudication of liability, but in view of all circumstances of the case, such person is fairly and reasonably entitled to indemnity for such expenses which such court deems proper.

Section 10.3 - Mandatory Indemnification. To the extent that a director, officer, employee or agent of the Corporation has been successful on the merits or otherwise in defense of any proceeding referred to in Sections 10.0 and 10.2 above, or in defense of any claim, issue or matter therein, such director, officer, employee or agent must be indemnified against expenses actually and reasonably incurred by such director, officer, employee or agent in connection therewith.

Section 10.4 - Authorized of Indemnification is Required. Any indemnification under Sections 10.1 and 10.2, unless pursuant to a determination by a court, may be made by the Corporation only as authorized in the specific case upon a determination that indemnification of the director, officer, employee, or agent is proper in the circumstances because the director, officer, employee, or agent has met the applicable standard of conduct set forth in Section 10.1 or 10.2. Such determination must be made pursuant to any procedures outlined by the Act, if any.

Section 10.5 - Additional Conditions to Indemnification. The Board, by a majority vote of a quorum consisting of directors who were not parties to the action, suit or proceeding to which the indemnification relates, may impose such additional conditions upon any form of indemnification as the Board may deem appropriate, including, but not limited to, the right to assume the defense in appropriate circumstances, the right to select the attorney representing the indemnified person and the right to settle.

Section 10.6 - Prepayment of Expenses. Expenses (including attorneys' fees and expenses) incurred in defending a civil or criminal action, suit or proceeding must be paid by the Corporation in advance of the final disposition of such action, suit or proceeding upon a preliminary determination following the procedures set forth in Section 10.04 that such indemnified person meets the applicable standard of conduct referred to therein and subject to any conditions imposed by the Board pursuant to this Article and the prior receipt by the Corporation of an undertaking satisfactory in form and substance to the Corporation that such person will promptly repay such amount unless it is ultimately determined that the person is entitled to be indemnified by the Corporation as authorized in this Article 10.

Section 10.7 - Indemnification Disallowed in Certain Circumstances. The indemnification provided pursuant to this Article may not be made to or on behalf of any director, officer, employee, or agent if a judgment or other final adjudication establishes that such director's, officer's, employee's, or agent's actions, or omissions to act, were material to the cause of action so adjudicated and constitute:

A. a violation of the criminal law, unless the director, officer, employee or agent had reasonable cause to believe that such conduct was lawful or had no reasonable cause to believe such conduct was unlawful;

B. a transaction from which the director, officer, employee or agent directly or indirectly derived an improper personal benefit;

C. in the case of a director, a circumstance under which the director would be liable to the Corporation under the Act; or

D. willful misconduct or a conscious disregard for the best interests of the Corporation in a proceeding by or in the right of the Corporation to procure a judgment in its favor.

Section 10.8 – Nonexclusively. The Corporation has the power to make any other or further indemnification of any of its directors, officers, members of any committee, or any other person that the Corporation has the power by law to indemnify, including without limitation, employees or agents of the Corporation, under any bylaw, agreement, vote of disinterested directors, or otherwise, both as to action in any official capacity and as to action in another capacity while holding such office, except an indemnification against gross negligence or willful misconduct. The indemnification as provided in this Article will continue as to any person who has ceased to be a director, officer, or agent and will insure to the benefit of such person's heirs and personal representatives.

ARTICLE 11 - General Provisions

Section 11.1 - Fiscal Year. The fiscal year of the Corporation shall be either 52 or 53 weeks and end on the last Saturday in December of each year.

Section 11.2 - Gender and Number. Whenever the context requires, the gender of all words used herein includes the masculine, feminine and neuter, and the number of all words includes the singular and plural thereof.

Section 11.3 - Articles and Other Headings. The Articles and other headings contained in these Bylaws are for reference purposes only and will not affect the meaning or interpretation of these Bylaws.

Section 11.4 - Minutes, Books and Records of Account. The Corporation will keep correct and complete books and records of account and will keep minutes of the proceedings of its Board of Directors and other records as required by the Act.

Section 11.5 - Statutory Cites. Any reference in these Bylaws to the Act will include all revisions and amendments to the Act.

EXHIBIT 6: EL POLLO LOCO® FINANCIAL REPORTING FORM

You will be required to submit quarterly and year-end financial statements electronically in the following format. The financials should be comparative, showing the prior year amounts for the same periods. There should be columns for both the recently completed quarter and a Year-to-date column, if applicable. Do not include officer's salary, auto expenses, or any other above restaurant expenses should not be included.

	<u>Amount</u>	<u>%</u>
Gross Sales	\$ 0	
Net Sales	0	100.0%
Food Cost	0	0.0%
Paper Cost	0	0.0%
Total Food & Paper	0	0.0%
Gross Profit	0	0.0%
Hourly and Manager labor	0	0.0%
Fringe Benefits (a)	0	0.0%
Total Labor	0	0.0%
Utilities	0	0.0%
Repair and Maintenance	0	0.0%
Cash Over/Short	0	0.0%
Controllable Costs (b)	0	0.0%
Restaurant Controllable Profit	0	0.0%
Advertising	0	0.0%
Royalties	0	0.0%
Third-Party Delivery Fees	0	0.0%
Indirect Costs (c)	0	0.0%
Occupancy Costs (d)	0	0.0%
Restaurant Operating Profit	\$ _____	_____ %

- (a) To include payroll taxes, health benefits, vacation, and workers compensation expense
- (b) To include trash, store security, uniforms, laundry, cleaning/janitorial, operating supplies, music and plant service, landscape, and other misc. restaurant costs not captured elsewhere.
- (c) To include credit card fees, bank charges, licenses, permits, fees, and pre-opening costs
- (d) To include minimum and percentage rent, property taxes and insurance.

EXHIBIT 7: IT SUPPORT SERVICES AGREEMENT

Customer:	
Franchise Restaurant Number(s) Covered:	
Restaurant(s):	
Date of Franchise Agreement(s):	
Effective Date:	
Customer's Authorized Representative(s)/Contacts:	
Invoices to Customer to be sent to:	
Notices, if to Customer, to be sent to:	
El Pollo Loco IT:	
Notices, if to El Pollo Loco IT, to be sent to:	El Pollo Loco, Inc. 575 Anton Blvd., Suite 1100 Costa Mesa, CA 92626
Term Commencement Date:	
Term Expiration Date:	Upon expiration of the Franchise Agreement(s), unless sooner terminated as provided by the Franchise Agreement(s)
Service Level Description	See Attached EPL IT Standard Platinum Service Description
Annual Fees:	See Attached Franchise Support Options
Special Terms:	See Website

El Pollo Loco # _____
Location: _____

The authorized representatives of Customer and EPL IT, intending to be legally bound, agree to the terms and conditions of this IT Support Services Agreement (“Agreement”), including without limitation documents incorporated by reference, as of the Effective Date.

EPL IT: El Pollo Loco, Inc., a Delaware corporation	Customer: _____, a _____
By: _____	By: _____
Name: _____	Name: _____
Title: _____	Title: _____
Date: _____	Date: _____

TABLE OF CONTENTS

- A. Terms And Conditions
- B. EPL IT Standard Services Descriptions
- C. Complete I.T. Operations Support
- D. Franchise Support Options – Fee Schedule

A. TERMS AND CONDITIONS

1. Performance. El Pollo Loco Informational Technology (“**EPL IT**”) shall make available to Customer certain operations support services for the Service Level designated on the first page of this Agreement (“**Services**”) based on EPL IT’s standard description of services for such Service Level in accordance with the terms and conditions of this Agreement. The Services are limited to the standard EPL franchise Restaurant configuration unless otherwise agreed upon in writing by EPL IT (“**Standard Restaurant Configuration**”). The Services are limited to those listed in the Services Descriptions in this Agreement and will be performed for the stated pricing. EPL IT shall perform additional services as detailed and mutually agreed to by the Parties upon additional payment by Customer, Services will be performed during EPL IT’s normal business hours as listed in the Services Descriptions. EPL IT reserves the right to restrict access to the Services during periods of routine back-up, maintenance, scheduled downtime and other activities outside such normal business hours. Information relevant to Services may be posted on the EPL internal Customer website (“**Website**”). Information on the Website or other EPL documents, may be changed or updated without notice. EPL may also make improvements and/or changes in the Services or pricing at any time without notice.

2. Customer Obligations. As a condition precedent to EPL IT performing its obligations hereunder, and in addition to Customer’s other obligations as set forth in EPL IT’s standard description of services for the applicable Service Level, Customer shall timely provide the following at no charge to EPL IT: (a) access to and use of reasonable working space, facilities and utilities, (b) any information, software, equipment, data and/or documentation (collectively, “**Data**”) that EPL IT reasonably requests from Customer that is necessary for EPL IT to properly perform its obligations hereunder; and (c) all components in the Standard Restaurant Configuration and all updates, enhancements, upgrades and replacements thereto recommended or otherwise identified in writing by EPL IT. Customer represents to EPL IT that it has the right to grant EPL IT access to such facilities and Data for the performance of the Services. Such Data shall be kept confidential by EPL IT in accordance with Section 4. In the event that there are any delays by Customer in the timely providing of facilities, access, Data, or the Standard Restaurant Configuration or there are errors or inaccuracies in the Data or the Standard Restaurant Configuration provided, and such delays, errors or inaccuracies require additions, corrections or modifications related to EPL IT’s performance hereunder, then any costs associated therewith shall be the responsibility of Customer, and EPL IT shall be entitled to appropriate adjustments. Customer shall designate two points of contact who shall be the only people to make inquiries to EPL IT under this Agreement, as set forth on the first page of this Agreement. Each Customer contact must possess, or at Customer’s expense acquire the necessary familiarity, expertise and training on the Standard Restaurant Configuration with direction by EPL IT. Prior to requesting support, Customer will comply with all published operating and troubleshooting procedures for the components of the Standard Restaurant Configuration and, if such efforts are unsuccessful in eliminating the malfunction, Customer shall promptly notify EPL IT of any problems discovered in the operation of the Standard Restaurant Configuration. Customer must identify the Franchise Restaurant Number when accessing the Services. Customer must cooperate with EPL IT to maintain a site activity log. Customer will perform

routine preventive maintenance and cleaning of the Standard Restaurant Configuration Customer shall be solely responsible for the accuracy of all Data collected and submitted to third party suppliers for credit card processing. Customer shall comply with such reasonable policies, procedures and rules relating to the Services as EPL IT may from time to time publish on its Website or designate in writing to Customer. Customer shall educate and train their restaurant managers in how to run their point of sales. Customer will ensure that all third parties, including its employees or contractors, using the Services or any components of Customer's Standard Restaurant Configuration abide by Customer's obligations under this Agreement in their use thereof. Any act or omission of any third party related to Customer's obligations hereunder or the use of any Services, Reports or Standard Restaurant Configuration shall be deemed to be the act or omission of Customer for all purposes whether or not Customer had knowledge of or had authorized such act or omission.

3. Price and Payment Terms. In consideration for the Services performed pursuant to this Agreement, Customer shall pay EPL IT based upon the fees specified on the first page of this Agreement ("**Fees**") and any Other Fees as defined below. EPL IT reserves the right to increase the Fees at any time, as described below, which would take effect upon the first day of the following month by providing Customer with 30 days prior written notice setting forth the adjustment to the Fees.

a. **CPI Adjustment for Fixed Dollar Amount Fees.** For each fixed dollar amount fee or cost set forth in this Agreement, not more frequently than one time per calendar year, effective January 1 of such year (each, an "**Adjustment Date**"), such fee or amount may be adjusted by multiplying the then-current fee by a fraction, the numerator of which is the Consumer Price Index for All Urban Consumers (CPI-U), U.S. City Average, All Items, Not Seasonally Adjusted, published by the U.S. Bureau of Labor Statistics (the "**Index**") for the November prior to the Adjustment Date, and the denominator of which is the Index for the corresponding month in the prior year, unless waived by Franchisor. If Franchisor does not implement an annual adjustment with respect to such fixed fee on any Adjustment Date (a "**Skipped Adjustment**"), Franchisor may, at any time thereafter, implement a catch-up adjustment to account for one or more Skipped Adjustments by providing Franchisee with sixty (60) days' prior written notice. The catch-up adjustment shall be calculated by multiplying the then-current fee by a fraction, the numerator of which is the Index for November prior to the effective date of the catch-up adjustment, and the denominator of which is the Index for the corresponding month in the year of the earliest Skipped Adjustment being adjusted. The Adjustment Date and Skipped Adjustment may be collectively referred herein to as the "**CPI Adjustment**".

b. **Adjustment for Vendor Fees.** For each fee or cost set forth in this Disclosure Document set by third party vendors, effective on the date of change in fees (each, an "**Vendor Pro-rated Adjustment Date**"), such fee or amount may be adjusted by dividing the then-current fee by the number of all EPL Restaurants participating in the services provided by that vendor. If Franchisor does not implement an annual adjustment with respect to such fixed fee on any Vendor Pro-rated Adjustment Date (a "**Vendor Pro-rated Skipped Adjustment**"), Franchisor may, at any time thereafter, implement a catch-up adjustment to account for one or more Vendor Pro-rated Skipped Adjustments by

providing Franchisee with sixty (60) days' prior written notice. The catch-up adjustment shall be calculated by dividing the fee at the time of the fee change by the number of all EPL Restaurants participating in the services provided by that vendor for each corresponding month in the year (or each use of vendor service if appropriate) of the earliest Skipped Adjustment being adjusted. The Adjustment Date and Skipped Adjustment may be collectively referred herein to as the "Vendor Pro-rated Adjustment".

a.c. EPL IT shall automatically debit Fees from Customer's account via ACH funds transfer in accordance with the terms indicated on the first page of this Agreement. The first installment is due and payable on the first day of this Agreement. Subsequent payments or account ACH funds transfers will be made according to the schedule specified under the terms indicated on the first page of this Agreement. Customer shall reimburse EPL IT the following fees collectively defined as ("**Other Fees**") should they be incurred by Customer: (a) any reasonable and properly documented out-of-pocket travel and living expenses incurred by EPL IT personnel during their performance of the Services; (b) any reasonable and properly documented services and/or equipment, which EPL IT, or their designated representative, determines, as its sole and absolute right, to be outside the scope of the Services including, but is not limited to, (i) software license fees, (ii) software updates, (iii) hardware updates associated with software updates, (iv) onsite services, (v) consulting services, (vi) equipment and any associated shipping and handling charges incurred by EPL IT; and (c) the Professional service rates described under Complete I.T. Operations Support plus materials charges incurred in the performance of such services or if an outside designated representative is used, at the rate they charge plus materials charges incurred in the performance of such services. Invoices for Other Fees shall be submitted to Customer by EPL IT on a per incident basis. Customer may not withhold or set off any amounts due. EPL IT shall automatically direct debit Other Fees from Customer's account via ACH funds transfer upon advance written notice via electronic mail to Customer. All sums payable to EPL IT shall be made in United States dollars and due 10 days from the date of EPL IT's invoice should EPL IT be unable to direct debit Fees from Customer's account via ACH funds transfer. All amounts past due shall accrue interest from their due dates at the rate of one and 1.5% per month or the maximum percentage allowable by law (whichever is less). All amounts due (including the Fees) do not include any federal, state or local sales, use or excise taxes or other charges assessed against or payable by EPL IT in connection with this Agreement, and Customer shall pay to EPL IT the amount of any such taxes that EPL IT may be required to pay on account of its performance under this Agreement except for any franchise tax or tax based upon EPL IT's net income or personal property. EPL IT reserves the right to cease performance and assert appropriate liens if all amounts are not paid in full when due.

3.4. Confidential & Proprietary Information. Each party shall maintain in strict confidence, and not disclose or distribute to any third person any Confidential Information of the other party for a period of 3 years from the date of disclosure (except with respect to trade secrets, which shall be kept confidential until no longer qualifying as a trade secret). "**Confidential Information**" shall mean the information disclosed by either party pursuant to this Agreement that is (a) stamped or otherwise marked as being confidential by the disclosing party, (b) if disclosed in oral form, identified as confidential at the time

of oral disclosure and is summarized by the disclosing party in a written memorandum marked as confidential and delivered within 10 business days after such disclosure, or (c) of such a nature as to put a reasonable party on notice as to the confidentiality of the information disclosed. Confidential Information does not include any information that: (i) entered the public domain through no fault of the receiving party; (ii) is rightfully received by the receiving party from a third party without similar non-disclosure obligations; (iii) is already known to the receiving party prior to disclosure by the disclosing party; (iv) is independently developed by the receiving party without reference to the Confidential Information of the disclosing party, or (v) is required to be disclosed by law, provided that the party intending to make such required disclosure shall promptly notify the other party of such intended disclosure in order to allow such party to seek a protective order or other remedy. The obligations set forth above in this Section shall not affect EPL IT's ownership of Inventions (as defined in Section 5) and all intellectual property rights therein, or EPL IT's full exercise of those Inventions and intellectual property rights, so long as EPL IT does not disclose Customer's Confidential Information. All Inventions shall constitute EPL IT's Confidential Information. Customer's good faith communications with governmental agencies or regulators regarding EPL IT's conduct is not restricted, provided that the Customer reasonably believes that the content of its communications is true and accurate.

4.5. Proprietary Rights. EPL IT or its subcontractors or suppliers, as applicable, retain sole ownership of all designs, engineering details, data, methodologies, ideas, concepts, discoveries, inventions, improvements, works of authorship, technology or information, and all enhancements, modifications and derivative works thereof (collectively, "**Inventions**"), and all intellectual property rights therein, used or created by EPL IT or such subcontractors in the performance of the Services, and shall have the exclusive right to determine how to protect the Inventions. Reports or other work product delivered by EPL IT to Customer under this Agreement are provided to Customer with Limited Rights. "**Reports**" means the written reports or work product specifically produced by EPL IT in performing the Services and specified to be an item delivered to Customer. "**Limited Rights**" means the right of Customer to use the Reports in operating Customer's Standard Restaurant Configuration for Customer's own internal business purposes only, but in no event the right to make copies, modifications, enhancements or derivative works thereof or resell, distribute, exploit or sublicense such Reports or any portion thereof. EPL IT retains for itself, its parent company, affiliates and subsidiaries, the right to retain and make copies of the Reports and to make use of the contents thereof for its and their business use and, as to any portion of such contents that is not Customer's Confidential Information, to make use thereof for any purpose, whether internal or otherwise.

5.6. Limited Warranty. EPL IT warrants to Customer only that: (i) for a period of 30 days from the date of completion of its performance of a particular task under the Services, the particular task will be performed in a good and workmanlike manner consistent with standard industry practices employed by persons knowledgeable in the field of computers and within the limits of the technology embodied in the Standard Restaurant Configuration; and (ii) for a period of 30 days from the date of delivery of a particular Report, that Report will be free from material defects in workmanship and materials, and will conform in all material respects to the applicable descriptions or

specifications provided by EPL IT to Customer. In the event of a breach by EPL IT of the foregoing warranty of which Customer notifies EPL IT in writing during the warranty period, EPL IT's sole obligation and Customer's exclusive remedy shall be for EPL IT to use commercially reasonable efforts to re-perform the task or to correct the portion of the Report that does not conform to such warranty. In the event EPL IT is unable to re-perform such task or to make such corrections, as applicable, the sole remedy of Customer and EPL IT's sole obligation shall be to recover the compensation actually paid to EPL IT for the Service or the Report giving rise to such warranty failure. This limited warranty with respect to any Services or Reports shall be voided in the event Customer: (i) makes additions to, alters, modifies, enhances, changes, repairs or disassembles or reverse engineers the Standard Restaurant Configuration, or fails to maintain the Standard Restaurant Configuration (or any component thereof or any equipment or facilities upon which such component depends) in good working order or the environmental conditions within the operating range specified by the manufacturer of the components in the Standard Software Configuration or EPL IT; (ii) uses the Standard Restaurant Configuration or any Report in a manner for which it was not designed, or in an incompatible operating environment; or (iii) mishandles, abuses, misuses or damages the Standard Restaurant Configuration. THE LIMITED WARRANTY STATED IN THIS SECTION AND THE REMEDIES FOR A FAILURE OR BREACH OF SUCH LIMITED WARRANTY ARE EXCLUSIVE. THEY ARE GIVEN TO CUSTOMER IN LIEU OF ALL OTHER WARRANTIES, WRITTEN OR ORAL, STATUTORY, EXPRESS OR IMPLIED, INCLUDING WITHOUT LIMITATION, THE IMPLIED WARRANTIES OF MERCHANTABILITY, FITNESS FOR A PARTICULAR PURPOSE, TITLE, ACCURACY, QUIET ENJOYMENT, NON-INFRINGEMENT, OR COURSE OF PERFORMANCE OR DEALING, WHICH EPL IT SPECIFICALLY DISCLAIMS.

6.7. Limitation of Damages. IN NO EVENT SHALL EPL IT (OR ITS SUPPLIERS) BE LIABLE TO CUSTOMER FOR LOST PROFITS, LOSS OR INTERRUPTION OF BUSINESS, LOSS OF DATA OR ANY SPECIAL, INCIDENTAL, EXEMPLARY, PUNITIVE, CONSEQUENTIAL OR OTHER DAMAGES, HOWEVER CAUSED, AND WHETHER BASED IN CONTRACT, TORT (INCLUDING NEGLIGENCE) OR ANY OTHER THEORY OF LIABILITY. THE FOREGOING LIMITATION SHALL APPLY EVEN IF EPL IT (OR ITS SUPPLIERS) KNOW OR HAVE BEEN ADVISED OF THE POSSIBILITY OF SUCH DAMAGE AND NOTWITHSTANDING ANY FAILURE OR ESSENTIAL PURPOSE OF ANY LIMITED REMEDY PROVIDED FOR HEREIN. EXCEPT IN RESPECT OF INJURY TO OR DEATH OF ANY PERSON RESULTING FROM THE GROSS NEGLIGENCE OR WILLFUL MISCONDUCT OF EPL IT, ITS EMPLOYEES, AGENTS OR SUBCONTRACTORS (FOR WHICH NO LIMIT APPLIES), IN NO EVENT WILL EPL IT'S ENTIRE LIABILITY UNDER THIS AGREEMENT EXCEED THE GREATER OF (A) THE FEES PAID TO EPL IT FOR THE AFFECTED SERVICE OR REPORT UNDER THIS AGREEMENT OR (B) \$5,000.00. IN NO EVENT SHALL EPL IT HAVE ANY LIABILITY FOR ANY COMPONENT OF THE STANDARD RESTAURANT CONFIGURATION (AS DESCRIBED IN THE EPL IT STANDARD SERVICES DESCRIPTION). IN ADDITION, EPL IT SHALL NOT BE LIABLE UNDER ANY CLAIM BROUGHT UNDER ANY THEORY OF LAW THAT AROSE MORE THAN 1 YEAR PRIOR TO THE INSTITUTION OF SUIT THEREON. EPL IT SHALL NOT BE LIABLE FOR ANY LOSS OR DAMAGE CAUSED BY DELAY IN FURNISHING ANY

COMPONENT OF THE STANDARD NETWORK OPERATING ENVIRONMENT, ANY REPORTS, ANY SERVICES, OR ANY OTHER PERFORMANCE UNDER OR PURSUANT TO THIS AGREEMENT. EACH PARTY ACKNOWLEDGES AND AGREES THAT THE FOREGOING LIMITATIONS ON LIABILITY ARE ESSENTIAL ELEMENTS OF THE BASIS OF THE BARGAIN BETWEEN THE PARTIES AND THAT IN THE ABSENCE OF SUCH LIMITATIONS, THE MATERIAL AND ECONOMIC TERMS OF THIS AGREEMENT WOULD BE SUBSTANTIALLY DIFFERENT.

7.8. Term & Termination. This Agreement shall commence on the term commencement date set forth above and continue in effect through the expiration of the Franchise Agreement(s) or the earlier termination of the Franchise Agreement(s) as listed above.

8.9. Default. If any material breach of this Agreement continues uncorrected for more than 30 days after written notice from the aggrieved party describing the breach, the aggrieved party shall be entitled to declare a default, suspend performance, terminate this Agreement, and pursue any and all other remedies available at law or equity, except as specifically limited elsewhere in this Agreement.

9.10. Notices. Notices, authorizations and other official communications under this Agreement shall be transmitted in writing by prepaid United States certified mail, return receipt requested, or overnight receipted courier, to EPL IT, at the address and attention of the person set forth on the first page of this Agreement for EPL IT and to Customer, to the billing address and attention of the person set forth on the first page of this Agreement for Customer. Any notice given pursuant to this Section shall be deemed to have been received, in the case of certified mail, on the date of receipt as evidenced by the U.S. Postal Service return receipt card, and, in the case of overnight courier, on the next business day after sending, unless documented otherwise by recipient. All notices must be in the English language.

10.11. Assignment. Neither this Agreement nor any of the rights or obligations hereunder may be assigned by either party, in whole or in part, without the prior written consent of the other party, such consent not to be unreasonably withheld. Notwithstanding the preceding sentence, either party may assign this Agreement to its parent company or another affiliated company without the consent of the other party but upon written notice to the other party; provided that the successor unconditionally agrees in writing to be bound by the terms and conditions of this Agreement.

11.12. Subcontracting. EPL IT reserves the right to subcontract such portions of the Services to subcontractors of EPL IT's choice as it deems appropriate, provided that no such subcontract shall relieve EPL IT of primary responsibility for performance of such Services.

12.13. Reserved Rights. EPL IT's service offerings are continually evolving. Accordingly, EPL IT reserves the right to make service substitutions and modifications and to modify or amend its standard description of services for each Service Level at any time by publication including posting on its Website or written notice to Customer. All

Services will be delivered in English. EPL IT reserves the rights to charge Customer if dispatch is required, or if the restaurant support center receives excessive training calls as described under Franchise Support Options – Fee Schedule.

13-14. Indemnification. Each party shall indemnify, defend and hold harmless the other with respect to any third party claim alleging bodily injury, including death, or damage to tangible property, to the extent such injury or damage is caused by the gross negligence or willful misconduct of the indemnifying party. Customer shall indemnify, defend and hold harmless EPL IT, at Customer's expense, from and against any action brought against EPL IT by a third party, to the extent that such action is based on a claim relating to Customer's Standard Restaurant Configuration, Data or the performance of Services hereunder. A condition precedent to any obligation of a party to indemnify shall be for the other party to promptly advise in writing the indemnifying party of the claim and turn over its defense. The party being indemnified must cooperate in the defense or settlement of the claim, but the indemnifying party shall have sole control over the defense or settlement. If the defense is properly and timely tendered to the indemnifying party, then the indemnifying party must pay all litigation costs, reasonable attorneys fees, settlement payments agreed to by the indemnifying party and any damages finally awarded by a court; provided, however, that this shall not be construed to require the indemnifying party to reimburse attorneys fees or related costs that the indemnified party incurs either to fulfill its obligation to cooperate, or to monitor litigation being defended by the indemnifying party.

14-15. Independent Contractor. Nothing in this Agreement shall be interpreted or construed so as to create any relationship between the parties other than that of independent contracting entities. Neither party shall be authorized to obligate, bind or act in the name of the other party, except to the extent EPL IT is expressly authorized to do so in this Agreement.

15-16. Non-Solicitation. Customer shall not solicit or otherwise seek, directly or indirectly, to induce any of EPL IT's employees or contractors to work for Customer for a period of 1 year after the employee or contractor ceases to be employed or otherwise utilized by EPL IT or 1 year after the termination of this Agreement, whichever is greater. Prohibited solicitation includes, but is not limited to, the direct solicitation of any individual or contracting with a third party to intentionally solicit an individual covered by this Section.

16-17. Similar Services. Customer acknowledges that EPL IT is free to offer services or work product similar to the Services or Reports to other EPL IT customers or third parties without restriction or royalty to Customer.

17-18. Applicable Law. The rights and obligations of the parties and all interpretations and performance of this Agreement shall be governed in all respects by the laws of the State of California except for its rules with respect to the conflict of laws.

18-19. Force Majeure. In no event shall either party have any liability for failure to comply with this Agreement if such failure results from the occurrence of any contingency beyond the reasonable control of the party and which delays, interrupts or prevents such

party from performing its obligations under this Agreement, including, without limitation, strike or other labor disturbance or shortage, riot, theft, flood, lightning, storm, any act of God, power failure, war, delays or failure of third party equipment, software or service suppliers, national emergency, interference by any government or governmental agency, embargo or seizure. The party affected by a force majeure event shall give notice thereof to the other party within ten days following the occurrence thereof and shall apprise the other party of the probable extent to which the affected party will be unable to perform or will be delayed in performing its obligations hereunder. The affected party shall exercise due diligence to eliminate or remedy the force majeure cause and shall give the other party prompt notice when that has been accomplished. Except as provided herein, if performance of this Agreement by either party is delayed, interrupted or prevented by reason of any event of force majeure, both parties shall be excused from performing hereunder while and to the extent that the force majeure condition exists after which the parties' performance shall be resumed.

19-20. Waiver. Failure by either party to require performance by the other party or to claim a breach of any provision of this Agreement will not be construed as a waiver of any right accruing hereunder or of any subsequent breach and will not affect the effectiveness of this Agreement or any part hereof, or prejudice either party regarding any subsequent action.

20-21. Invalidity. If any provision of this Agreement is held invalid, the remaining provisions shall continue in full force and effect and the parties shall substitute for the invalid provision a valid provision which most closely approximates the economic effect and intent of the invalid provision.

21-22. Attorneys' Fees. In any dispute or litigation between the parties, the prevailing party shall be entitled to reasonable attorneys' fees and all costs of proceedings incurred in enforcing this Agreement.

22-23. Entire Agreement. This Agreement constitutes the entire agreement between EPL IT and Customer with respect to the subject matter hereof and supersedes all previous negotiations, proposals, commitments, writings, advertisements, publications and understandings of any nature and in any manner whatsoever relating thereto but does not amend or supersede any Franchise Agreement between EPL and Customer. No agent, employee or representative of EPL IT has any authority to bind EPL IT to any affirmation, representation, or warranty concerning the Services and unless such affirmation, representation or warranty is specifically included within this Agreement, it shall not be enforceable by Customer or any assignee or sublicensee of Customer. Any terms and conditions on any Customer purchase order form or other document issued by Customer to implement this Agreement that are in addition to or in conflict with the terms and conditions of this Agreement shall be null and void, even if acknowledged in writing by EPL IT. This Agreement may be executed in two or more counterparts, each of which shall be deemed an original and all of which together shall constitute one instrument. A signature on this Agreement transmitted via facsimile or electronic mail/PDF or equivalent, electronic signature (such as DocuSign, or equivalent), shall be treated as originals.

B. EPL IT STANDARD SERVICES DESCRIPTIONS

(Date: ~~April 1, 2025~~ March 31, 2026)

For a current/updated EPL IT Standard Services Descriptions, click on:

http://www.myepl.net/no_auth/FranchiseHelpdeskAgreement.jsp

Platinum Service Descriptions

Unlimited number of calls per month per store

Standard Restaurant Configuration includes:

- Back of house system
- Two front counter POS terminals with receipt printers, order confirmation panel, QR scanners, and EMV payment devices
- Two drive thru POS terminals with receipt printer, QR scanners, and EMV payment devices
- Four KDS systems (four monitors and four controllers)
- BROADBAND Wide Area Network connection, router and firewall
- All local area network components including equipment rack, UPS, patch panel, patch cords, cabling infrastructure and data jacks
- Normal Business Hours are 8:00 A.M. to 5:00 P.M., Pacific Time Monday through Friday excluding EPL IT's normal published holidays and schedule downtimes for maintenance and support*
- Backup internet
- WIFI (Consumer/Guest and Internal)
- Android Tablet (e.g., Samsung Galaxy Tab A)
- 4 digital menu boards, 4 panels, and 4 controllers
- Communication Board (32" Android)
- Order Confirmation Board for Drive Thru

C. COMPLETE I.T. OPERATIONS SUPPORT

Hardware Service and Support:

Restaurant POS Equipment: Helpdesk will initiate advance depot repair and/or replacement for all POS hardware, including back of house server, KDS system, front of house terminals and cash drawers, receipt printers, network switch, UPS, (digital menu boards and controllers if requested by Customer) and line conditioners will be supported through an approved depot partner. Customer may enroll in the depot warranty program offered. Customer must notify EPL IT in writing at least 30 days prior to any changes in hardware support agreements Customer has established. Equipment replaced via our current approved depot partners "**Washburn and ResourcePOS**" is covered against breakage for 90 days after replacement depot processing. Customer is responsible for all costs associated with depot or any other hardware provider. All depot payments are processed directly to Customer accounts setup with the depot company directly. Customer may opt to maintain hardware support agreements with Micros or any other hardware provider at their own discretion. The EPL helpdesk will support full dispatch and implementation management of Customer that opt into the Washburn depot program. The EPL helpdesk will NOT support any hardware related issues for Customers that are not

using an approved depot partner.

Software Service and Support includes:

- Micros Enterprise Management, currently version 5.7
- Oracle Reports and Analytics Portal
- Patching of critical security updates for installed operating system, currently version Windows 10 IoT2021
- Current updates on antivirus software
- Current updates on anti-malware software
- Endpoint DLP (data loss protection) which includes white listing
- Software disaster recovery too
- Proactive monitoring via EPL Alerts program
- LMS (KIWI learning management solution)
- WIFI Cloud Management / Consumer WIFI
- Digital Menu Board management / price integration
- Kiosk Integration
- Order Confirmation Board management / POS integration

Credit Card Processing includes:

- Acceptance of Visa, MasterCard, American Express and Discover
- Secure high speed credit card authorization as primary
- Secure low speed credit card authorization as backup
- NFC Payments (Apple Pay/Google Pay/Samsung Pay)
- Gift card Processing

Payment Card Industry ("PCI") Program includes:

- Educating EPL Franchisees about cardholder data security, the Payment Card Industry ("PCI") Data Security Standard ("DSS") and PCI DSS compliance
- Providing Automated Quarterly Network Scanning of stores for potential security issues.
- Executing a compliance strategy that helps to:
 - Eliminate the storage of prohibited data
 - Protect stored data
 - Secure the merchant network environment via compliance with the PCI DSS
 - Identify the payment applications used and ensures merchants use or switch to Payment Application ("PA") that comply with the PA-DSS
- Tracking and reporting on the program's progress each month

Firewall Service and Support includes:

- Repair and/or replacement cost of firewall
- Software maintenance on firewall
- Remote monitoring of up/down state
- Latest security updates to prevent unauthorized intrusion attacks
- Quarterly PCI Scanning
- WIFI Firewall / SSID Configuration

Broadband WAN Service and Support includes:

- High speed access to all credit card processing
- High speed access to Oracle Reports & Analytics Portal
- Does not include unrestricted Internet access
- 24x7 active monitoring and alerting

Helpdesk includes:

- 7:00 am to 12:00 am¹ Helpdesk via a toll free number 1-888-POLLO-IT
- Single point of contact for hardware and cabling dispatch
- Menu changes²
- Pricing adjustments²
- Full portal support
- WAN troubleshooting and support
- Support on all IT and POS issues

Oracle Reports & Analytics Portal Service and Support includes:

- Access to standard corporate reporting
 - Near real time sales performance data for all stores

Professional Service includes:

- Any service outside of the scope of this Agreement will be billing at the following rates:
 - Helpdesk rate \$60 per hour
 - Networking rate \$120 per hour
 - Development rate \$120 per hour
 - All fees and costs listed in this Agreement are subject to CPI Adjustment and Vendor Pro-rated Adjustment.

¹ Business and Helpdesk hours are subject to change.

² Does not include Tax changes. Customer acknowledges and agrees that the data entered by EPL IT is on behalf of Customer. Customer acknowledges and agrees that it is their responsibility to verify the accuracy of the data inputted by EPL IT and also to maintain and update the data as needed. Any maintenance and/or updates Customer wishes EPL IT to perform must be communicated to EPL IT in writing in order for EPL IT to perform the maintenance and/or updates.

D. Franchise IT Support – Fee Schedule¹

Service Description	Annual Cost	Monthly Cost	Platinum Support Option	Payable to:
Oracle Micros Cloud	\$2,700	\$225	Yes	EPL
Complete Firewall Service and Support and Quarterly PCI Scanning ²	\$300	\$25	Yes	EPL
Unlimited Number of Calls for Helpdesk Support including Credit Card Support	\$2,004	\$167	Yes	EPL
Data & Integration Services	\$600	\$50	Yes	EPL
Backup Internet (3G or LTE)	\$300	\$25	Yes	EPL
Network Management Fee	\$300	\$25	Yes	EPL
Mobile Device Management (Per Tablet)	\$36	\$3	Yes	EPL
Firewall Licensing ³	\$480	\$40		
WIFI Controller (2 Access Points)	\$135	\$11.25	Yes	EPL
Security Software & SOC Services ⁴	\$900	\$75	Yes	EPL
Learning Management Platform	~~\$1,200~~ \$228	~~\$100~~ \$19	Yes	EPL
Beyond Software ⁵	\$1,320	\$110	Yes	EPL
Broadband WAN ⁶	\$1,188	\$99	Yes	EPL
Digital Menu Board and Preview Board ⁷	\$912	\$76	Yes	EPL
Order Confirmation Board	\$228	\$19	Yes	EPL
Monthly Cost per Restaurant⁸		~~\$1,050.25~~ \$1,019.25		
Kiosk ⁹	\$1,440	\$120	Yes	EPL

NOTE: Mixed services not allowed. All service levels must be the same for all Restaurants per Franchisee.

¹ All fees listed in this Fee Schedule may change due to, but limited to, third party vendor price changes, price tiers based on the total count of system wide installations charged by third party vendors and the Restaurant configuration. All fees and costs listed in this Agreement are subject to CPI Adjustment and Vendor Pro-rated Adjustment.

² There may be additional charges if any remediation is required. PCI scanning services are for external firewall scans only.

³ Cloud hosted and managed firewalls require licensing fees.

⁴ Security Software & SOC Services are provided by Onelogin (Single Sign On), SentinelOne (Antivirus , Endpoint Detection & Response), Tanium (Patch Management), and Mandiant (24/7 Security Operations Center).

⁵ Beyond software fees are for application hosting and support. Beyond offers inventory, ordering, temperature line checks, log scheduling, and reports.

⁶ BROADBAND service cost is approximate and subject to increase if 2Mx1M Broadband is not available. Services subject to additional costs are wireless broadband, business class cable, and Fractional or full T1.

⁷ Digital Menu Board and Preview Board fees are determined by the count of digital menu panels. Each digital menu/preview board carries a vendor license fee of \$14 per panel plus \$5 per panel content management fee (minimum \$15/month per Restaurant), with a standard configuration consisting of 4 panels. The costs may actually be different than the amount shown due to the number of panels used in the Restaurant.

⁸ Monthly rate based on standard Restaurant configuration. Support cost for non-standard configuration subject to change, based on actual hardware deployed.

⁹ Optional Kiosk Software fees are for application hosting. Additionally there is a \$400 one time setup fee per Restaurant.

EXHIBIT 8: GENERAL RELEASE

This General Release ("**General Release**") is made effective _____, 20____, by the undersigned, _____, a _____ (referred herein after as the "**Franchisee**").

In consideration of El Pollo Loco, Inc., a Delaware corporation ("**Franchisor**"); _____; and other good and valuable consideration the receipt and sufficiency of which is hereby acknowledged, Franchisee hereby waives, releases, and forever discharges Franchisor, and all Franchisor's affiliates, and all the respective directors, officers, employees, attorneys, representatives and agents of said corporations, as well as parent corporations, subsidiaries, affiliates and any other legal entities which it owns or controls, individually or jointly, from any and all obligations, liabilities, claims, demands, actions and causes of action in law or in equity of whatsoever kind or nature arising prior to and including the date hereof, which Franchisee now has or may hereafter have by reason of any act, omission, event, deed or course of action having taken place, or which should have taken place, or on account of or arising out of any claimed violation of the Franchise Agreement, any claim for breach of any other express or implied agreement, claim for breach of any implied violation of the covenant of good faith and fair dealing or any other claims which relate or refer in any way to the relationship between Franchisor and Franchisee which arises on or before the date hereof insofar as said claims relate to the Franchise Agreement or any other agreement between Franchisee and Franchisor, any claim arising under or alleged violation of the California Franchise Relations Act, any Federal antitrust law or State antitrust law except as prohibited by law.

It is expressly acknowledged by each of the undersigned that any and all rights granted under Section 1542 of the California Civil Code are hereby expressly waived. Such statute reads as follows:

"Section 1542.

A general release does not extend to claims that the creditor or releasing party does not know or suspect to exist in his or her favor at the time of executing the release and that, if known by him or her, would have materially affected his or her the settlement with the debtor or released party."

Franchisee voluntarily waive all benefits and protections of Civil Code Section 1542, and any comparable law, and intend the release above to apply to known and unknown claims alike.

El Pollo Loco # _____

Location: _____

This General Release may be executed in two or more counterparts, each of which shall be deemed an original but all of which together shall constitute a single instrument. A signature on this General Release transmitted via facsimile or electronic mail/PDF or equivalent, electronic signature (such as DocuSign, or equivalent), shall be considered an original for all purposes hereunder.

IN WITNESS WHEREOF each of the parties, either personally or through its duly authorized signatory, as applicable, has executed this General Release effective as of the date(s) written below.

FRANCHISEE:

If an entity:

_____, a _____

By: _____

Name: _____

Title: _____

Date: _____

If an individual:

_____, an Individual

By: _____

Name: _____

Title: An Individual

Date: _____

EXHIBIT 9: CONSENT TO AND ASSIGNMENT OF FRANCHISE RIGHTS

A: To be Used for a Change of Ownership Interests in Franchisee

This Consent to and Assignment of Franchise Rights (the "**Consent Agreement**") dated _____, 20____ (the "**Effective Date**") by and between **El Pollo Loco, Inc.**, a Delaware corporation ("**Franchisor**"), located at 575 Anton Blvd., Suite 1100, Costa Mesa, CA 92626, Attn: Legal Dept re EPL #_____, _____, a _____ (the "**Assignor**"), located at _____, _____, and _____, a _____, (the "**Assignee**"), located at _____.

RECITALS

A. Franchisor and Assignor are parties to that certain Franchise Agreement dated _____ (the "**Franchise Agreement**") pertaining to the operation of the El Pollo Loco restaurant located at _____ (the "**Restaurant**").

B. Assignor desires to assign all of his/her/its title, rights, privileges and interests and obligations under the Franchise Agreement to Assignee and to sell, transfer, and convey all of his/her/its title, rights, privileges, and interests to the Assets of the Restaurant to Assignee, all in accordance with the assignment provisions of the Franchise Agreement.

C. The Franchise Agreement requires that Assignor first obtain written consent of Franchisor before undertaking any assignment of the Franchise Agreement or sale of the assets of the Restaurant.

NOW, THEREFORE, in consideration of the mutual covenants contained herein, the parties agree as follows:

1. Recitals A through C above are incorporated herein and by this reference made a part of this Consent Agreement.

2. Subject to the terms and conditions set forth herein, and upon the payment to Franchisor of a transfer fee of \$_____,**000.00**, Franchisor does hereby consent to the assignment by Assignor to Assignee of all of Assignor's rights, privileges, interests, and obligations under the Franchise Agreement as of the date of transfer of the Restaurant operation from Assignor to Assignee, when Assignee takes over the ownership and operation of the Restaurant ("**Changeover Date**") which is anticipated to be _____.

3. Assignee shall execute the current form of Franchise Agreement (the "**Current Franchise Agreement**") for a term which coincides with the initial term of the Franchise Agreement and for which there shall be no Initial Franchise Fee ("**IFF**"); and

Assignee covenants, warrants and agrees that, as of the date hereof, all of the obligations, liabilities and provisions of the Current Franchise Agreement shall be fully performed and complied with by Assignee in its capacity as "Franchisee" under the Current Franchise Agreement, including, but not limited to, payment in full of all obligations to Franchisor and to third parties arising from the existence, operation, or maintenance of the Restaurant.

4. ***If there are remodel requirements the following language will be used:*** "Assignee covenants, warrants and agree that the required reimage and/or remodel requirements, will be completed to the satisfaction of Franchisor no later than **90 days after the ~~date of transfer of the Restaurant operation from Assignor to Assignee~~ ("Changeover Date")**. Assignee agrees that such required reimage and/or remodel requirements will not be considered complete until Franchisor has agreed to the final completion in writing. Should the required reimage and/or remodel of the Restaurant not be completed to Franchisor's satisfaction, then Franchisor may terminate the Current Franchise Agreement under Section 18, entitled Default and Termination". ***If there are no remodel requirements the above language will be replaced with:*** "Franchisor acknowledges and agrees that as of the date of this Consent Agreement, there are no remodel requirements to be completed prior to the transfer of the Restaurant from Assignor to Assignee."

5. Assignee acknowledges and warrants:

a. that the Current Franchise Agreement and any related franchise disclosure documents, manuals, lists, forms and other documents previously transmitted to Assignee have been fully read and understood;

b. that Assignee is knowledgeable and experienced in regard to the operation of an El Pollo Loco restaurant and the Franchisor operating system;

c. that Assignee agrees to undertake, in accordance with the terms of the Current Franchise Agreement, such training as Franchisor may deem appropriate in connection with the operation and maintenance of the Restaurant;

d. that Assignee is fully aware that the initial term of the Current Franchise Agreement will expire on _____, and has no renewal option periods and the Current Franchise Agreement does not grant Assignee any territorial right or licenses, exclusive or otherwise; and

e. that as of the date of this Consent Agreement, the ownership interest in Assignee is divided as follows:

- (i) _____ - _____ %
 (ii) _____ - _____ %

f. **that as of the date of this Consent Agreement, the individual listed below does and shall have the power and authority to act on behalf of Assignee in all**

matter affecting the Current Franchise Agreement:

(i) (insert primary franchisee name), (insert title)

g. that Assignee has conducted an independent study of the Restaurant, including consideration of any sales, profits or earnings figures that may have been made available to Assignee by or on behalf of Assignor, and in entering into this Agreement, Assignee relies solely upon such independent knowledge and in no respect has Assignee relied upon any representation, statement, endorsement or promise, either oral or written, by or on behalf of Franchisor.

6. Limitation on Modification or Termination of Trusts.

a) (insert name of trust 1), (insert name of trust 2), are herein collectively referred to as the "Trusts". The terms of these Trusts may provide various methods and ways for each trust to be modified by the provisions of the trust itself or by an outside method which include, but are not limited to, trust decanting actions, exercises of powers of appointment whether limited or general in nature, modifications of irrevocable trusts by court petition, modifications of irrevocable trusts by Non-Judicial Settlement Agreements, modification of irrevocable trusts by methods by state statute, and other ways specific to each jurisdiction. The parties to these Trusts (Settlor and Trustees) hereby agree to not take any action that would revoke or modify the terms of any of these Trusts which would impact the administration and/or disposition of any El Pollo Loco franchise that is held within these Trusts. Notwithstanding the preceding, an action described in this paragraph can be a valid modification or termination of a Trust if either (A) the Trustee receives prior Franchisor approval of the action that changes the administration or disposition of an El Pollo Loco franchise interest or (B) the Trustee provides notice to Franchisor prior to Franchisee making changes and the changes to the Trust are solely changing: (1) the manner by which a family member beneficiary receives the franchise interest; (2) how a family member benefits from a franchise interest; or (3) the percentage of beneficial ownership that a family member of the Settlor receives either outright or in a subtrust for the family member's benefit within the Trust. The Trustees acknowledge that they understand their duties under this paragraph and that this paragraph creates a fiduciary duty between the Trustees and Franchisor, where the Trustees are to inform Franchisor of any action taken by the trust or the Settlor which would be an action described in this paragraph.

b) Any non-family member Trustee(s) or Trust Protector, or similar, would have to agree to comply with the requirements of the Franchise Agreements and report any action to Franchisor that would possibly violate any requirements of the Franchise Agreements.

c) These Trusts cannot distribute an interest in the El Pollo Loco Franchise Agreements to a charity(ies).

Initials

7. Release. In consideration of the consent by Franchisor granted herein, Assignor and Assignee (collectively "**Releasors**") do each hereby waive, release and forever discharge Franchisor, and all of Franchisor's affiliates, and all the respective directors, officers, employees, attorneys, representatives, and agents of said corporations, as well as parent corporations, subsidiaries, affiliates and any other legal entities which it owns or controls, individually or jointly, from any and all obligations, liabilities, claims, demands, actions and causes of action in law or in equity of whatsoever kind or nature arising prior to and including the date hereof, which Releasors now have or may hereafter have by reason of any act, omission, event, deed or course of action having taken place, or which should have taken place, or on account of or arising out of any claimed violation of the Franchise Agreement or the Current Franchise Agreement, any claim for breach of any other express or implied agreement, claim for breach of any implied violation of the covenant of good faith and fair dealing or any other claims which relate or refer in any way to the relationship between Franchisor and Assignee or Franchisor and Assignor or Assignor and Assignee which arises on or before the date hereof insofar as said claims relate to the Franchise Agreement, or the Current Franchise Agreement, or the Consent Agreement, and to the extent allowed by law, any claim for breach of the assignment of Assignor's title, rights, privileges, interests, and obligations under the Franchise Agreement as contemplated in this Consent Agreement, or any other agreement between Releasors (or any of them) and Franchisor, any claim arising under or alleged violation of the California Franchise Relations Act, any Federal antitrust law or State antitrust law except as prohibited by law.

It is expressly acknowledged by each of the undersigned that any and all rights granted under Section 1542 of the California Civil Code are hereby expressly waived. Such statute reads as follows:

"A general release does not extend to claims that the creditor or releasing party does not know or suspect to exist in his or her favor at the time of executing the release and that, if known by him or her, would have materially affected his or her the settlement with the debtor or released party."

Releasors voluntarily waive all benefits and protections of Civil Code Section 1542, and any comparable law, and intend the release above to apply to known and unknown claims alike.

6-8. Assignor and Assignee understand and agree that Assignor shall remain secondarily liable in the event of any default by the Assignee under the Current Franchise Agreement, and that by entering into this Consent Agreement, Assignor and Assignee fully and unconditionally guarantee the Assignee's performance and compliance in all respects with the obligations, liabilities and provisions thereunder; provided, however, that this guarantee shall not extend to any default of non-compliance with the obligations, liabilities, and provisions of the Current Franchise Agreement by Assignee during any extension of the initial term of the Current Franchise Agreement. Assignor further

understands and agrees that, to the extent principals of Assignor have personally guaranteed the performance of Assignor under the terms and conditions of the Current Franchise Agreement, such personal guarantee shall NOT be modified by this Consent Agreement and any such guarantors shall not be released from liability of any kind or nature by the terms of this Consent Agreement. Franchisor agrees that a copy of any notice of default given to Assignee by Franchisor shall also be concurrently given to Assignor.

7.9. Unless Assignee is currently the franchisee of another El Pollo Loco restaurant, Assignor shall train, at Assignor's expense, Assignee and up to 2 of Assignee's managers prior to Assignee's takeover of the operation of the Restaurant from Assignor, in order to train Assignee in the Franchisor operating system. Such training must be completed to Franchisor's satisfaction prior to turning over the running of the Restaurant to Assignee. In the event that Assignor wishes Franchisor to train Assignee's personnel in the Franchisor operating system, Assignor shall reimburse Franchisor for the cost of such training.

8.10. Assignor agrees to grant permission to Assignee for Assignee to access the historical sales and transactional information belonging to Assignor as stored in Assignor's Point of Sale system ("**POS**") prior to the effective date of this Consent Agreement.

11. Franchisor shall provide Assignor and Assignee with a then current estimate of the Restaurant gift card liability and/or credit 5-10 days prior to the Changeover Date. Assignor and Assignee shall then incorporate and adjust for any Restaurant gift card liability and/or credit within their purchase of the Restaurant.

9.12. Franchisor's consent to the assignment of Assignor's rights and obligations under the Franchise Agreement and the assets of the Restaurant is expressly contingent upon Assignor paying and discharging all obligations incurred in Assignor's operation of the Restaurant prior to the Changeover Date including, but not limited to, the following:

a. Any unpaid amounts owed Franchisor under monthly franchise billing statements for periods up to the Changeover Date ~~which, through _____, 20____ are estimated to be \$_____~~ and shall be payable through escrow, by cashier's check or by direct debit (ACH) to Franchisor. If the Changeover Date is ~~not _____ 20____ modified~~, the estimate should be adjusted ~~by \$_____ on a~~ per diem basis;

b. Taxes due or accrued and unpaid, including, but not limited to, the sales tax on food and consumables sold in the Restaurant;

c. Any federal, state or local taxes required to be withheld from employees' salaries and wages; and

d. Any and all amounts due suppliers and vendors to the Restaurant.

~~10-13.~~ **Within 30 No later than 60** days following the Changeover Date, Franchisor shall prepare and submit to Assignor a final accounting for sums due together with a check for any sums due Assignor or a statement for any sums due Franchisor. In connection with such accounting, Franchisor shall have the right, without the obligation, to pay any bills incurred by Assignor prior to the Changeover Date and to add amounts so paid to amounts charged Assignor in such accounting. As of the Changeover Date, Assignee shall assume total responsibility for the operation of, and shall be solely responsible for, any obligations incurred in connection with the Restaurant prior to the Changeover Date in the event that such obligations have not been satisfied by Assignor.

~~11-14.~~ All notices required under this Consent Agreement shall be in writing and shall be either (i) served personally; (ii) sent by certified or registered United States mail to the party to be charged with receipt thereof; (iii) by reputable overnight delivery service or (iv) sent via facsimile. Notices served personally are effective immediately on delivery, and those served by mail shall be deemed given 48 hours after deposit of such notice in a United States post office with postage prepaid and duly addressed to the party to whom such notice or communication is directed. Notices served by overnight delivery shall be deemed to have been given the day after deposit of such notice with such service. Notices served via facsimile shall be deemed to have been given the day of faxing such notice. The address for Franchisor, Assignor and Assignee shall be the address listed above in the first paragraph of this Consent Agreement. Franchisor, Assignor or Assignee may from time to time change its address for notice pursuant to this Section by giving a written notice of such change to the other party in the manner provided herein. Notwithstanding anything to the contrary contained herein, Franchisor may deliver bulletins and updates to the Manual by electronic means, such as by the internet (e-mail) or an intranet, if any, established by Franchisor. This notice provision supersedes any notice provision contained in the Franchise Agreement.

~~12-15.~~ This Consent Agreement shall inure to the benefit of the successors and assigns of Franchisor, and to any and all of its affiliates, parents and subsidiaries, and shall be binding upon the heirs, representatives, successors and assigns of Assignor and Assignee.

~~13-16.~~ Except as modified herein, all the terms and conditions of the Franchise Agreement shall be unaffected and remain in full force and effect.

~~14-17.~~ The parties hereto acknowledge that they have read and fully understand the provisions of this Consent Agreement and that said provisions constitute a complete and exclusive expression of its terms and conditions.

~~15-18.~~ The parties executing this Consent Agreement on behalf of Assignee or Assignor hereby represent and warrant that: (a) they have the full power, right and authority to enter into and execute this Consent Agreement; and (b) those persons whose signatures are hereinafter evidenced on this Consent Agreement on behalf of Assignee or Assignors are duly authorized signatories of Assignee or Assignors, fully empowered

El Pollo Loco # _____

Location: _____

to commit and bind Assignee or Assignors to those certain terms, covenants and conditions set forth herein.

~~16-19.~~ If either party is a business organization, the party is duly organized and qualified to do business in the state and any other applicable jurisdiction within which the Restaurant is located.

~~17-20.~~ This Consent Agreement shall not be binding upon Franchisor unless and until it shall have been accepted and signed by an authorized officer of Franchisor.

~~18-21.~~ This Consent Agreement may be executed in one or more counterparts, each of which will constitute an original, but all of which together will constitute but a single document. It shall not be necessary for Franchisor, Assignors and Assignee to execute the same counterpart(s) of this Consent Agreement for this Consent Agreement to become effective. A signature on this Consent Agreement transmitted via facsimile or electronic mail/PDF or equivalent, electronic signature (such as DocuSign, or equivalent), shall be considered an original for all purposes hereunder.

IN WITNESS WHEREOF, the parties hereto have executed this Consent to and Assignment of Franchise Rights Agreement as of the date(s) written below.

FRANCHISOR:

El Pollo Loco, Inc., a Delaware
Corporation

ASSIGNOR:

_____,
a _____

By: _____

Name: _____

Title: _____

Date: _____

By: _____

Name: _____

Title: _____

Date: _____

ASSIGNEE:

_____, a _____

By: _____

Name: _____

Title: _____

Date: _____

El Pollo Loco # _____
Location: _____

B: To be Used for an Entity Change by Franchisee

This Consent to and Assignment of Franchise Rights (the "**Consent Agreement**") dated _____, 20____ (the "**Effective Date**") by and between **El Pollo Loco, Inc.**, a Delaware corporation ("**Franchisor**"), located at 575 Anton Blvd., Suite 1100, Costa Mesa, CA 92626, Attn: Legal Dept re EPL # _____, _____, a _____ (the "**Assignor**"), located at _____ and _____, a _____, located at _____ (the "**Assignee**").

RECITALS

A. Franchisor and Assignor are parties to that certain Franchise Agreement dated _____ (the "**Franchise Agreement**") pertaining to the operation of the El Pollo Loco restaurant located at _____ (the "**Restaurant**").

B. Assignor desires to assign all of Assignor's title, rights, privileges and interests and obligations under the Franchise Agreement to Assignee and to sell, transfer, and convey all of such title, rights, privileges, and interests to the Assets of the Restaurant to Assignee, all in accordance with the assignment provisions of the Franchise Agreement.

C. The Franchise Agreement requires that Assignor first obtain written consent of Franchisor before undertaking any assignment of the Franchise Agreement or sale of the assets of the Restaurant.

NOW, THEREFORE, in consideration of the mutual covenants contained herein, the parties agree as follows:

1. Recitals A through C above are incorporated herein and by this reference made a part of this Consent Agreement.

2. Subject to the terms and conditions set forth herein, and upon the payment to Franchisor of an entity fee of **\$500.00**, Franchisor does hereby consent to the assignment by Assignor to Assignee of all of Assignor's rights, privileges, interests, and obligations under the Franchise Agreement as of the date of transfer of the Restaurant operation from Assignor to Assignee, when Assignee takes over the ownership and operation of the Restaurant ("**Changeover Date**") which is anticipated to be _____,

3. Assignee covenants, warrants and agrees that, as of the date hereof, all of the obligations, liabilities and provisions of the Franchise Agreement shall be fully performed and complied with by Assignee in its capacity as "**Franchisee**" under the Franchise Agreement, including, but not limited to, payment in full of all obligations to Franchisor and to third parties arising from the existence, operation, or maintenance of

the Restaurant.

4. Assignee acknowledges and warrants:

a. that the Franchise Agreement and any related franchise disclosure documents, manuals, lists, forms and other documents previously transmitted to Assignee have been fully read and understood;

b. that Assignee is knowledgeable and experienced in regard to the operation of an El Pollo Loco restaurant and the Franchisor operating system;

c. that Assignee is fully aware that the initial term of the Franchise Agreement will expire on _____, and has no renewal option periods and the Franchise Agreement does not grant Assignee any territorial right or licenses, exclusive or otherwise; and

d. that as of the date of this Consent Agreement, the ownership interest in Assignee is divided as follows:

- (i) _____ - _____ %
(ii) _____ - _____ %

e. that as of the date of this Consent Agreement, the individual listed below does and shall have the power and authority to act on behalf of Assignee in all matter affecting the Current Franchise Agreement:

(i) (insert primary franchisee name) _____, (insert title) _____

5. Limitation on Modification or Termination of Trusts.

a) (insert name of trust 1), (insert name of trust 2), are herein collectively referred to as the "Trusts". The terms of these Trusts may provide various methods and ways for each trust to be modified by the provisions of the trust itself or by an outside method which include, but are not limited to, trust decanting actions, exercises of powers of appointment whether limited or general in nature, modifications of irrevocable trusts by court petition, modifications of irrevocable trusts by Non-Judicial Settlement Agreements, modification of irrevocable trusts by methods by state statute, and other ways specific to each jurisdiction. The parties to these Trusts (Settlor and Trustees) hereby agree to not take any action that would revoke or modify the terms of any of these Trusts which would impact the administration and/or disposition of any El Pollo Loco franchise that is held within these Trusts. Notwithstanding the preceding, an action described in this paragraph can be a valid modification or termination of a Trust if either (A) the Trustee receives prior Franchisor approval of the action that changes the administration or disposition of an El Pollo Loco franchise interest or (B) the Trustee provides notice to Franchisor prior to Franchisee making changes and the changes to the Trust are solely changing: (1) the manner by which a family member beneficiary receives the franchise interest; (2) how a family member benefits from a franchise interest; or (3)

the percentage of beneficial ownership that a family member of the Settlor receives either outright or in a subtrust for the family member's benefit within the Trust. The Trustees acknowledge that they understand their duties under this paragraph and that this paragraph creates a fiduciary duty between the Trustees and Franchisor, where the Trustees are to inform Franchisor of any action taken by the trust or the Settlor which would be an action described in this paragraph.

b) Any non-family member Trustee(s) or Trust Protector, or similar, would have to agree to comply with the requirements of the Franchise Agreements and report any action to Franchisor that would possibly violate any requirements of the Franchise Agreements.

c) These Trusts cannot distribute an interest in the El Pollo Loco Franchise Agreements to a charity(ies).

Initials

5.6. Release. In consideration of the consent by Franchisor granted herein, Assignor and Assignee (collectively "**Releasors**") do each hereby waive, release and forever discharge Franchisor, and all of Franchisor's affiliates, and all the respective directors, officers, employees, attorneys, representatives, and agents of said corporations, as well as parent corporations, subsidiaries, affiliates and any other legal entities which it owns or controls, individually or jointly, from any and all obligations, liabilities, claims, demands, actions and causes of action in law or in equity of whatsoever kind or nature arising prior to and including the date hereof, which Releasors now have or may hereafter have by reason of any act, omission, event, deed or course of action having taken place, or which should have taken place, or on account of or arising out of any claimed violation of the Franchise Agreement or the Current Franchise Agreement, any claim for breach of any other express or implied agreement, claim for breach of any implied violation of the covenant of good faith and fair dealing or any other claims which relate or refer in any way to the relationship between Franchisor and Assignee or Franchisor and Assignor or Assignor and Assignee which arises on or before the date hereof insofar as said claims relate to the Franchise Agreement, or the Current Franchise Agreement, or the Consent Agreement, and to the extent allowed by law, any claim for breach of the assignment of Assignor's title, rights, privileges, interests, and obligations under the Franchise Agreement as contemplated in this Consent Agreement, or any other agreement between Releasors (or any of them) and Franchisor, any claim arising under or alleged violation of the California Franchise Relations Act, any Federal antitrust law or State antitrust law except as prohibited by law.

It is expressly acknowledged by each of the undersigned that any and all rights granted under Section 1542 of the California Civil Code are hereby expressly waived. Such statute reads as follows:

"A general release does not extend to claims that the creditor or releasing party does not know or suspect to exist in his or her favor at the time of executing the release and that, if known by him or her, would have materially affected his or her the settlement with the debtor or released party."

Releasors voluntarily waive all benefits and protections of Civil Code Section 1542, and any comparable law, and intend the release above to apply to known and unknown claims alike.

6-7. Assignor and Assignee understand and agree that Assignor shall remain secondarily liable in the event of any default by the Assignee under the Franchise Agreement, and that by entering into this Consent Agreement, Assignor and Assignee fully and unconditionally guarantee the Assignee's performance and compliance in all respects with the obligations, liabilities and provisions thereunder; provided, however, that this guarantee shall not extend to any default of non-compliance with the obligations, liabilities, and provisions of the Franchise Agreement by Assignee during any extension of the initial term of the Franchise Agreement. Assignor further understands and agrees that, to the extent principals of Assignor have personally guaranteed the performance of Assignor under the terms and conditions of the Franchise Agreement, such personal guarantee shall NOT be modified by this Consent Agreement and any such guarantors shall not be released from liability of any kind or nature by the terms of this Consent Agreement. Franchisor agrees that a copy of any notice of default given to Assignee by Franchisor shall also be concurrently given to Assignor.

7-8. Assignor agrees to grant permission to Assignee for Assignee to access the historical sales and transactional information belonging to Assignor as stored in Assignor's Point of Sale system ("**POS**") prior to the effective date of this Consent Agreement.

9. Franchisor shall provide Assignor and Assignee with a then current estimate of the Restaurant gift card liability and/or credit 5-10 days prior to the Changeover Date. Assignor and Assignee shall then incorporate and adjust for any Restaurant gift card liability and/or credit within their purchase of the Restaurant.

8-10. Franchisor's consent to the assignment of Assignor's rights and obligations under the Franchise Agreement and the assets of the Restaurant to Assignee is expressly contingent upon: (i) Assignor paying and discharging all obligations incurred in Assignor's operation of the Restaurant prior to the ~~date of transfer of the Restaurant operation from Assignor to Assignee~~ ("**Changeover Date**"); and (ii) Assignee shall assume total responsibility for the operation of, and shall be solely responsible for, any obligations incurred in connection with the Restaurant prior to the Changeover Date in the event that

such obligations have not been satisfied by Assignor.

~~9.11.~~ All notices required under this Consent Agreement shall be in writing and shall be either (i) served personally; (ii) sent by certified or registered United States mail to the party to be charged with receipt thereof; (iii) by reputable overnight delivery service or (iv) sent via facsimile. Notices served personally are effective immediately on delivery, and those served by mail shall be deemed given 48 hours after deposit of such notice in a United States post office with postage prepaid and duly addressed to the party to whom such notice or communication is directed. Notices served by overnight delivery shall be deemed to have been given the day after deposit of such notice with such service. Notices served via facsimile shall be deemed to have been given the day of faxing such notice. The address for Franchisor, Assignor and Assignee shall be the address listed above in the first paragraph of this Consent Agreement. Franchisor, Assignor or Assignee may from time to time change its address for notice pursuant to this Section by giving a written notice of such change to the other party in the manner provided herein. Notwithstanding anything to the contrary contained herein, Franchisor may deliver bulletins and updates to the Manual by electronic means, such as by the internet (e-mail) or an intranet, if any, established by Franchisor. This notice provision supersedes any notice provision contained in the Franchise Agreement.

~~10.12.~~ This Consent Agreement shall inure to the benefit of the successors and assigns of Franchisor, and to any and all of its affiliates, parents and subsidiaries, and shall be binding upon the heirs, representatives, successors and assigns of Assignor and Assignee.

~~11.13.~~ Except as modified herein, all the terms and conditions of the Franchise Agreement shall be unaffected and remain in full force and effect.

~~12.14.~~ The parties hereto acknowledge that they have read and fully understand the provisions of this Consent Agreement and that said provisions constitute a complete and exclusive expression of its terms and conditions.

~~13.15.~~ The parties executing this Consent Agreement on behalf of Assignee or Assignor hereby represent and warrant that: (a) they have the full power, right and authority to enter into and execute this Consent Agreement; and (b) those persons whose signatures are hereinafter evidenced on this Consent Agreement on behalf of Assignee or Assignors are duly authorized signatories of Assignee or Assignors, fully empowered to commit and bind Assignee or Assignors to those certain terms, covenants and conditions set forth herein.

~~14.16.~~ If either party is a business organization, the party is duly organized and qualified to do business in the state and any other applicable jurisdiction within which the Restaurant is located.

~~15.17.~~ This Consent Agreement shall not be binding upon Franchisor unless and until it shall have been accepted and signed by authorized officers of Franchisor.

El Pollo Loco # _____
Location: _____

~~46-18.~~ This Consent Agreement may be executed in one or more counterparts, each of which will constitute an original, but all of which together will constitute but a single document. It shall not be necessary for Franchisor, Assignors and Assignee to execute the same counterpart(s) of this Consent Agreement for this Consent Agreement to become effective. A signature on this Consent Agreement transmitted via facsimile or electronic mail/PDF or equivalent, electronic signature (such as DocuSign, or equivalent), shall be considered an original for all purposes hereunder.

IN WITNESS WHEREOF, the parties hereto have executed this Consent to and Assignment of Franchise Rights Agreement as of the date(s) written below.

FRANCHISOR:
El Pollo Loco, Inc., a Delaware
Corporation

ASSIGNOR:
_____,
a _____

By: _____
Name: _____
Title: _____
Date: _____

By: _____
Name: _____
Title: _____
Date: _____

ASSIGNEE:
_____, a _____

By: _____
Name: _____
Title: _____
Date: _____

EXHIBIT 10: AMENDMENT TO EL POLLO LOCO® FRANCHISE AGREEMENT TO APPLY DEVELOPMENT FEE

This Amendment to the El Pollo Loco® Franchise Agreement to Apply Development Fee ("**Amendment**") is made on _____, _____ by and among **El Pollo Loco, Inc.**, a Delaware corporation ("**Franchisor**") and _____, a _____ ("**Franchisee**").

RECITALS:

A. Franchisor and Franchisee are simultaneously entering into this Amendment t and an El Pollo Loco® Franchise Agreement ("**Franchise Agreement**") for an El Pollo Loco® restaurant located at _____ ("**Restaurant**").

B. Franchisor and _____ ("**Developer**") entered into an El Pollo Loco® Franchise Development Agreement (# _____) dated _____ ("**Development Agreement**") for the Territory as set forth on Exhibit A to be developed as set forth in the Development Schedule as set forth on Exhibit B of the Development Agreement. Developer is an affiliate of Franchisee.

C. Franchisor and Franchisee wish to modify the terms of the Franchise Agreement as described in this Amendment.

AGREEMENT:

NOW, THEREFORE, in consideration of the mutual promises and covenants of the parties hereto, the parties agree as follows:

1. **Recitals.** Franchisor and Franchisee acknowledge and agree with all of the above listed recitals which are incorporated herein to this Amendment.

2. **Application of Development Fee towards the IFF for the Franchise Agreement for the Restaurant.** Per the Development Agreement, Developer paid \$20,000 in Development Fees to be applied towards the IFF for the Franchise Agreement for the Restaurant developed under the Development Agreement. This payment has been applied to the IFF for this Franchise Agreement. Franchisee will pay the balance of \$ _____ in full within 30 days of delivery of execution copies of this Agreement to Franchisee.

3. **Entire Agreement.** This Amendment and the Franchise Agreement embody the entire understanding between Franchisor and Franchisee with respect to the modifications set forth above and can be changed only by a writing signed by Franchisor and Franchisee. Except as modified herein, all the terms and conditions of the Franchise Agreement shall be unaffected and remain in full force and effect. In the event of any inconsistency between the terms of this Amendment and the terms of the Franchise

Agreement, the terms of this Amendment shall control.

4. **Miscellaneous.** All capitalized terms not otherwise defined in this Amendment shall have the meanings given in the Franchise Agreement. Titles and captions are for convenience only and shall not constitute a portion of this Amendment. The parties hereto acknowledge that they have read and fully understand the provisions of this Amendment and that said provisions constitute a complete and exclusive expression of its terms and conditions. The parties executing this Amendment on behalf of Franchisor and Franchisee are duly authorized to do so. This Amendment shall not be binding upon Franchisor unless and until it shall have been accepted and signed by an authorized officer of Franchisor. This Amendment may be executed in one or more counterparts, each of which will constitute an original, but all of which together will constitute but a single document. A signature on this Amendment transmitted via facsimile or electronic mail/PDF or equivalent, electronic signature (such as DocuSign, or equivalent), shall be considered an original for all purposes hereunder.

IN WITNESS WHEREOF, this Amendment to the El Pollo Loco® Franchise Agreement To Apply Development Fee has been executed by the parties hereto as of the dates set forth below.

FRANCHISOR:
El Pollo Loco, Inc., a Delaware Corporation

FRANCHISEE:
_____,
a _____

By: _____
Name: _____
Title: _____
Date: _____

By: _____
Name: _____
Title: _____
Date: _____

EXHIBIT 11: AMENDMENT TO EL POLLO LOCO® SUCCESSOR FRANCHISE AGREEMENT

This Amendment to the El Pollo Loco® Successor Franchise Agreement ("**Amendment**") is made on _____, _____ by and among **El Pollo Loco, Inc.**, a Delaware corporation ("**Franchisor**") and _____, a _____ ("**Franchisee**").

RECITALS:

A. Franchisor and Franchisee are simultaneously entering into this Amendment and an El Pollo Loco® Successor Franchise Agreement ("**Successor Franchise Agreement**") for an El Pollo Loco® restaurant located at _____ ("**Restaurant**").

B. Franchisor and _____ entered into that certain Franchise Agreement dated _____, _____ ("**Original Franchise Agreement**"). The Original Franchise Agreement will expire on _____, _____.

C. Franchisee and _____ ("**Landlord**"), entered into that certain Lease dated _____, _____ ("**Lease**"). The Lease expires on _____, _____ and has _____ option(s) to extend the term of the Lease for a period of _____ years (each).

D. Per the terms of the Original Franchise Agreement, Franchisee has requested a new El Pollo Loco® franchise agreement for a term of _____(____) years for the Restaurant ("**Successor Franchise Agreement**").

E. Franchisor and Franchisee wish to modify the terms of the Successor Franchise Agreement as described in this Amendment.

F. The effectiveness of the Successor Franchise Agreement and this Amendment are contingent upon Franchisee being in good standing as of the date first written above.

AGREEMENT:

NOW, THEREFORE, in consideration of the mutual promises and covenants of the parties hereto, the parties agree as follows:

1. **Recitals.** Franchisor and Franchisee acknowledges and agrees with all of the above listed recitals which are incorporated herein to this Amendment.

2. **Commencement Date and Expiration Date of Successor Franchise Agreement.** Paragraph 3.1 of the Successor Franchise Agreement is hereby deleted in it's entirely and replaced with the following: "The term of this Successor Franchise Agreement shall **commence on** _____, _____ and **shall expire on** _____, _____".

_____, _____ (“**Term**”), unless sooner terminated as provided herein. Should Franchisee lease the site of the Restaurant, the lease or sublease must be for a term which with renewal options is not less than the Term of the Successor Franchise Agreement, and contain the following terms and conditions set forth below and in a form approved by Franchisor:

- (a) The tenant entity on the lease must match the franchise entity on the successor franchise agreement; and
- (b) The term (with renewal options) of the lease must match at least the initial term of the successor franchise agreement; and
- (c) The landlord consents to your use of the premises as an El Pollo Loco® restaurant which will be open during the required days and hours set out in the El Pollo Loco® Manual.

Should Franchisee be unable to lease the site of the Restaurant for a term equal to the Term, then as our sole and absolute right to determine, the Term of the Successor Franchise Agreement may be reduced to match the term of the lease or sublease and the renewal franchise fee will be appropriately pro-rated. Upon the expiration or earlier termination of this Successor Franchise Agreement, Franchisee shall have no right or option to extend the term of this Successor Franchise Agreement.”

3. **Amendment (Site Development, Improvements, Fixtures and Equipment, and Grand Opening Advertising).** Sections 4.1, 5.8 and 8.8 of the Successor Franchise Agreement are hereby deleted in their entirety; provided however, that Sections 4.1, 5.8 and 8.8 shall be reinstated in the event that Franchisor grants Franchisee the right to relocate the Restaurant under Section 23.17.a, 23.17.b and 23.17.c of the Successor Franchise Agreement.

4. **Successor Franchise Fee.** The first sentence of Section 6.1.a of the Successor Franchise Agreement is hereby deleted and replaced with the following: “Per the renewal fee described in the Original Franchise Agreement, Franchisee will pay in full a renewal franchise fee of \$_____ (“**Renewal Franchise Fee**”). The Renewal Franchise Fee will be paid within 30 days of delivery of execution copies of this Amendment and Successor Franchise Agreement to Franchisee; provided, however, if the Restaurant is a Turnkey Restaurant the Renewal Franchise Fee shall be payable upon execution of this Successor Franchise Agreement.”

5. **Rights to a Successor Franchise.** Section 20 of the Successor Franchise Agreement is hereby deleted and replaced with the following: “Franchise shall have no right or option to extend the Successor Term of this Successor Franchise Agreement. In order for Franchisee to operate beyond the Successor Term, Franchisee must meet the then-current criteria to become an El Pollo Loco franchisee and enter into a then current form of Franchise Agreement and ancillary agreements, the terms of which may vary substantially from this Amendment and Successor Franchise Agreement.”

6. **Entire Agreement.** This Amendment and the Successor Franchise Agreement

El Pollo Loco # _____

Location: _____

embodies the entire understanding between Franchisor and Franchisee with respect to the modifications set forth above and can be changed only by a writing signed by Franchisor and Franchisee. Except as modified herein, all the terms and conditions of the Successor Franchise Agreement shall be unaffected and remain in full force and effect. In the event of any inconsistency between the terms of this Amendment and the terms of the Successor Franchise Agreement, the terms of this Amendment shall control.

7. **Miscellaneous.** All capitalized terms not otherwise defined in this Amendment shall have the meanings given them in the Successor Franchise Agreement. Titles and captions are for convenience only and shall not constitute a portion of this Amendment. The parties hereto acknowledge that they have read and fully understand the provisions of this Amendment and that said provisions constitute a complete and exclusive expression of its terms and conditions. The parties executing this Amendment on behalf of Franchisor and Franchisee are duly authorized to do so. This Amendment shall not be binding upon Franchisor unless and until it shall have been accepted and signed by an authorized officer of Franchisor. This Amendment may be executed in one or more counterparts, each of which will constitute an original, but all of which together will constitute but a single document. A signature on this Amendment transmitted via facsimile or electronic mail/PDF or equivalent, electronic signature (such as DocuSign, or equivalent), shall be considered an original for all purposes hereunder.

IN WITNESS WHEREOF, this Amendment to an El Pollo Loco® Successor Franchise Agreement has been executed by the parties hereto as of the date(s) set forth below.

FRANCHISOR:
El Pollo Loco, Inc., a Delaware
Corporation

FRANCHISEE:
_____,
a _____

By: _____
Name: _____
Title: _____
Date: _____

By: _____
Name: _____
Title: _____
Date: _____

EXHIBIT 12: REMODEL SCHEDULE PARTICIPATION AGREEMENT

THIS REMODEL SCHEDULE PARTICIPATION AGREEMENT ("**Remodel Agreement**") is made and entered into as of _____, _____ ("**Effective Date**"), by and between **El Pollo Loco, Inc.**, a Delaware corporation (the "**Franchisor**") and _____, a _____ ("**Franchisee**").

RECITALS:

A. ~~Franchisor and Franchisee are parties to the El Pollo Loco® Franchise Agreements and El Pollo Loco® Successor Franchise Agreements referenced hereto and incorporated herein as Exhibit A. Those agreements listed on Exhibit A shall be referred to collectively herein as "Franchise Agreements" and individually as "Franchise Agreement". The Restaurants listed on Exhibit A shall be referred to collectively herein as "Restaurants" and individually as "Restaurant".~~

B. ~~Franchisor and Franchisee desire to set forth the terms and conditions whereby Franchisee will remodel all the Restaurants as set forth herein.~~

NOW, THEREFORE, in consideration of the mutual covenants and agreements contained in this Remodel Agreement the parties agree as follows:

AGREEMENT:

1. ~~The Recitals listed above are incorporated herein and by this reference made a part of this Remodel Agreement.~~

2. ~~Franchisee, at Franchisee's expense, will remodel all Restaurants as described in Exhibit A to then current El Pollo Loco® standards, format, design and image, as designated pursuant to plans and specifications provided by Franchisor ("**Remodel Requirements**"). All signs to be used in connection with the Restaurant, both exterior and interior, must conform to Franchisor's sign criteria as to type, color, design and location and be approved in writing by Franchisor prior to installation or display.~~

3. ~~Franchisee covenants, warrants and agrees that the required Remodel Requirements will be completed in each of Franchisee's Restaurants, to the satisfaction of Franchisor no later than the dates listed on Exhibit A. Franchisee agrees that such required Remodel Requirements will not be considered complete until Franchisor has agreed to the final completion in writing. **Should the required Remodel Requirements of any or all Restaurants not be completed to Franchisor's satisfaction, then such violation of this Remodel Agreement and/or the Franchise Agreements is deemed to be a material breach and Franchisor hereby reserves all rights and remedies available under this Remodel Agreement and the operative Franchise Agreement.** In addition, Franchisee acknowledges and agrees that Franchisor will inspect the first Restaurant to ensure the Remodel Requirements have been complied with. Only after~~

~~Franchisor's approval of the remodel of the first Restaurant, then Franchisee may remodel any or all of the remaining Restaurants, more than one at a time. Should Franchisor not approve the remodel of the first Restaurant, Franchisee will have to finalize the remodel of that Restaurant and seek Franchisor's re-inspection and approval of that Restaurant before continuing onto the remodel of any or all of the remaining Restaurants.~~

~~4. In consideration of Franchisor's consent to Franchisee's participation in the remodel deadlines granted herein, except as prohibited by law, Franchisee hereby waives, releases and forever discharges Franchisor, all Franchisor's affiliates, and all the respective directors, officers, employees, attorneys, representatives, and agents of said entities, from all obligations, liabilities, claims, actions and causes of action of whatever kind or nature, including, but not limited to, any alleged violation of the California Franchise Relations Act or any other similar state statute or regulation, any Federal or State antitrust claims, any claimed violation of the Franchise Agreement, any claim for breach of any implied covenant of good faith and fair dealing or any other claims which relate or refer in any way to the relationship between Franchisor and Franchisee which arose on or before the date hereof, it is understood and agreed that any and all rights granted to Franchisee under Section 1542 of the California Civil Code are hereby expressly waived. Such statute reads as follows:~~

~~**"A general release does not extend to claims that the creditor or releasing party does not know or suspect to exist in his or her favor at the time of executing the release and that, if known by him or her, would have materially affected his or her the settlement with the debtor or released party."**~~

~~5. Franchisee hereby agrees to indemnify and defend the Franchisor, its officers, directors, shareholders, employees, agents and affiliates against and hold them harmless from any loss, liability, claim, damage, award, settlement, cost or expense (including reasonable legal fees and expenses) incurred in connection with any suit or claim of action brought against any such indemnified party in connection with Franchisee's participation in the remodel and/or the services or goods provided by Franchisor in connection therewith, including, but not limited to, any breach by Franchisee of this Remodel Agreement.~~

~~6. This Remodel Agreement embodies the entire understanding between Franchisor and Franchisee with respect to the matters set forth herein and can be changed only by a writing signed by Franchisor and Franchisee. Except as otherwise modified by this Remodel Agreement, the terms and conditions of the Franchise Agreements shall remain unchanged and in full force and effect. In the event of any inconsistency between the terms of this Remodel Agreement and the terms of the Franchise Agreement, the terms of this Remodel Agreement shall control.~~

~~7. The parties executing this Remodel Agreement on behalf of Franchisor and Franchisee are duly authorized to do so. This Remodel Agreement shall not be binding upon Franchisor unless and until it shall have been accepted and signed by an authorized~~

El Pollo Loco # _____

Location: _____

~~officer of Franchisor. This Remodel Agreement may be executed in counterparts, each of which shall be deemed an original, but all of which together shall constitute one and the same Remodel Agreement. A signature on this Remodel Agreement transmitted via facsimile or electronic mail/PDF or equivalent, electronic signature (such as DocuSign, or equivalent), shall be considered an original for all purposes hereunder.~~

~~8. Should any party hereto institute any action or proceeding at law or in equity, or in connection with an arbitration, to enforce any provision of this Remodel Agreement, including an action for declaratory relief, or for damages by reason of an alleged breach of any provision of this Remodel Agreement, or otherwise in connection with this Remodel Agreement, or any provision thereof, the prevailing party shall be entitled to recover from the losing party or parties reasonable attorneys' fees and costs for services rendered to the prevailing party in such action or proceeding or in connection with the collection of any judgment thereby obtained.~~

~~9. Nothing contained herein shall be construed so as to require the commission of any act contrary to law, and wherever there is any conflict between any provisions contained herein and any present or future statute, law, ordinance or regulation, the latter shall prevail; but the provision of this Remodel Agreement which is affected shall be curtailed and limited only to the extent necessary to bring it within the requirements of the law. In the event any portion of this Remodel Agreement is determined to be invalid or unenforceable, the balance of all other provisions shall remain in full force and effect.~~

~~10. All of the terms and provisions contained herein shall inure to the benefit of and shall be binding upon the parties hereto and their respective heirs, legal representatives, successors and assigns.~~

~~IN WITNESS WHEREOF, Franchisor and Franchisee have duly executed this Remodel Schedule Participation Agreement as of the date(s) set forth below.~~

FRANCHISOR:

El Pollo Loco, Inc., a Delaware Corporation

FRANCHISEE:

_____, a

By: _____

Name: _____

Title: _____

Date: _____

By: _____

Name: _____

Title: _____

Date: _____

EXHIBIT A
FRANCHISE AGREEMENTS & REMODEL DEADLINES

Location No	Address	City	State	ZIP	Agreement Signed	Next Remodel Due

Location:

EXHIBIT 12: AMENDMENT TO EL POLLO LOCO® SUCCESSOR FRANCHISE AGREEMENT
(Term Extension)

THIS AMENDMENT TO EL POLLO LOCO® FRANCHISE AGREEMENT
("Amendment") is made and entered into as of _____, _____ **("Effective Date")**, by and between **El Pollo Loco, Inc.**, a Delaware corporation (the **"Franchisor"**) and _____, a _____ **("Franchisee")**.

RECITALS:

A. Franchisor and Franchisee are parties to the El Pollo Loco® (Successor) Franchise Agreement dated _____ ("Franchise Agreement") for the El Pollo Loco restaurant located at _____ ("Restaurant"), known as EPL # ____.

B. Franchisor and Franchisee desire to set forth the terms and conditions to extend the term of the Franchise Agreement as set forth herein.

NOW, THEREFORE, in consideration of the mutual covenants and agreements contained herein and in the Franchise Agreement the parties agree as follows:

AGREEMENT:

1. The Recitals listed above are incorporated herein and by this reference made a part of this Amendment.

2. The Term of the Franchise Agreement, together with all the rights and obligations created thereunder, is hereby extended to _____ ("Revised Expiration Date").

3. In consideration for the extension of the Term of the Franchise Agreement, Franchisee shall pay Franchisor a non-refundable extension fee of _____ Dollars (\$____) upon execution of this Amendment.

4. This Amendment embodies the entire understanding between Franchisor and Franchisee with respect to the matters set forth herein and can be changed only by a writing signed by Franchisor and Franchisee. Except as otherwise modified by this Amendment, the terms and conditions of the Franchise Agreement shall remain unchanged and in full force and effect. In the event of any inconsistency between the

terms of this Amendment and the terms of the Franchise Agreement, the terms of this Amendment shall control.

5. The parties executing this Amendment on behalf of Franchisor and Franchisee are duly authorized to do so. This Amendment shall not be binding upon Franchisor unless and until it shall have been accepted and signed by an authorized officer of Franchisor. This Amendment may be executed in counterparts, each of which shall be deemed an original, but all of which together shall constitute one and the same Amendment. A signature on this Amendment transmitted via facsimile or electronic mail/PDF or equivalent , electronic signature (such as DocuSign, or equivalent), shall be considered an original for all purposes hereunder.

IN WITNESS WHEREOF, Franchisor and Franchisee have duly executed this Remodel Schedule Participation Agreement as of the date(s) set forth below.

FRANCHISOR:
El Pollo Loco, Inc., a Delaware
Corporation

FRANCHISEE:
_____, a

By: _____
Name: _____
Title: _____
Date: _____

By: _____
Name: _____
Title: _____
Date: _____

EL POLLO LOCO® FRANCHISE AGREEMENT SCHEDULE 1: STATEMENT OF OWNERSHIP OF FRANCHISEE

Name of Party to Franchisee Entity	Ownership Percent of Franchisee
_____ (This Party will be the Only Party to Receive Notice on behalf of Franchisee)	%
	%

EXHIBIT D: PURCHASE AGREEMENT



EL POLLO LOCO® PURCHASE AGREEMENT

Dated: _____, 20____

Restaurants:

_____ Restaurant (formerly # _____) – Location _____
_____ Restaurant (formerly # _____) – Location _____

Seller:

El Pollo Loco, Inc., a Delaware corporation

Buyer:

Buyer's Owners (Individuals):

(Control No. [040125033126](#))

Contents

El Pollo Loco® Purchase Agreement	1
Recitals:	3
Section 1. Sale Of Assets.....	4
Section 2. Assumption Of Liabilities.	4
Section 3. New Franchise Agreements.	4
Section 4. Subleases.....	5
Section 5. Franchise Development Agreement.....	5
Section 6. Purchase Price, Payment Terms.....	5
Section 7. Closing Date.....	6
Section 8. Employees.....	6
Section 9. Representations, Warranties And Covenants Of Buyer.	6
Section 10. Representations, Warranties And Covenants Of Seller.....	8
Section 11. Conditions Precedent To Seller's Obligation To Close.....	9
Section 12. Conditions Precedent To Buyer's Obligation To Close.....	9
Section 13. Indemnification.	10
Section 14. Termination.	11
Section 15. General Provisions.	12
Section 16. Signatures.....	15
Exhibit A List Of Assets / Excluded Assets.....	16
Schedule A-1 # _____ Restaurant	17
Schedule A-2 # _____ Restaurant	18
Exhibit B Bill Of Sale And Assignment	19
Exhibit C List Of Assumed Liabilities	22
Exhibit D Form Of New Franchise Agreement For New Restaurants	23
Exhibit E Form Of Sublease Agreement.....	24
Exhibit F Form Of New Franchise Development Agreement.....	25
Exhibit G Allocation Of Purchase Price	26
Schedule 10(F) Disclosure Schedules	27

EL POLLO LOCO
REFRANCHISING ASSET PURCHASE AGREEMENT
(_____ (#) Restaurants in the _____ Area)

THIS REFRANCHISING ASSET PURCHASE AGREEMENT (the "Agreement") is entered into effective as of _____, 20____ (the "Effective Date"), by and among **El Pollo Loco, Inc.**, a Delaware corporation with its principal business address at 575 Anton Blvd., Suite 1100, Costa Mesa, California 92626 (the "Seller"); _____ with its principal business address at _____ (the "Buyer"), and _____, _____, and _____ (collectively, "Buyer's Owners").

RECITALS:

Seller's is the owner, operator and franchisor for the El Pollo Loco restaurant brand;

Seller owns and operates _____ (#) _____ (____) El Pollo Loco restaurants (each a "Restaurant") and collectively, the "Restaurants") as follows:

- a) (Insert Restaurant location) _____ (the "____ (#) Restaurant"); and
- b) (Insert Restaurant location) _____ (the "____ (#) Restaurant").

Buyer's Owners owns one hundred percent (100%) of the ownership interests in Buyer;

Seller desires to sell the Restaurants, together with their respective properties and assets directly related to the Restaurants, and Buyer desires to purchase the Restaurants and assets directly related to the Restaurants, for the consideration and on the terms set forth in this Agreement; and

[IF APPLICABLE] Buyer currently owns and operates _____ (#) _____ (____) El Pollo Loco restaurants (each an "Existing Restaurant" and collectively, the "Existing Restaurants") as follows:

- a) (Insert Restaurant location) _____ (the "____ (#) Restaurant"), which is subject to an existing Franchise Agreement between Seller and Buyer (the "____ (#) Franchise Agreement"); and
- b) (Insert Restaurant location) _____ (the "____ (#) Restaurant"), which is subject to an existing Franchise Agreement between Seller and Buyer (the "____ (#) Franchise Agreement") and together with *[list the defined term for each existing Franchise Agreement above]*, the "Existing Franchise Agreements").

[IF APPLICABLE] Buyer and Seller, as Franchisor, have entered into that certain Franchise Development Agreement # _____ dated _____ (the "Existing Development Agreement").

Concurrently with the execution and delivery of this Agreement, Seller, Buyer and

Buyer's Owners are entering into:

a. _____ (#) _____ (#) separate forms of El Pollo Loco Franchise Agreements substantially in the form of **Exhibit D** (each a "New Franchise Agreement" and collectively the "New Franchise Agreements") to provide for the operation of the _____ (#) _____ (#) Restaurants as franchised El Pollo Loco Restaurants; and

b. _____ (#) _____ (#) separate forms of El Pollo Loco Sublease Agreements (each a "Sublease Agreement" and collectively the "Sublease Agreements") to provide for the premises and improvements (collectively, "Real Properties") on which the _____ (#) _____ (#) Restaurants are located; and

c. one (1) Franchise Development Agreement to provide for the development of _____ (#) _____ (#) El Pollo Loco® Restaurants within the _____ (insert territory) _____ as further defined in the Development Agreement (the "Development Agreement").

The parties, intending to be legally bound, agree as follows:

SECTION 1. SALE OF ASSETS.

Upon the terms and subject to the conditions set forth in this Agreement, at the Closing (as defined in Section 7 below), Seller shall sell, assign, transfer and deliver to Buyer, and Buyer shall purchase and acquire from Seller, all of Seller's right, title and interest, both legal and beneficial, in the assets directly relating to or used or held for use in connection with the Restaurants, except the Excluded Assets (defined below), including leasehold improvements; contracts/leases for restaurant maintenance/personal property; furniture; fixtures; restaurant equipment and POS equipment; computers, printers and software and related licenses; transferable business licenses; food and beverage inventory located at the Restaurants; supplies located at the Restaurants; and in-store petty cash (collectively, the "Assets", as further described on **Exhibit A** hereto, but specifically excluding any Assets excluded on **Exhibit A** (collectively, the "Excluded Assets")), and as evidenced by the Bill of Sale and Assignment in substantially the form attached hereto as **Exhibit B** ("Bill of Sale").

SECTION 2. ASSUMPTION OF LIABILITIES.

On the Closing Date (as defined in Section 7 below), Buyer shall assume and agrees to discharge only the liabilities of Seller relating to the specific leases, contracts, debts, liabilities or obligations, if any, relating or pertaining to the Assets that are specifically described on **Exhibit C** (collectively, the "Assumed Liabilities"). All other leases, contracts, debts, liabilities or obligations relating or pertaining to the Assets not expressly described in **Exhibit C** (including any Excluded Assets) shall remain the sole and absolute obligation of Seller from and after Closing.

SECTION 3. NEW FRANCHISE AGREEMENTS.

On the Closing Date (as defined in Section 7 below), Buyer and Seller shall enter into a New Franchise Agreement to operate and manage each of the El Pollo Loco Restaurants,

and any other documents or agreements referenced in this Agreement or otherwise reasonably requested by Seller.

SECTION 4. SUBLEASES.

On the Closing Date, Buyer and Seller shall enter into a sublease agreement for the premises for each of the Restaurants ("Sublease Agreement") substantially in the form of **Exhibit E**. Each Sublease Agreement shall be subject and subordinate to each and all of the terms, conditions, and provisions of the respective master lease for the premises for each of the Restaurants.

SECTION 5. FRANCHISE DEVELOPMENT AGREEMENT.

On the Closing Date (as defined in Section 7 below), Buyer and Seller shall enter into one (1) Franchise Development Agreement (referred to herein as "Development Agreement") to provide for the development of (#) (#) El Pollo Loco® Restaurants within the (insert territory) as further defined in the Development Agreement, substantially in the form of **Exhibit F**.

SECTION 6. PURCHASE PRICE, PAYMENT TERMS.

a. The consideration for the Assets will be: (i) Dollars (\$) in cash at the Closing; PLUS (ii) an estimated amount equal to Two Thousand Dollars (\$2,000.00) per Restaurant for petty cash ("Petty Cash"); PLUS (iii) an estimated amount equal to Ten Thousand Dollars (\$10,000.00) per Restaurant for the cost of Seller's food and beverage inventory (excluding Excluded Assets) ("Inventory and Supplies"); PLUS (iv) the assumption of the Assumed Liabilities described in Section 2 above (collectively, the "Purchase Price"). The total payment due at Closing from Buyer to Seller will be Dollars (\$) ("Closing Payment"). The actual payment amount shall be calculated based on the actual value of the Petty Cash, Inventory and Supplies for each Restaurant, which shall be determined as of the close of business on the Closing. Such actual value shall be determined by a physical count of all Petty Cash, Inventory and Supplies to be made jointly by Buyer and Seller at Closing. The usable Inventory and Supplies shall be valued at Seller's actual cost of goods as of the Closing to the extent not out of date, consistent with Seller's requirements that such items be useable in the ordinary course of business. Buyer shall have the right to reject within reason, any excess or outdated Supplies and Inventory. Petty Cash transferred to Buyer shall be reimbursed to Seller dollar for dollar. Within thirty (30) business days after the Closing, Buyer or Seller, as appropriate, shall pay the other party the positive difference between the value of the Petty Cash, Supplies and Inventory and the amount paid by Seller to Buyer at Closing.

b. Seller and Buyer acknowledge and agree that, except as noted above, there shall be no closing adjustment to the Purchase Price or post-Closing reconciliation for rent, taxes, prepaid costs, gift cards, other petty cash on hand in the Restaurants or other amounts paid by Seller before the Closing Date.

c. Buyer and Seller agree that the Purchase Price shall be allocated to the

Assets as set forth on **Exhibit G**. After the Closing, the parties shall make consistent use of the allocation, fair market value and useful lives specified in **Exhibit G** for all tax purposes and in all filings, declarations and reports with the IRS in respect thereof, including the reports required to be filed under Section 1060 of the Code. Buyer shall prepare and deliver IRS Form 8594 to Seller within forty-five (45) days after the Closing Date to be filed with the IRS. In any proceeding related to the determination of any tax, neither Buyer nor Seller or Seller's Owners shall contend or represent that such allocation is not a correct allocation.

SECTION 7. CLOSING DATE.

The purchase and sale provided for in this Agreement (the "Closing") shall take place at Seller's headquarters located at 575 Anton Blvd., Suite 1100, Costa Mesa, CA 92626 at 9:00 a.m. (local time) on _____, 20____, or at such other date or time as Buyer and Seller may mutually agree in writing (the "Closing Date"). Either Seller or Buyer may elect to extend the Closing Date one or more times, such extensions not to exceed more than forty-five (45) days in the aggregate if the reason for the extension is that a required condition to the Closing has not been materially satisfied.

SECTION 8. EMPLOYEES.

a. Prior to the Closing Date, Seller will, in consultation with Buyer, identify certain key managers and employees (such as Area Leaders and Restaurant Managers) for the Restaurants at least _____ days prior to the scheduled Closing.

b. At close of business on the night prior to Closing Date or as appropriate, Seller shall terminate its employment relationship with the employees of the Restaurants. On the Closing Date, Buyer may, at its sole discretion, hire any or all of the former employees of the Restaurants on Buyer's terms, in compliance with applicable federal, state and local laws. Seller makes no warranty express or implied with respect to the qualifications or character of any such individual at the Restaurants. Seller shall allow Buyer an opportunity to interview each of such individuals at least seven (7) days prior to the scheduled Closing. .

c. Unless otherwise agreed in writing, Seller shall be solely liable for liabilities, any accrued vacation, sick pay or other benefits accrued by the Restaurants' employees on or before the Closing Date.

SECTION 9. REPRESENTATIONS, WARRANTIES AND COVENANTS OF BUYER.

Buyer represents, warrants and covenants the following:

a. Organization. Buyer is a limited liability company duly organized, validly existing and in good standing under the laws of the State of _____, with full power and authority to conduct its business as it is now conducted.

b. Authority. This Agreement and any other transaction documents to be executed or delivered by Buyer pursuant to this Agreement constitute the legal, valid and

binding obligation of Buyer, enforceable against Buyer in accordance with its terms. Buyer's formation and operating documents authorize it to acquire and operate the Restaurants, and such actions have been duly authorized by all necessary action of its members and managers prior to the Closing.

c. No Conflict with Other Agreements. Buyer and each Buyer's Owner has received not later than _____, the Franchise Disclosure Document of El Pollo Loco, Inc. dated ~~April 1, 2025~~March 31, 2026 (Control No. 040125033126), for the State of _____ (the "FDD"), together with the Acknowledgement dated _____, 20____ (the "Acknowledgement") from Seller, and that, except for the express representations made in the FDD, the Acknowledgement and herein, neither Seller nor anyone acting on behalf of Seller has made any representation or warranty to Buyer with respect to any of the Restaurants, or their condition, or any business conducted or to be conducted thereon; and Buyer's execution and delivery of this Agreement, its consummation of the transactions hereby contemplated, and its fulfillment of the terms hereof, will not violate any material provision or result in the material breach of any term or provision of, or constitute a material breach under, or materially conflict with, or cause the acceleration of any obligation under, any material agreement or contract to which Buyer or any Partner is a party or by which Buyer or any Partner is or may be bound, or any judgment, decree, order or award of any court or governmental body, or any applicable law, rule or regulation.

d. Walk-Through of Premises; Verification of Information. Buyer has conducted a walk-through inspection of the Restaurants and inspected any and all leasehold improvements, furniture, equipment, fixtures, inventory and other tangible personal property to be purchased under this Agreement. Buyer acknowledges that Seller has made available to Buyer or its representatives the opportunity to ask questions of and receive answers from Seller concerning the ownership and operation of the Restaurants and to obtain any additional information necessary to verify such information. Buyer acknowledges having received satisfactory answers to all of its questions (if any) from representatives of Seller and having obtained any additional information requested by it of Seller and its representatives. **ACCORDINGLY, BUYER ACKNOWLEDGES AND AGREES THAT THE ASSETS ARE BEING SOLD "AS IS" AND THAT SELLER MAKES NO WARRANTIES OF MERCHANTABILITY OR FITNESS FOR A PARTICULAR PURPOSE WITH RESPECT TO THE RESTAURANTS OR THE ASSETS.**

e. Inspection of Operating Accounts. Buyer has conducted a thorough inspection of Seller's operating accounts pertaining to the Restaurants prior to the Closing (the "Operating Accounts"), and it has found these to be satisfactory. **BUYER ACKNOWLEDGES AND AGREES THAT THE OPERATING ACCOUNTS ARE BEING PROVIDED "AS IS" WITH NO REPRESENTATIONS OR WARRANTIES.**

f. Franchise Transaction. Seller acknowledges and agrees that the rights to operate the Restaurants as El Pollo Loco Restaurants using the Proprietary Marks and the System (as those terms are defined in the New Franchise Agreements) will only accrue to Buyer as a result of its execution of the New Franchise Agreements with Seller. Accordingly, the parties agree that their respective execution of the New Franchise

Agreements is a condition precedent to the Closing.

SECTION 10. REPRESENTATIONS, WARRANTIES AND COVENANTS OF SELLER.

Except as set forth in the Disclosure Schedules attached hereto (the "Disclosure Schedules"), Seller represents, warrants and covenants the following:

- a. Organization. Seller is a corporation duly organized, validly existing and in good standing under the laws of the State of Delaware.
- b. Authority. Seller is duly and properly authorized to enter into this Agreement and consummate the transactions contemplated hereby. Seller has duly authorized the execution, delivery and performance of this Agreement by its authorized representative.
- c. Good Title to Assets. Seller has good title to or the right to use pursuant to written agreements all of the Assets. Each Restaurant contains all equipment, furniture, fixtures, improvements and tangible personal property generally necessary to operate such Restaurant in accordance with Seller's historical practices, subject to then current inventory on hand at each Restaurant.
- d. Contractual Liabilities. Except for the real estate leases for each of the Restaurants to be retained by Seller, all contracts relating to the Restaurants were executed in the normal course of business and are terminable by Seller without material liability within thirty (30) days or less with prior written notice, and there are no other, undisclosed oral or written material leases, contracts, commitments or agreements which are necessary to operate the Restaurants in accordance with Seller's historical practices to which Seller is a party or by which Seller is bound.
- e. Eminent Domain; Condemnation. Seller has neither received written notice from any governmental authority that, nor has knowledge of, any pending eminent domain proceedings for the condemnation of the Restaurants' facilities, which would materially and adversely impact the Restaurants.
- f. Claims. Except as provided in Schedule 10.f of the Disclosure Schedules, there is no claim, suit, arbitration, action or proceeding now pending, or, to Seller's knowledge, threatened in writing, at law or in equity, or before any court, arbitrator, administrative or regulatory body, quasi-judicial agency or any governmental agency relating directly to the Restaurants to which Seller is a party.
- g. Employees. Seller is not a party to any written employment contracts or collective bargaining agreements with respect to the Restaurants for which Buyer will be liable.
- h. Taxes. Seller has timely filed (or will timely file after giving effect to any applicable extensions) all federal, state, local and other tax returns, reports, declarations and applications related to taxes required to be filed by Seller related directly to the Restaurants for all periods up to and including the Closing.

i. Environmental Matters. To its knowledge, Seller is in compliance with all applicable environmental laws, rules or regulations related directly to the Restaurants, and it has not received any written communication alleging that Seller is in violation of, or has any liability under, any applicable environmental laws, rules or regulations.

j. Access to Restaurants and Pre-Closing Walk Through; Operating Accounts. Prior to Closing, Seller shall permit Buyer reasonable access to the Restaurants, including a complete pre-Closing walk-through inspection of each Restaurant and any and all inventory, furniture, equipment, fixtures, and other tangible personal property to be purchased under this Agreement. Buyer may also conduct a pre-Closing inspection of the Operating Accounts.

k. Operation in the Ordinary Course. Seller shall continue to operate the Restaurants in the ordinary course from and after the Effective Date and continuing through the Closing Date, and shall not undertake any sale, transfer or other disposition of the Assets outside of the ordinary course without express written consent from Buyer.

Except for the representations and warranties contained in this Section, neither Seller nor any owner, officer, agent or other person on behalf of or related to Seller makes any other express or implied representation or warranty with respect to this Agreement, and Seller disclaims any other representations or warranties, whether made by Seller any affiliate of Seller or any of their respective owners, officers, directors, employees, agents or representatives not expressly stated herein.

SECTION 11. CONDITIONS PRECEDENT TO SELLER'S OBLIGATION TO CLOSE.

The obligations of Seller under this Agreement are subject to the fulfilment of each of the following conditions (any of which may be waived by Seller in whole or in part) prior to or at the Closing:

a. Buyer's Delivery of Closing Payment, Sublease Agreements, New Franchise Agreements and Development Agreement. At the Closing, Buyer shall have delivered or caused to be delivered to Seller the Closing Payment, Sublease Agreements, New Franchise Agreements and the Development Agreement, and such other documents as Seller may reasonably request for the purpose of (i) evidencing the accuracy of any representation or warranty of Buyer; (ii) evidencing the performance by Buyer of, or the compliance by Buyer with, any covenant or obligation required to be performed or complied with by Buyer; or (iii) evidencing the satisfaction of any condition referred to in this Section 11.

b. Representations, Warranties, and Covenants True. The representations, warranties and covenants made by Buyer herein shall be true and correct in all material respects at the Closing Date, except as affected by the transactions contemplated hereby.

SECTION 12. CONDITIONS PRECEDENT TO BUYER'S OBLIGATION TO CLOSE.

The obligations of Buyer under this Agreement are subject to the fulfilment of each of the following conditions (any of which may be waived by Buyer in whole or in part) prior to or

at the Closing:

a. Seller's Delivery of Bill of Sale, Sublease Agreements, New Franchise Agreements and Development Agreement. At the Closing, Seller shall have delivered or caused to be delivered to Buyer the Bill of Sale, Sublease Agreements, New Franchise Agreements and the Development Agreement, and such other documents as Buyer may reasonably request for the purpose of (i) evidencing the accuracy of any representation or warranty of Seller; (ii) evidencing the performance by Seller of, or the compliance by Seller with, any covenant or obligation required to be performed or complied with by Seller; or (iii) evidencing the satisfaction of any condition referred to in this Section 12.

b. Representations, Warranties, and Covenants True. The representations, warranties and covenants made by Seller herein shall be true and correct in all material respects at the Closing Date.

c. Delivery of Keys and Security Codes. Seller will deliver all keys, safe combinations, passwords, original documents and other items related to the Restaurants and Assets so that Buyer may operate or have access to such Assets in a manner consistent with the operations of the Restaurants prior to Closing.

d. Assignment of all Telephone Numbers. Seller will assign its rights in the telephone numbers and listings for the Restaurants and cooperate with Buyer to authorize the transfer of all telephone numbers, directory listings and other related actions necessary to accomplish the transfer.

e. Utilities. Seller will cooperate with Buyer to transfer all of the utilities at the Closing, or as soon as possible after Closing, and Buyer will be responsible for all amounts incurred after the Closing.

f. **[IF APPLICABLE]** Compliance with Existing Development Agreement and Existing Franchise Agreements. Buyer shall be in full compliance with the terms and conditions of the Existing Development Agreements and Existing Franchise Agreements.

SECTION 13. INDEMNIFICATION.

a. Seller's Indemnification. Seller shall indemnify, defend and hold Buyer, its owners and their respective affiliates, owners and employees harmless against and in respect of any and all damage, expense, liability, loss or deficiency (including, without limitation reasonable attorneys' fees (internal and external) and other costs and expenses (internal and external) incident to any suit, action or proceeding) resulting from (i) any nonfulfillment of or noncompliance with any provision of this Agreement, (ii) any misrepresentation in or omission from this Agreement or any exhibit or other writing furnished to Buyer hereunder; and (iii) any and all liability arising from and after the Closing Date in connection with Seller's development and operation of the Restaurants prior to the Closing Date. Notwithstanding anything in this Agreement to the contrary, Seller's obligation to make any payment pursuant to this Section shall arise only if the aggregate amount of all losses subject to indemnity hereunder that are suffered or incurred by Buyer exceeds Twenty Five Thousand Dollars (\$25,000.00), in which case

Seller shall only pay to Buyer the amount of such losses exceeding such Twenty Five Thousand Dollars (\$25,000.00) limit up to an aggregated cap of Seventy Five Thousand Dollars (\$75,000.00) for any indemnification matter covered by this Section and Agreement.

b. Buyer's Indemnification. Buyer shall indemnify, defend and hold Seller and its respective affiliates, owners and employees harmless against and in respect of any and all damage, expense, liability, loss or deficiency (including, without limitation reasonable attorneys' fees (internal and external) and other costs and expenses (internal and external) incident to any suit, action or proceeding) resulting from (i) any nonfulfillment of or noncompliance with any provision of this Agreement, (ii) any misrepresentation in or omission from this Agreement or any exhibit or other writing furnished to Seller hereunder; and (iii) any and all liability arising from and after the Closing Date in connection with Buyer's operation of the Restaurants as of the Closing Date.

c. Exclusive Remedy. From and after the Closing Date, none of the parties hereto shall be liable or responsible in any manner whatsoever to the other parties hereto, whether for indemnification or otherwise, except for indemnity as expressly provided in this Section 13, which provides the exclusive remedy and cause of action of the parties hereto with respect to a breach of the representations and warranties set forth in this Agreement. Each of the parties hereby waives, releases and agrees not to make any claim or bring any contribution, cost recovery or other action against the other parties or any of their respective successors or assigns or any controlling person or other affiliate of the other parties, under common law or any federal, state or local law or regulation now existing or hereafter enacted which seeks to allocate liabilities between Buyer and Seller with respect to a breach of the representations and warranties set forth in this Agreement in a different manner than as expressly set forth in this Agreement. Notwithstanding the foregoing, nothing contained in this Agreement shall affect the parties' respective rights and obligations under the Sublease Agreements, New Franchise Agreements, the Development Agreement and any other agreement between the parties. The obligations of Seller and Buyer as set forth in this Section shall expressly survive Closing.

SECTION 14. TERMINATION.

Anything herein or elsewhere to the contrary notwithstanding, this Agreement may be terminated by written notice of termination at any time before the Closing Date only as follows:

- (a) by mutual written consent of Buyer and Seller;
- (b) by Buyer or Seller if the Closing shall not have occurred by the Closing Date unless otherwise extended pursuant to this Agreement; provided, however, that this right to terminate this Agreement shall not be available to any party whose failure to perform any obligation under this Agreement has been the cause of, or resulted in, the failure to close on or before the Closing Date; or
- (c) by either Buyer or Seller if the other party is in material breach of this Agreement; provided, however, that the non-breaching party (the "Non-Breaching Party") has given written notice of such breach to the other party (the "Breaching Party") and the Breaching Party has failed to cure the breach within ten (10) business days from the date the notice was mailed.

In the event of termination of this Agreement and abandonment of the transactions contemplated hereby pursuant to this Section 14, the parties acknowledge and agree that neither party shall have any liability nor further obligation to any other party, except as provided in Section 13 of this Agreement regarding indemnification and Section 13.i. regarding confidentiality, or as otherwise provided for in the Sublease Agreements, New Franchise Agreements and Development Agreement.

SECTION 15. GENERAL PROVISIONS.

a. Expenses and Brokerage Fees. Except as herein specifically provided to the contrary, each party shall bear its own expenses incurred in connection herewith, and neither party shall be liable to the other for any such expenses, whether or not Closing takes place. Each party covenants that it has not employed or used any broker, finder, or agent in connection with this Agreement, whereby the other party is or will be obligated to pay any broker's commission for bringing the parties together. Seller will be responsible for the payment of any sales, use, income, transfer, documentary or other tax incurred as a result of the consummation of the sale of the Assets. Buyer will bear the costs associated with obtaining any licenses or permits required to operate the Restaurants and its due diligence activities relating to the contemplated transaction (including any costs relating to the conduct of environmental searches or investigations, surveys and any leasehold title insurance).

b. Notices. All notices under this Agreement shall be in writing and given by expedited delivery service (with a courtesy copy via email) addressed to the parties at the addresses and email addresses referred to in the signature pages, or to such other addresses of which either party may designate by notice to the other party. Notices will be deemed given one (1) business day after being sent.

c. Entire Agreement. This Agreement and the documents referenced herein set forth the entire understanding of the parties and supersedes any and all prior agreements, memoranda, arrangements and understandings relating to the subject matter hereof. No representation, warranty, promise, inducement or statement of intention has been made by any party which is not contained in this Agreement, and no party shall be bound by, or be liable for, any alleged representation, promise, inducement or statement of intention not contained herein.

d. Law Governing; Dispute Resolution. This Agreement shall be construed in accordance with and governed by the internal laws, and not the law of conflicts, of the State of California. Any and all disputes arising from this Agreement shall be submitted to the state or federal courts located in Orange County, California; except that (i) either party may seek injunctive or other extraordinary relief in any court of competent jurisdiction, and (ii) prior to bringing suit, Buyer and Seller agree to (x) first informally negotiate any disputes arising under this Agreement within 10 days of written notice, and (y) if unable to resolve the dispute by informal negotiations, to mediate the dispute before an agreed mediator in Orange County, California, with any costs of the mediator to be equally split between Buyer and Seller. Notwithstanding the foregoing, neither Buyer nor Seller will be required to mediate an action for injunctive relief related to a breach related

to confidential information or infringement of any trademarks, and such action for injunctive relief may be brought in any court of competent jurisdiction.

e. Successors and Assigns. This Agreement shall be binding upon and inure to the benefit of the parties hereto and their respective successors and permitted assigns.

f. Severability. If any provision of this Agreement or the application thereof to any person, entity or circumstance shall for any reason or to any extent be invalid or unenforceable, the remainder of this Agreement and the application of such provision to other persons, entities or circumstances shall not be affected thereby, but, rather, shall be enforced to the extent consistent with the intent of the parties hereto and permitted by law. Furthermore, in lieu of such an illegal, invalid or unenforceable provision, there shall be added automatically as part of this Agreement a provision as similar in terms to such illegal, invalid or unenforceable provision as may be possible and be legal, valid or enforceable.

g. Headings. The section headings in this Agreement are for reference purposes only and shall not affect the interpretation of this Agreement.

h. Assignment. Seller may assign its rights hereunder to any affiliate or third party reasonably capable of performing as the "Seller" hereunder. Buyer shall not sell, assign, delete, or otherwise transfer any of its rights or obligations hereunder without the prior written consent of Seller.

i. Confidentiality. Except as required by applicable law, Buyer (a) shall keep any and all Confidential Information of Seller strictly confidential, (b) shall not disclose or use any Confidential Information of Seller to the detriment of Seller, and (c) shall not disclose or use any Confidential Information for the benefit of any other person or for any purpose or in connection with any business, transaction, or matter other than as permitted under the New Franchise Agreements. For the purposes of this Agreement, "Confidential Information" means (i) this Agreement, (ii) any exhibit, schedule or other document to be provided by Seller at Closing, and (iii) the following items, whether in writing, electronically, orally or otherwise, relating to Seller, the Restaurants or the El Pollo Loco franchise system: trade secrets, proprietary information, business plans, marketing plans, computer data and programs, methodologies, operations manuals, reports, records, financial information, sales information, capital expenditure information, compensation and benefit information, cost and pricing information, potential industry partners and contacts with such partners, customer and potential customer lists and contact information, supplier lists and contact information, vendor lists and contact information, and the names and backgrounds of key personnel and personnel training techniques and materials, however documented. Notwithstanding the foregoing, "Confidential Information" shall not include any information that (i) is or becomes publicly available other than as a result of the acts of Buyer in violation of this Agreement or (ii) is or becomes available to Buyer from a source that, to the knowledge of Buyer after reasonable inquiry, is not bound by a confidentiality agreement with Seller prohibiting such disclosure. After Closing, Seller may disclose this Agreement and information regarding the transaction contemplated by this Agreement as they deem necessary, including by way of public announcement or as needed for franchise sales purposes.

j. Publicity. All notices to third parties and all other publicity concerning the transaction contemplated in this Agreement must be approved by Seller in writing, which approval shall not be unreasonably withheld or unduly conditioned or delayed.

k. Further Assurances. The Buyer and Seller hereto agree to execute any and all such further agreements, instruments or documents, and to take any and all such further action, as may be necessary or desirable to carry into effect the purpose and intent of this Agreement.

l. Counterparts. This Agreement may be executed in multiple counterparts, all of which shall together be deemed to constitute one final agreement, and each such counterpart shall be deemed to be an original, binding the party who subscribed it. A signature transmitted via facsimile or electronic mail/PDF (or equivalent), electronic signature (such as DocuSign, etc. or equivalent), shall be deemed an original signature that is effective and binding for all purposes.

m. Amendments; Waiver. This Agreement cannot be changed or terminated orally and no waiver of compliance with any provision or condition hereof and no consent provided for herein shall be effective unless evidenced by an instrument in writing duly executed by the party hereto sought to be charged with such waiver or consent. No waiver of any term or provision hereof shall be construed as a further or continuing waiver of such term or provision or any other term or provision.

SECTION 16. SIGNATURES.

IN WITNESS WHEREOF, Buyer and Seller have executed this Agreement as of the Effective Date set forth above.

<u>SELLER</u> El Pollo Loco, Inc., a Delaware corporation By: _____ Title: _____ Print Name: _____	<u>SELLER'S ADDRESS FOR NOTICES</u> El Pollo Loco, Inc. 575 Anton Blvd., Suite 1100Costa Mesa, California 92626 Attn: CLO re. EPL # _____ Email Address: _____ with a copy to _____
<u>BUYER</u> _____, a _____ By: _____ Title: _____ Print Name: _____	<u>BUYER'S ADDRESS FOR NOTICES</u> _____ _____ _____ Attn: _____ Email Address: _____
<u>BUYER'S OWNERS</u> Buyer Owner: _____ By: _____ Title: _____ Print Name: _____ Buyer Owner: _____ By: _____ Title: _____ Print Name: _____	<u>BUYER'S OWNERS ADDRESS FOR NOTICES</u> _____ _____ _____ Attn: _____ Email Address: _____ _____ _____ _____ Attn: _____ Email Address: _____

EXHIBIT A TO EL POLLO LOCO® PURCHASE AGREEMENT LIST OF ASSETS / EXCLUDED ASSETS

The following is a list of the Assets which are to be sold, assigned, and transferred to Buyer pursuant to the terms and conditions set forth in the Asset Purchase Agreement:

1. All leasehold improvements; contracts/leases for restaurant maintenance/personal property; furniture; fixtures; restaurant equipment and POS equipment; computers, printers and software and related licenses; transferable business licenses; food and beverage inventory located at the Restaurants; supplies located at the Restaurants; and in-store petty cash located on the premises of the Restaurants on the Closing Date, as set forth on the Schedules A-1 to A-2 attached to this **Exhibit A**.

The following is a list of the Excluded Assets which are not to be sold, assigned, and transferred to Buyer pursuant to the terms and conditions set forth in the Asset Purchase Agreement:

1. Any assets of Seller that do not relate to and are not used or held for direct use in connection with the Restaurants, unless otherwise specifically described above as Assets to be sold, assigned and transferred to the Buyer;
2. The real estate leases for the premises of each of the Restaurants;
3. Any existing internal license agreements or other types of operating agreements applicable to the Restaurants, if any;
4. Any tangible real or personal property, including business records, used in support of the Restaurants that is not located at the Restaurants, including computers, printers and cell phones for off-site employees that are not Restaurant employees;
5. Insurance policies and proceeds therefrom;
6. All claims against third parties relating to periods prior to the Closing Date, including rebates or refunds;
7. The certificate of incorporation, minute books, tax returns, books of account or other records having to do with the organization of Seller;
8. The rights which will accrue to Seller under this Agreement;
9. Any bank accounts or lock boxes of Seller;
10. Any cash or cash equivalents held by Seller (other than cash on hand in the Restaurants on the Closing Date) of up to \$2,000;
11. The rights of Seller under any contract or agreement, other than the Assumed Liabilities;
12. Incident logs or other similar records relating to the operations of the Restaurants; and
13. Any other assets on which the parties mutually agree in writing on or before Closing.

El Pollo Loco Unit # _____ (formerly # _____) Location _____
El Pollo Loco Unit # _____ (formerly # _____) Location _____

SCHEDULE A-1 TO EL POLLO LOCO® PURCHASE AGREEMENT
_____ RESTAURANT

El Pollo Loco Unit # _____ (formerly # _____) Location _____
El Pollo Loco Unit # _____ (formerly # _____) Location _____

SCHEDULE A-2 TO EL POLLO LOCO® PURCHASE AGREEMENT
_____ RESTAURANT

**EXHIBIT B TO EL POLLO LOCO® PURCHASE AGREEMENT
BILL OF SALE AND ASSIGNMENT**

THE STATE OF _____ §
COUNTY OF _____ § KNOW ALL MEN BY THESE PRESENTS:

THIS BILL OF SALE AND ASSIGNMENT (this "Bill of Sale") is delivered on _____, 20____, by El Pollo Loco, Inc., a California corporation with its principal business address at 575 Anton Blvd., Suite 1100, Costa Mesa, California 92626 (the "Seller"), to _____ with its principal business address at _____ ("Buyer").

WHEREAS, Seller and Buyer have entered into that certain Asset Purchase Agreement dated effective as of _____, 20____ (the "Purchase Agreement"); and

WHEREAS, pursuant to the terms and conditions of the Purchase Agreement, Seller agreed to sell and transfer to Buyer and Buyer agreed to purchase from Seller certain assets of Seller relating to Seller's operation of the El Pollo Loco restaurants located at

- (i) _____; and
(ii) _____ (collectively, the "Restaurants").

NOW, THEREFORE, in consideration of the foregoing premises, and for other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, and as contemplated in Section 1 of the Purchase Agreement, Seller sells, transfers, assigns, conveys and delivers to Buyer, its successors and assigns, all of Seller's right, title and interest in and to the Acquired Assets described in Section 2 below, all pursuant to the Purchase Agreement.

Definitions. Capitalized terms that are used herein without definition shall have the same meanings herein as specified in the Purchase Agreement.

Acquired Assets. All of Seller's right, title and interest in and to the Assets, but specifically excluding the Excluded Assets, (collectively, the "Acquired Assets").

TO HAVE AND TO HOLD said foregoing properties unto Buyer, its successors and assigns forever.

This Bill of Sale shall be subject to the terms and conditions set forth in the Purchase Agreement and nothing contained in this Bill of Sale shall be construed to limit, terminate or expand the representations, warranties and covenants set forth in the Purchase Agreement.

El Pollo Loco Unit # _____ (formerly # _____) Location _____
El Pollo Loco Unit # _____ (formerly # _____) Location _____

And for consideration aforesaid, Seller hereby does covenant with Buyer, and its successors and assigns, that Seller and its successors and assigns will do, execute, acknowledge and deliver, or will cause to be done, executed, acknowledged and delivered, all such further acts, transfers, assignments and conveyances, powers of attorney and assurances for the better selling, transferring, assigning, assuring, conveying and confirming unto Buyer, its successors and assigns, all and singular, the Acquired Assets, as Buyer and its successors and assigns shall reasonably request.

IN WITNESS WHEREOF, this Bill of Sale has been duly executed on behalf of Seller as an instrument under seal effective as of the date first mentioned above.

<u>SELLER</u> El Pollo Loco, Inc., a Delaware corporation By: _____ Title: _____ Print Name: _____	<u>SELLER'S ADDRESS FOR NOTICES</u> El Pollo Loco, Inc. 575 Anton Blvd., Suite 1100Costa Mesa, California 92626 Attn: CLO re. EPL # _____
<u>BUYER</u> _____ By: _____ Title: _____ Print Name: _____	<u>BUYER'S ADDRESS FOR NOTICES</u> _____ _____ _____ Attn: _____

A Notary Public or other officer completing this certificate verifies only the identity of the individual who signed the document to which this certificate is attached and not the truthfulness accuracy or validity of that document.

STATE OF _____ §

COUNTY OF _____ §

On _____ before me, _____,
Notary Public, personally appeared _____, who proved to
me on the basis of satisfactory evidence to be the person(s) whose name(s) is/are subscribed to
the within instrument and acknowledged to me that he/she/they executed the same in his/her/their
authorized capacity(ies), and that by his/her/their signature(s) on the instrument, the person(s),
or the entity upon behalf of which the person(s) acted, executed the instrument.

I certify under PENALTY OF PERJURY under the laws of the State of California that the foregoing
paragraph is true and correct.

WITNESS my hand and official seal.

{Notary Seal}
My Commission Expires: _____

A Notary Public or other officer completing this certificate verifies only the identity of the individual who signed the document to which this certificate is attached and not the truthfulness accuracy or validity of that document.

STATE OF _____ §

COUNTY OF _____ §

On _____ before me, _____,
Notary Public, personally appeared _____, who proved to
me on the basis of satisfactory evidence to be the person(s) whose name(s) is/are subscribed to
the within instrument and acknowledged to me that he/she/they executed the same in his/her/their
authorized capacity(ies), and that by his/her/their signature(s) on the instrument, the person(s),
or the entity upon behalf of which the person(s) acted, executed the instrument.

I certify under PENALTY OF PERJURY under the laws of the State of California that the foregoing
paragraph is true and correct.

WITNESS my hand and official seal.

{Notary Seal}
My Commission Expires: _____

El Pollo Loco Unit # _____ (formerly # _____) Location _____
El Pollo Loco Unit # _____ (formerly # _____) Location _____

EXHIBIT C TO EL POLLO LOCO® PURCHASE AGREEMENT
LIST OF ASSUMED LIABILITIES

The following is a list of the Liabilities that are to be assumed by Buyer pursuant to the terms and conditions set forth in the Asset Purchase Agreement:

El Pollo Loco Unit # _____ (formerly # _____) Location _____
El Pollo Loco Unit # _____ (formerly # _____) Location _____

**EXHIBIT D TO EL POLLO LOCO® PURCHASE AGREEMENT
FORM OF NEW FRANCHISE AGREEMENT FOR NEW RESTAURANTS**

El Pollo Loco Unit # _____ (formerly # _____) Location _____
El Pollo Loco Unit # _____ (formerly # _____) Location _____

**EXHIBIT E TO EL POLLO LOCO® PURCHASE AGREEMENT
FORM OF SUBLEASE AGREEMENT**

El Pollo Loco Unit # _____ (formerly # _____) Location _____
El Pollo Loco Unit # _____ (formerly # _____) Location _____

**EXHIBIT F TO EL POLLO LOCO® PURCHASE AGREEMENT
FORM OF NEW FRANCHISE DEVELOPMENT AGREEMENT**

El Pollo Loco Unit # _____ (formerly # _____) Location _____
El Pollo Loco Unit # _____ (formerly # _____) Location _____

**EXHIBIT G TO EL POLLO LOCO® PURCHASE AGREEMENT
ALLOCATION OF PURCHASE PRICE**

Purchase price:

Equipment:

Leasehold Improvements:

Inventory:

Goodwill:

El Pollo Loco Unit # _____ (formerly # _____) Location _____
El Pollo Loco Unit # _____ (formerly # _____) Location _____

**SCHEDULE 10(F) TO EL POLLO LOCO® PURCHASE AGREEMENT
DISCLOSURE SCHEDULES**

EXHIBIT E: SUBLEASE AGREEMENT



EL POLLO LOCO® SUBLEASE AGREEMENT

Dated: _____

Premises:

Sublessee:

(Control No. [040125033126](#))

TABLE OF CONTENTS:

1.	Recitals.....	3
2.	Term.	3
3.	Minimum Monthly Rent.....	4
4.	Percentage Rent.....	5
5.	Taxes.....	6
6.	Insurance; Indemnity.	7
7.	Common Area Charges.....	9
8.	Subrogation.	9
9.	Utilities.	9
10.	Alterations, Additions And Use.	9
11.	As-Is Condition; Maintenance And Repair; Hazardous Substances.	11
12.	Condemnation.	13
13.	Assignment And Sublease.	13
14.	Sublease Subject To Master Lease Covenants.....	14
15.	Security Deposit.	15
16.	Sublessor's Rights Upon Default.	16
17.	Sublessor's Right To Enter.....	17
18.	Legal Expenses.....	17
19.	Late Charge.....	17
20.	Waiver.	18
21.	Estoppel Certificate.	18
22.	Notices.	18
23.	Time Of The Essence.....	19
24.	Invalidity Of Provisions.	19
25.	Failure To Act.	19
26.	Plans And Data.....	19
27.	Headings And Titles.	20
28.	Governing Law And Jurisdiction.	20
29.	Additional Terms.....	20
30.	Counterparts.....	21
31.	Consent Of Master Lessor.....	21
32.	No Brokers.	21
33.	Signatures.	23
	Exhibit A: Personal Guarantee Of Sublease	24
	Exhibit B: Master Lessor's Consent.....	28

EL POLLO LOCO® SUBLEASE AGREEMENT

This Sublease Agreement ("**Sublease**") dated for identification purposes only as of _____, is made and entered into by and between **El Pollo Loco, Inc.**, a Delaware corporation ("**Sublessor**") and _____, a _____ ("**Sublessee**").

RECITALS:

A. On _____, 20____, Sublessor entered into that certain lease (as amended, the "**Master Lease**"), pursuant to which Sublessor leased from _____ ("**Master Lessor**"), that certain real property together with all easement(s) and common area rights, if any, and the buildings, structures and other improvements located thereon, situated in the City of _____ County of _____, State of _____, commonly known as _____, and more particularly described in the Master Lease, said description being incorporated herein by reference (the "**Premises**"). Sublessee hereby acknowledges receipt of a copy of the Master Lease and all amendment(s) and rider(s) thereof, if any.

B. Sublessee wishes to enter into this Sublease for the purpose of subleasing from the Sublessor the Premises pursuant to the terms and conditions hereof.

NOW, THEREFORE, in consideration of the mutual promises of the parties hereto, and other valuable consideration, the receipt of which is hereby acknowledged, Sublessor does hereby sublease to Sublessee and Sublessee does hereby sublease from Sublessor the Premises on the following terms and conditions:

AGREEMENT:

1. RECITALS.

1.1. The recitals set forth above are an integral part of this Sublease.

2. TERM.

2.1. The term of this Sublease shall commence on _____, 20____ ("**Commencement Date**") and shall expire on _____, 20____ unless sooner terminated in accordance with the provisions hereunder ("**Termination Date**").

2.2. Provided Sublessee shall not then be in default hereunder, Sublessee shall have the option to extend the term of this Sublease for ____ () additional periods of ____ () years each upon the terms and conditions herein contained, except for Minimum Monthly Rent (which shall be adjusted as provided in Section 3.a. below), upon delivery by Sublessee to Sublessor of written notice of such election at least ____ () days prior to the expiration of the initial (or extended) term hereof and provided Sublessee complies

with all requirements of the Master Lease, including, without limitation, sufficient prior notice to Sublessor to enable Sublessor to timely extend the term of the Master Lease.

2.3. Sublessee shall, on the last day of the Sublease term, or any extension thereof, or upon any earlier termination of such term, surrender to Sublessor the building and other permanent improvements on the Premises in good order, condition and state of repair, reasonable wear and tear excepted, and Sublessee shall remove all personal property and all of its fixtures, signs and equipment, except for any built-in fixtures and equipment which Sublessor designates in writing as items to remain at the Premises. Sublessee will be responsible for any damage to the Premises caused by such removal.

2.4. At the expiration of the Sublease, or earlier termination for any reason, Sublessee shall immediately surrender possession of the Premises to Sublessor. Should Sublessee fail to do so, it consents to pay any and all damages which Sublessor may suffer, including attorneys' fees, costs and expenses incurred by Sublessor to obtain possession of the Premises. Sublessee expressly waives any notice to vacate at the expiration of the Sublease. Should Sublessor allow or permit Sublessee to remain in the Premises after the expiration or termination of this Sublease, this shall not be construed as an extension of this Sublease, and such holding over shall be deemed to have created a month-to-month tenancy, subject to all the terms and conditions of this Sublease, except that Sublessee shall pay rent to Sublessor at a rate equal to three hundred percent (300%) of the highest total monthly rental (Minimum Monthly Rent, Percentage Rent and Additional Rent), paid during the five (5) year period immediately preceding the expiration of the Sublease, or three hundred percent (300%) of the amount Sublessor is obligated to pay Master Lessor during such hold over, whichever is greater.

3. MINIMUM MONTHLY RENT.

3.1. Effective on the Commencement Date, Sublessee shall pay to Sublessor, in advance, without prior notice or demand or offset, as a minimal rental for the Premises, the sum of _____ Dollars (\$_____) per month, which sum shall be paid in advance by cash or check, to be received by Sublessor on or before the tenth day of each month during the term of this Sublease. ("**Minimum Monthly Rent**"). The Minimum Monthly Rent shall be adjusted as follows:

<u>Date</u>	<u>Minimum Monthly Rent</u>
_____, 20__ to _____, 20__	\$ _____
_____, 20__ to _____, 20__	\$ _____
_____, 20__ to _____, 20__	\$ _____
_____, 20__ to _____, 20__	\$ _____

If Sublessee elects to exercise the renewal option period(s), the Minimum Monthly Rent will be as follows:

<u>Date</u>	<u>Minimum Monthly Rent</u>
_____, 2____ to _____, 2____	\$ _____
_____, 2____ to _____, 2____	\$ _____
_____, 2____ to _____, 2____	\$ _____
_____, 2____ to _____, 2____	\$ _____

3.2. If Sublessee fails to deliver any payment of Minimum Monthly Rent to Sublessor within five (5) days after the date such payment is due, Sublessee shall pay Sublessor interest from the date such sum is due until such sum is actually paid at the lesser of the rate of fifteen percent (15%) per year or the maximum interest rate allowed by law.

3.3. For each month of the term of this Sublease, Sublessee is required to make all payments of Minimum Monthly Rent, Percentage Rent, Additional Rent and other payments due hereunder by cash or check, to be received by the Sublessor on or before the tenth day of each month during the term of this Sublease. If the Commencement Date is a date other than the first day of the month and/or if the Termination Date is a date other than the last day of the month, then any amounts due hereunder shall be prorated accordingly.

4. PERCENTAGE RENT.

4.1. In addition to the Minimum Monthly Rent, Sublessee shall, throughout the term of this Sublease and any extension thereof, pay to Sublessor Percentage Rent ("Percentage Rent") on a monthly basis in an amount by which _____ percent (____%) of the gross sales, as the term "Gross Sales" is defined in the Master Lease, from all business conducted on the Premises by or under Sublessee exceeds the aggregate amount of Minimum Monthly Rent paid by Sublessee during such period. [Adjust percentage rent language, as appropriate.] Should the Master Lease fail to define Gross Sales, then the term "Gross Sales" as used in this Sublease shall mean the total revenues derived by Sublessee in and from all business conducted in or from the Premises, from all sales of food, beverages, goods, wares, merchandise and all services, rights, and anything else of value, made in, upon, or from the Premises by Sublessee, whether for cash, check, credit or otherwise, without reserve or deduction for inability or failure to collect the same, including, without limitation, all revenues derived from delivery, curbside pickup orders, catering, and special event sales, such sales and services where the orders therefor originate at and are accepted by Sublessee into the Premises but delivery or performance thereof is made from or at any other place, or other similar orders are received or billed at or from the Premises, and any sums or receipts derived from the sale of meals to employees of the Premises. We reserve the right to modify our policies and practices regarding revenue recognition, revenue reporting, and the inclusion or exclusion of certain revenue from "Gross Sales" as circumstances, business practices, and technology change.

4.2. For each month of the term of this Sublease, Sublessee is required to send to Sublessor a Monthly Gross Sales Statement in the form specified by Sublessor.

Sublessee shall accompany each such Monthly Gross Sales Statement with a payment to Sublessor of the Percentage Rent due for said month, if any. Within twenty (20) days after the end of each Lease Year, as defined in the Master Lease, or if a different annual reporting period is specified in the Master Lease, within twenty (20) days after the end of such specified annual reporting period, Sublessee shall furnish to Sublessor a statement certified to be correct by Sublessee showing total annual gross sales, as "Gross Sales", as defined in the Master Lease, for the preceding Lease Year (or other annual reporting period specified in the Master Lease). If the aggregate amount of Percentage Rent installments paid by Sublessee to Sublessor for the preceding Lease Year (or other annual reporting period specified in the Master Lease) is less than the total amount of Percentage Rent due pursuant to Section 4.a., Sublessee shall pay to Sublessor the difference with the delivery of such annual statement. If the aggregate amount of Percentage Rent installments results in a credit due Sublessee on account of the aggregate amount of Percentage Rent installments paid for the previous Lease Year (or other annual reporting period specified in the Master Lease), then Sublessor shall credit Sublessee for said amount, such credit to be applied to the next Percentage Rent due hereunder and continuing until the entire amount of such credit has been applied.

4.3. If Sublessee fails to deliver any payment of Percentage Rent to Sublessor within five (5) days after the date such payment is due, Sublessee shall pay Sublessor interest from the date such sum is due until such sum is actually paid, at the lesser rate of fifteen percent (15%) per year, or the maximum interest rate allowed by law.

4.4. Sublessee shall deliver to Sublessor, simultaneously with Sublessee's delivery to any taxing agency, duplicate copies of all returns, work sheets, forms and documents ("Sales Tax Information") submitted to any such taxing agency for the purpose of reporting Sublessee sales tax obligation. Sublessee hereby grants to Sublessor permission to provide Master Lessor with copies of all, or any part, of said sales tax information.

4.5. Sublessor and Master Lessor shall have the same right of inspection of Sublessee's records of gross sales as Master Lessor has of Sublessor's records pursuant to the Master Lease, including the same determination as to which party is to pay for the cost of such inspection.

5. TAXES.

5.1. Sublessee shall pay as Additional Rent, as set forth below, all the real property taxes and all the general and special assessments levied against the Premises which Sublessor is required to pay pursuant to the terms of the Master Lease.

5.2. If, at any time, during the term or any option period of the Sublease, under the laws of the state in which the Premises are located, or of any political subdivision thereof in which the Premises are situated, a tax or excise on rents or other such tax, however described, is levied or assessed against Sublessor (at law or under the Master Lease) on account of the Minimum Monthly Rent or the Percentage Rent, or any other

rentals or amounts accruing under this Sublease, as a substitution in whole or in part for real property taxes on the Premises, or any part thereof, or in addition thereto, such tax or excise or rents on rent shall, to the extent of the amount thereof which is assessed or imposed upon Sublessor and which was so assessed or imposed as a direct result of rentals accruing under this Sublease, be deemed to be a real property tax or assessment levied or assessed against the Premises for the purposes of this Section.

5.3. Sublessee shall pay as additional monthly rent, an amount estimated by Sublessor to be the monthly sum accruing for real property taxes payable by Sublessee hereunder. Sublessor may adjust said monthly estimated sum from time to time to an amount which, in Sublessor's sole reasonable judgment, will be sufficient to cover Sublessee's tax obligation for the prospective tax year. Within thirty (30) days following the end of Sublessor's fiscal year, or, at Sublessor's option, prior to the final date during each tax year on which taxes can be paid without penalties or interest, Sublessor shall furnish Sublessee with a statement covering the preceding year, setting forth the total real property tax assessments payable by Sublessor for such year and the payments made therefore by Sublessee for the corresponding period. If the sums payable by Sublessor for real property taxes exceed the payments made therefore by Sublessee, Sublessee shall pay Sublessor the amount of such deficiency within five (5) days after delivery of such statement pursuant to Article 21. If said payments by Sublessee exceed the sums payable by Sublessor for real property taxes, Sublessee shall be entitled to a credit in the amount of such overpayment to be applied to payments next thereafter to become due Sublessor for real property taxes as set forth in this Section.

5.4. If Sublessee fails to deliver any payment of taxes to Sublessor within five (5) days after such payment is due, such sums will be deemed to be Additional Rent, immediately due and payable, for which Sublessor can pursue any and all of its legal remedies. Sublessee shall pay Sublessor interest from the due date until such sum is paid at the lesser rate of fifteen percent (15%) per year or the maximum interest rate allowed by law.

6. INSURANCE; INDEMNITY.

6.1. Beginning on the Commencement Date and continuing thereafter for the full term, and any extensions thereof, Sublessee shall maintain in full force and effect, at Sublessee's sole cost and expense, the various insurance coverage's required to be carried by Sublessee as franchisee under any Franchise Agreement with the Sublessor for the Premises that shall provide the same protection, and be in the same amounts as that required under Section 9.0 of any such Franchise Agreement; provided, however, that if the amount or types of insurance coverage's required pursuant to the terms of the Master Lease are greater, Sublessee shall obtain insurance in such greater amounts or types.

6.2. Sublessee shall also maintain in full force and effect, throughout the entire Sublease term and any extension thereof, fire and extended coverage insurance on all the furniture, fixtures, equipment, wares and other personal property located in or upon

the Premises. Said coverage shall be in an amount equivalent to the full replacement cost thereof but not less than the amount Sublessor, in its reasonable determination, deems necessary to protect its interest.

6.3. All insurance required to be carried by Sublessee hereunder shall be issued by responsible insurance companies, qualified to do business in the state in which the Premises are located, holding a "General Policy Holder's Rating" of A-12 or better, as set forth in the most current issue of Best's Key Rating Insurance Guide or issued by insurance companies deemed adequate by Sublessor in its reasonable discretion. All insurance coverage provided for hereunder shall be in amounts at least equal to those Sublessor deems adequate, in Sublessor's reasonable discretion and such amounts shall be subject to periodic increases based upon inflation, increased liability awards, recommendation of Sublessor's professional insurance advisers, and other relevant factors. The liability insurance obtained by Sublessee shall (i) be primary and non-contributing, and (ii) contain cross-liability endorsements. The amount and coverage of such insurance shall not limit Sublessee's liability or relieve Sublessee of any other obligation under this Sublease. Sublessor may also elect to obtain comprehensive public liability insurance in an amount and with coverage determined by Sublessor insuring Sublessor against liability arising out of ownership, operation, use or occupancy of the Premises. The policy obtained by Sublessor shall not be contributory and shall not provide primary insurance. Sublessee shall be liable for the payment of any deductible amount under Sublessee's insurance policies maintained pursuant to this Section. Sublessee shall not do or permit anything to be done which invalidates any such insurance policies. In the event that insurance, in the form or amounts described in this Section, ceases to be available at any time during the term hereof, Sublessor may require substitute coverage in available forms as Sublessor, in its reasonable determination, deems necessary to protect its interests.

6.4. Sublessee shall deliver to Sublessor a duplicate original of each policy provided for in this Section. Each such policy shall provide that the same shall not be canceled without at least thirty (30) days prior written notice to Sublessor and Master Lessor, and shall name Sublessor or Sublessor's designee, and Master Lessor, as additional insured thereunder. Each such policy shall also contain Lender's Loss Payable Endorsements (Forms 438BFU and 346BFU or equivalents) in favor of Sublessor or Sublessor's designee. In the event Sublessee fails or refuses to provide Sublessor with adequate proof that Sublessee has procured and is maintaining in full force insurance as required under this Sublease, Sublessor may, but shall not be required to, obtain such coverage for Sublessee, in which event Sublessee agrees to pay the required premiums or to reimburse Sublessor therefore. The amount of such premiums shall be set forth in a written invoice delivered to Sublessee. Sublessee shall reimburse Sublessor for the invoice amount within five (5) days after giving notice pursuant to Article 21. Interest on any such sums shall accrue from the date paid by Sublessor until paid by Sublessee at the lesser rate of fifteen percent (15%) per year, or the maximum rate allowable by law.

6.5. Sublessee, as a material part of the consideration to be rendered to Sublessor, hereby waives all claims against Sublessor, except for claims based on

Sublessor's intentional conduct, for damages to goods, wares and merchandise in, upon or about the Premises from any cause arising at any time, and Sublessee will hold Sublessor harmless from any loss, expense (including, without limitation, attorneys' fees and costs), damage or injury to any person, or to the goods, wares and merchandise of any person arising from the use of the Premises by or under Sublessee, or from the failure of Sublessee to maintain the Premises in the manner herein required. Sublessee shall give prompt notice to the appropriate insurer and to Sublessor in case of fire or significant damage in or upon the Premises. Additionally, Sublessee shall promptly provide Sublessor with copies of all filed claims and correspondence with any and all insurers regarding losses to the Premises of any nature whatsoever.

6.6. Sublessee shall indemnify, defend, protect and hold Sublessor and Master Lessor harmless from and against any and all liability, judgments, costs, damages, claims, demands and expenses, including, without limitation, attorneys' fees and costs, arising out of Sublessee's use of the Premises and/or Sublessee's breach or default under this Sublease or under the Master Lease.

7. COMMON AREA CHARGES.

7.1. In the event that the Master Lease requires that the payment of certain common area charges and assessments, including, without limitation, real estate taxes and assessments, insurance premiums or maintenance and repair costs for the common areas or Merchants' Association fees or any other charges or fees, any such payments as may be required by the terms of the Master Lease to be paid to the Master Lessor shall be paid to the Sublessor by Sublessee at the time and in the manner provided for in the Master Lease as additional rental hereunder.

8. SUBROGATION.

8.1. Sublessor and Sublessee hereby mutually waive their respective rights of recovery against each other from any loss insured by fire, extended coverage and other insurance policies existing for the benefit of the respective parties. Each party shall obtain any special endorsements, if required by their insurer, to evidence compliance with this waiver.

9. UTILITIES.

9.1. Sublessee is required to open and maintain utility accounts in its name for, and to pay, prior to delinquency, all charges for water, gas, heat, lights, power, trash, telephone service and all other services supplied to the Premises during the term of this Sublease.

10. ALTERATIONS, ADDITIONS AND USE.

10.1. The Premises shall be used solely for the operation of an El Pollo Loco® restaurant. Any improvements to the Premises shall be at the sole expense of Sublessee. Sublessee shall not make (i) any alterations or additions costing in the aggregate more

than twenty thousand dollars (\$20,000.00) within any consecutive twelve (12) month period, (ii) any structural alterations, roof penetrations or exterior alterations of any kind, or (iii) any alteration which requires Master Lessor's consent pursuant to the Master Lease, without first obtaining the written consent of Sublessor, as provided below, subject to any additional requirements for approval under the Master Lease. Sublessee shall give Sublessor at least thirty (30) days' notice of any alterations or additions so that Sublessor shall have the opportunity to post a notice of non- responsibility, as may be provided for by local law.

a. In the event Sublessee desires to make any modifications or improvements to the Premises or desires to undertake any act for which permits, approvals, or the equivalent thereof, are required by a governmental agency ("**Permits**"), Sublessee shall first obtain, at Sublessee's sole cost and expense, the necessary Permits from the appropriate governmental agency for any such modification, improvement, or undertaking, whether or not Sublessor's written approval must be obtained, and Sublessee shall deliver a copy of all Permits and plans to Sublessor.

b. Sublessee shall be solely responsible for obtaining all such Permits and shall be solely responsible and liable for Sublessee's failure to comply with any rules, laws, ordinances or other legal requirements pertaining to work performed at the Premises. Sublessee shall also be solely responsible for obtaining any construction plans, drawings and other documentation necessary to perform such alterations or additions. Sublessee expressly agrees that neither Sublessor nor Master Lessor shall bear any responsibility or liability resulting from Sublessee's failure to comply with any legal requirements applicable to its construction, and Sublessee shall deliver a copy of all Permits and plans to Sublessor.

c. Sublessor shall not grant its written approval of such alteration or addition until Sublessee provides documentation to Sublessor sufficient to establish, to the reasonable satisfaction of Sublessor and to Master Lessor, if required under the Master Lease, that Sublessee has the financial resources to complete such modification, improvement or undertaking.

d. Sublessor's review and approval of any materials provided by Sublessee pursuant to this Article does not constitute an admission that the proposed work complies with law or accepted standards in the trade.

10.2. Sublessee shall promptly pay, when due, all claims for work and materials furnished in connection with any remodeling or repair of the Premises or any personal property situated thereon or therein, and Sublessee shall not permit any liens or encumbrances, including liens for utilities, to attach to the Premises; and further, Sublessee hereby agrees to indemnify Master Lessor and Sublessor against loss therefrom. Sublessor may require Sublessee to provide Sublessor, at Sublessee's sole cost and expense, a lien and completion bond in an amount equal to any and all estimated costs to insure Sublessor against any liability for mechanic's and materialmen's liens and to ensure completion of the work or evidence that Sublessee has obtained bids from

licensed contractors and has deposited in banking institutions a sum equal to any and all estimated costs (including architect's and consultant's fees) of any repairs, improvements, additions or alterations to or upon the Premises. If Sublessee fails to keep all or any part of the Premises free from liens, then, in addition to any other rights and remedies available to Sublessor, Sublessor may take any action necessary to discharge such liens, including, but not limited to, payment to the claimant on whose behalf the lien was filed without investigation of the merits of claim. Sublessee shall indemnify Sublessor for, and hold Sublessor harmless from and against, all liabilities so incurred by Sublessor, without regard to any defense or offset that Sublessee may have had against the claimant. Any such sums so advanced shall be deemed Additional Rent and shall be immediately due and payable upon demand. Interest on any such sums shall accrue from date paid by Sublessor until paid by Sublessee at the lesser rate of fifteen percent (15%) per year or the maximum rate allowable by law.

10.3. Before commencement of any repair, remodeling, reconstruction, alteration or addition to the Premises, Sublessee or Sublessee's general contractor shall procure, maintain in force, and provide satisfactory evidence to Sublessor of, workers' compensation insurance and builder's risk insurance covering improvements in place and all material, labor and equipment at the Premises furnished under contract to Sublessee. Such insurance shall remain in force through completion of such activity.

10.4. Sublessee's alterations or additions shall be performed in a good and workmanlike manner and shall be expediently completed in compliance with all laws, ordinances, orders, rules, regulations and requirements applicable thereto.

10.5. Upon completion of any such alterations, Sublessee shall provide Sublessor, at no cost or expense to Sublessor, with "as built" plans, copies of all construction contracts and proof of payment for all labor and materials, along with lien releases from all contractors and material suppliers.

10.6. The Premises shall not be maintained as, nor shall they be allowed to become, a public or private nuisance.

11. AS-IS CONDITION; MAINTENANCE AND REPAIR; HAZARDOUS SUBSTANCES.

11.1. Sublessee acknowledges that it has inspected the Premises and all physical, financial, governmental and contractual matters relating to the Premises and the operation of Sublessee's business at the Premises and Sublessee accepts the Premises in its "AS IS" condition at the commencement hereof without any representations or warranties of Sublessor.

11.2. Sublessee shall, at Sublessee's own expense, perform the maintenance obligations and make any and all repairs or replacements: (i) which Sublessor reasonably believes are required to be made by Sublessor as Lessee under the Master Lease; (ii) which are required by any law now or hereafter affecting the Premises; or (iii) which are

required pursuant to the terms of any Franchise Agreement with the Sublessor for the Premises. If Sublessee fails to maintain and repair the Premises, Sublessor may, on twenty-four (24) hours prior notice, enter the Premises and perform such repair and maintenance on behalf of Sublessee. However, in case of an emergency, Sublessor shall have immediate rights to enter the Premises and to perform such repair. In either case, Sublessee shall reimburse Sublessor for all costs so incurred immediately upon demand. It is the intention of Sublessor and Sublessee, that at all times during the Sublease term and any extensions thereof, Sublessee shall maintain the Premises in an attractive, first-class and fully operative condition. Sublessor shall have no responsibility hereunder to repair, maintain or replace any portion of the Premises at any time. Sublessee waives the benefit of any present or future laws which might give Sublessee the right to repair the Premises at Sublessor's expense or to terminate the Sublease due to the condition of the Premises. Sublessee shall not commit any waste.

11.3. Sublessee shall comply with all applicable laws, rules, regulations, ordinances and covenants relating to industrial hygiene and the use, generation, storage, maintenance, transportation and removal of any hazardous substance or hazardous material, including, without limitation, any hazardous material or hazardous substances (as these terms are defined in any applicable federal, state or local statute, code, regulation, ordinance or other law), and any product, substance, chemical, material or waste whose presence, nature, quantity and/or intensity of existence, use, generation, storage, maintenance, transportation or removal may potentially be injurious to public health, safety or welfare, the environment, or the Premises, or which is regulated or monitored by any governmental authority, or which is the basis for potential liability (collectively, "Hazardous Materials"). Other than incidental uses in connection with Sublessee's permitted use of the Premises, Sublessee shall not use, generate, store or maintain any Hazardous Materials at the Premises.

11.4. Upon termination of this Sublease, Sublessee shall cause any and all Hazardous Materials stored on or about the Premises and any contamination caused by Sublessee to be completely removed prior to Sublessee's vacating the Premises at Sublessee's expense and in compliance with all applicable laws. Sublessee shall be liable for any and all costs and expenses incurred by Sublessor on Sublessee's behalf should Sublessee fail to fulfill its obligations described in this paragraph. Sublessee shall indemnify, defend and hold Sublessor, its agents, employees, lenders and the Master Lessor harmless from and against any and all loss of rents and/or damages, liabilities, judgments, claims, expenses, penalties, and attorneys' and consultants' fees arising out of or involving any Hazardous Materials brought onto the Premises by or for Sublessee, or any third party (provided, however, that Sublessee shall have no liability under this Sublease with respect to underground migration of any Hazardous Materials under the Premises from areas outside the Premises). Sublessee's obligations shall include, but not be limited to, the effects of any contamination or injury to person, property or the environment created or suffered by Sublessee, and the cost of investigation, removal, remediation, restoration and/or abatement, and shall survive the expiration or termination of this Sublease. No termination, cancellation or release agreement entered into by Sublessor and Sublessee shall release Sublessee from its obligations under this

Sublease with respect to Hazardous Materials, unless specifically so agreed by Sublessor in writing at the time of such agreement.

12. CONDEMNATION.

12.1. In the event title or possession to the whole or part of the Premises shall be taken by eminent domain, and the Master Lease shall terminate by reason thereof, this Sublease shall likewise terminate, and all payments required hereunder shall be prorated to the date of such termination. In the event that the Master Lease is not terminated, then this Sublease shall continue and the Minimum Monthly Rent shall be reduced in the same amount as the Minimum Monthly Rent under the Master Lease. Any award to the Sublessee shall belong to and be paid to Sublessor, including any amount attributable to any leasehold interest, except that Sublessee shall receive from the award a sum, if any, allocated for damage, destruction or taking of Sublessee's furniture, trade fixtures or equipment; provided, however, that Sublessee is not in default hereunder. Sublessee may also pursue and retain any award from the condemning authority, payable solely and specifically to Sublessee for the loss of Sublessee's business.

13. ASSIGNMENT AND SUBLEASE.

13.1. Sublessee shall not assign, sell, convey, encumber, pledge, mortgage, or otherwise transfer the Premises or Sublessee's leasehold interest under this Sublease or sub-sublease, license or permit the use of all or any portion of the Premises by anyone other than Sublessee (collectively, a "Transfer") without the prior written consent of Sublessor, and any such Transfer, if applicable, shall be done only in connection with an assignment or transfer by Sublessee of Sublessee's rights under a Franchise Agreement with the Sublessor for the Premises. Any Transfer shall be subject to all the terms of the Master Lease and of this Sublease and Sublessee shall, in addition to the requirements of this Sublease, comply with all the terms and financial obligations of the Master Lease with respect to a Transfer. The consent by Sublessor to one Transfer shall not be deemed to be consent to any subsequent Transfer.

13.2. Notwithstanding the granting of Sublessor's consent, no Transfer of this Sublease or the Premises shall release or alter Sublessee's primary liability to pay rent and perform all of the other obligations hereunder, and provided, further, that no such Transfer shall reduce any obligations of Sublessee hereunder, which shall continue in full force and effect as the obligations of a principal and not of a guarantor or surety, to the same extent as though no Transfer had been made. The acceptance of rent by Sublessor from any person other than Sublessee shall not be a waiver by Sublessor of any provision hereof. If any assignee, sub-sublessee or transferee of Sublessee defaults in the performance of any of the terms hereof, Sublessor may proceed directly against Sublessee without proceeding against or exhausting its remedies against the assignee, sub-sublessee, transferee or successor.

13.3. In the event Sublessee becomes bankrupt or insolvent or makes an assignment for the benefit of creditors, or in the event of an assignment by operation of law, this Sublease may be terminated at the option of Sublessor.

13.4. In the event Sublessor is requested to review any documentation pertaining to a proposed Transfer by the Sublessee, Sublessee agrees to pay Sublessor \$1,000.00 per request to cover Sublessor's administrative expenses. Such payments are due in advance upon Sublessee's request for approval of Transfer.

13.5. If Sublessee desires to Transfer, Sublessee shall notify Sublessor in writing. This notice shall be accompanied by (i) a statement setting forth the name and business of the proposed assignee, subtenant or transferee; (ii) a copy of the proposed assignment or sublease and any collateral agreements setting forth all the terms and financial details of the Transfer; (iii) financial statements certified by an independent certified public accountant; (iv) a certification executed by the proposed assignee, sub-sublessee or transferee that it has been represented by counsel who has advised the proposed assignee, sub-sublessee or transferee of the legal effect of the proposed transaction; (v) evidence satisfactory to Sublessor that the proposed assignee, sub-sublessee or transferee has the present and prospective ability to fully perform the terms and conditions of the Sublease, if applicable; and (vi) any other information concerning the proposed Transfer which Sublessor may reasonably request. Sublessee shall pay to Sublessor fifty percent (50%) of any amount by which the rent paid or to be paid to Sublessee as a result of any transfer, assignment or sublease exceeds the rent then payable by Sublessee under this Sublease.

13.6. If Sublessee is a corporation or limited liability company, a dissolution of the corporation or limited liability company, or a transfer of or change in, by one or more transactions, a controlling interest of the voting stock or membership interest of Sublessee, shall be deemed to be Transfer of this Sublease subject to the provisions of this Section. If Sublessee is a partnership, a dissolution of the partnership, or any cumulative transfer of more than twenty percent (20%) of the partnership interests, including, without limitation, the admission of new partners or the withdrawal of existing partners, or the admission of new general partners or the withdrawal of existing general partners to a limited partnership, shall be deemed an assignment of this Sublessee, subject to the provisions of this Section, regardless of whether the transfer is made by one or more transactions, or whether one or more persons hold the controlling interest prior to or after the transfer.

14. SUBLEASE SUBJECT TO MASTER LEASE COVENANTS.

14.1. In addition to the terms, conditions and provisions of this Sublease, Sublessee understands and agrees that this Sublease is subject and subordinate to each and all of the terms, conditions and provisions of the Master Lease and of the rights of Master Lessor thereunder. Except as expressly provided in this Sublease, Sublessee assumes and hereby agrees to perform all obligations of Sublessor under the Master Lease and the provisions of the Master Lease shall be supplemental to and in addition to

the terms hereof. In the event of any inconsistency between the terms of the Sublease and the Master Lease, the Sublease shall govern, except where the requirements or obligations imposed on Sublessor (as lessee) under the Master Lease are greater than the obligations of Sublessee contained herein, in which case the specific terms, as applicable, of the Master Lease shall prevail. This Sublease shall automatically terminate upon the termination or surrender of the Master Lease for any reason or upon Sublessee's vacation of the Premises.

15. SECURITY DEPOSIT.

15.1. Sublessee shall pay to Sublessor, simultaneously with the execution hereof, a sum equal to the minimum monthly rental as provided under Article 3.a. as a security deposit. Should default occur in the payment of any rent or other amount payable under the Sublease when due or should any of the terms, conditions or provisions of this Sublease be breached or should the Premises be vacated or abandoned, Sublessor, may, in addition to its rights and remedies set forth in this Sublease or at law, apply this security deposit, or any part thereof, to damages incurred by Sublessor as a result of any default by Sublessee. If any portion of the security deposit is used or applied, Sublessee shall, within five (5) days after written demand therefore, deposit cash with Sublessor in an amount sufficient to restore the security deposit to twice the previous amount. Sublessee's failure to do so shall be a material default under this Sublease. Sublessor shall not be required to keep the security deposit separate from its general funds, and no trust relationship is created with respect to the security deposit. Sublessee shall not be entitled to receive interest on the security deposit. If there is no current outstanding breach or default, the security deposit shall be returned to Sublessee or to Sublessee's assignee or designee within thirty (30) days after the end of the Sublease term, or any extension thereof.

15.2. In the event Sublessee subsequently sub-subleases, assigns, or relinquishes control of the Premises to a party not a signatory hereto, or to an entity in which Sublessee has, or maintains, less than a seventy-five percent (75%) interest, Sublessor reserves the right to require an additional security deposit in an amount not to exceed twice the original security deposit, effective upon the date of such transfer.

15.3. During the full effective term hereof, as additional security for Sublessee's performance of the terms and provisions of this Sublease, Sublessee hereby grants to Sublessor as security interest in and to the furniture, fixtures, equipment, signs and wares, now owned or hereafter acquired, located in or upon the Premises. Such security interest shall be junior and subordinate only to the interests of the Master Lessor. The grant of such security interest shall be evidenced by a security agreement ("Security Agreement") executed by Sublessee in a form acceptable to Sublessor. From time to time during the full effective term hereof, Sublessee shall execute and deliver to Sublessor such documents as Sublessor requires to provide notice of the Security Agreement, including, but not limited to, UCC Financing Statements.

16. SUBLESSOR'S RIGHTS UPON DEFAULT.

16.1. In the event Sublessee: (i) defaults in the payment of any rent or other amounts payable hereunder by Sublessee when due by failure to pay such amounts within five (5) days after delivery of notice pursuant to Article 21 that such amounts are overdue; (ii) violates any of the other terms, conditions or provisions of this Sublease; (iii) vacates or abandons the Premises for more than five (5) consecutive days; or (iv) defaults under the terms of a Franchise Agreement with the Sublessor for the Premises or any other agreement between Sublessor, its subsidiaries, parent company or affiliates, and Sublessee, including, without limitation, any purchase agreement, promissory note or security agreement which has been executed by Sublessee in favor of Sublessor; then Sublessor may, at its option, at any time after the expiration of five (5) days following the delivery of notice to Sublessee and Sublessee's failure to cure such default within such cure period: (1) re-enter and take possession of the Premises; (2) remove Sublessee's property therefrom; (3) re-let the Premises or any part thereof on such terms, conditions and rentals as Sublessor may deem proper; (4) keep the Sublease in effect and continue to collect all rent and other sums due hereunder as the same becomes due; and/or (5) at Sublessor's option, either terminate or cancel this Sublease or apply the proceeds that may be obtained from said re-letting, after deduction of costs and expenses, to the rent due under this Sublease and hold Sublessee liable for the balance of any rent due hereunder. "**Affiliate**" is defined as any person or legal entity that directly or indirectly controls, is controlled by, or is under common control with the specified person or legal entity. The rights of Sublessor are in addition to any rights Sublessor may have under the Master Lease, Franchise Agreement, any purchase agreement or promissory note, or under applicable State law. This Section is intended to be cumulative with respect to Sublessor's rights and shall in no way limit Sublessor's remedies at law or in equity.

16.2. In addition to all rights and remedies in Section 16.1 above, upon termination of this Sublease, Sublessor may recover from Sublessee: (i) the worth at the time of award of the unpaid rent which has been earned at the time of termination; (ii) the worth at the time of award of the amount by which the unpaid rent which would have been earned after termination until the time of award exceeds the amount of such rental loss that Sublessee proves could have been reasonably avoided; (iii) the worth at the time of award of the amount by which the unpaid rent for the balance of the term after the time of award exceeds the amount of such rental loss for said period that Sublessee proves could have been reasonably avoided; and (iv) any other amount necessary to compensate Sublessor for all the detriment proximately caused by Sublessee's failure to perform its obligations under this Sublease or which in the ordinary course of things would be likely to result therefrom.

16.3. The worth at the time of award of the amounts referred to in subsections (i) and (ii) of Section 16.2 is computed by allowing interest at the legal rate. The worth at the time of award of the amount referred to in subsection (iii) of Section 16.2 is computed

by discounting such amount at the discount rate of the Federal Reserve Bank of San Francisco at the time of the award plus one percent (1%).

16.4. Upon termination or expiration of this Sublease, Sublessor can advise all suppliers of El Pollo Loco's proprietary food items and other supplies bearing any other proprietary marks or service marks or specific to the El Pollo Loco® design scheme, to cease delivering the items and products to Sublessee.

17. SUBLESSOR'S RIGHT TO ENTER.

17.1. Sublessor and its authorized representatives shall have the right to enter the Premises at all reasonable times to determine whether the Premises are in good condition and whether Sublessee is complying with its obligations under this Sublease.

17.2. Sublessor shall have the right to immediately enter and safeguard the Premises in the event of abandonment by Sublessee. No entry or taking of possession of the Premises by Sublessor shall be construed as an election to terminate this Sublease unless written notice of such intention is given to Sublessee.

18. LEGAL EXPENSES.

18.1. In the event either party brings an action against the other by reason of the alleged breach of any term, covenant or condition of this Sublease, the prevailing party shall be entitled to recover from the other party all legal expenses, including reasonable attorneys' fees, in an amount to be fixed by the court rendering such judgment. The foregoing provision notwithstanding, in the event Sublessee shall be in default under this Sublease and shall cure such default after notice by Sublessor pursuant to this Sublease, then all reasonable attorneys' fees incurred by Sublessor as a result of such default shall be paid by Sublessee. Such attorneys' fees shall be added to the subsequent month's Minimum Monthly Rent as Additional Rent. Sublessee shall reimburse Sublessor, upon demand, for any costs or expenses incurred by Sublessor in connection with any breach by or default of Sublessee under this Sublease, whether or not suit is commenced or judgment entered. Such costs shall include legal fees and costs incurred for the negotiation of a settlement, enforcement of rights or otherwise. Sublessee shall also indemnify Sublessor for, and hold Sublessor harmless from and against, all liabilities incurred by Sublessor if Sublessor becomes or is made a party to any proceeding claim or action instituted: (i) by Sublessee; (ii) by any third party against Sublessee; (iii) by or against any person holding any interest under Sublessee or using the Premises by license of or agreement with Sublessee; (iv) for foreclosure of any lien for labor or material furnished to or for Sublessee or such other person; or (v) otherwise arising out of or resulting from any act or omission of Sublessee or such other person.

19. LATE CHARGE.

19.1. Sublessee's failure to promptly pay rent or any other amount due hereunder may cause Sublessor to incur unanticipated costs. The exact amount of such costs is

impractical or extremely difficult to ascertain. Such costs may include, but are not limited to, processing and accounting charges and late charges which may be imposed on Sublessor. Sublessee agrees to pay to Sublessor, in addition to interest as provided for herein, as Additional Rent, a separate late charge in the amount of the greater of (i) five percent (5%) of the delinquent amount or (ii) one hundred fifty dollars (\$150.00) for each time Sublessee fails to pay to Sublessor any amounts due hereunder within five (5) days after the date such amount is due. Any such late charge shall then immediately be due and payable to Sublessor. The parties agree that such late charge represents a fair and reasonable estimate of the costs Sublessor will incur by reason of such late payment. Acceptance of the late charges by Sublessor shall not constitute a waiver. However, interest shall not be payable on late charges.

20. WAIVER.

20.1. The waiver by either party hereto of any breach, term, covenant, or condition of this Sublease to be performed by the other shall not be deemed to be a waiver of any subsequent breach, term, covenant or condition hereto. No statement on a payment check from Sublessee or in a letter accompanying a payment check shall be binding on Sublessor.

21. ESTOPPEL CERTIFICATE.

21.1. Sublessee shall, at any time and from time to time, within five (5) calendar days following written notice by Sublessor, execute, acknowledge and deliver to Sublessor, without charge, a written statement certifying that this Sublease is unmodified and in full force and effect, or, if there have been modifications, that the Sublease is in full force and effect as modified and stating the modifications, the dates to which the rent and any other payments made pursuant to the terms of this Sublease have been paid in advance, if any, and stating whether or not the Sublessor is currently in default, or if conditions exist which would mature, by the mere passage of time, into an incident of default, in the performance of any term, covenant, condition or agreement contained in this Sublease, and, if so, identifying with specificity any and all such defaults. If Sublessee fails to execute and deliver an estoppel certificate as required hereunder, Sublessor's representations concerning the factual matters covered by such estoppel certificate, as described above, shall be conclusively presumed to be correct and binding on Sublessee.

22. NOTICES.

22.1. All notices, demands, and other communications to be given or delivered under or by reason of the provisions of this Agreement, shall be in writing and shall be deemed to have been given when (i) personally delivered; (ii) mailed by registered or certified mail, postage prepaid, return receipt requested; or (iii) served by reputable overnight delivery service. Notices served personally are effective immediately on delivery, and those served by mail shall be deemed given forty-eight (48) hours after deposit of such notice in a United States post office with postage prepaid and duly addressed to the party to whom such notice or communication is directed. Notices served

by overnight delivery shall be deemed to have been given the day after deposit of such notice with such service. Notices, demands, and communications to Sublessor and Sublessee shall, unless another address is specified in writing, be sent to the address below:

If to Sublessor:

EL POLLO LOCO, INC.

Attn: Legal Department re EPL # _____
575 Anton Blvd., Suite 1100
Costa Mesa, CA 92626
Phone (714) 599-5000
Fax (714) 599-5503

With a copy to:

Property Works,

P. O. Box 1067,
Decatur, Georgia 30031
Attn: EPL Manager
Phone (678) 795-3834

If to Sublessee:

Phone: _____
Fax: _____

Notwithstanding anything to the contrary contained herein, Sublessor may deliver bulletins by electronic means, such as by the internet (e-mail).

23. TIME OF THE ESSENCE.

23.1. Time is of the essence as to each and every provision of this Sublease.

24. INVALIDITY OF PROVISIONS.

24.1. If any term or provision of this Sublease shall, to any extent, be invalid or unenforceable, the remainder of this Sublease shall not be affected thereby.

25. FAILURE TO ACT.

25.1. In the event Sublessee fails to take any action required hereunder or to perform any of its obligations hereunder, Sublessor may do so, but at the sole cost and expense of Sublessee, and such cost shall be considered as Additional Rent hereunder. Interest on any such sums expended by Sublessor shall accrue from the date paid by Sublessor until paid by Sublessee at the lesser rate of fifteen percent (15%) per year or the maximum rate allowable by law.

26. PLANS AND DATA.

26.1. Any plans, data or other information concerning the Premises, furniture, fixtures, equipment or other property made available to Sublessee by Sublessor or Sublessor's representatives are provided to Sublessee with no representations or warranties whatsoever. Sublessor assumes no responsibility with respect thereto and Sublessee assumes all risks in connection with the use thereof.

27. HEADINGS AND TITLES.

27.1. The marginal headings or titles to the sections of this Sublease are not a part of this Sublease and shall have no effect upon the construction or interpretation of any part of this Sublease.

28. GOVERNING LAW AND JURISDICTION.

28.1. This Sublease shall be construed according to and governed by the laws of the state in which the Premises are located. The parties agree that any action brought by either party against the other in any court, whether federal or state, will be brought exclusively within the State of California, except that, Sublessor may, at Sublessor's discretion, seek injunctive and equitable relief in any court of competent jurisdiction in order to evict Sublessee or prevent waste or other actions by Sublessee that will irreparably harm Sublessor. Sublessee hereby irrevocably consents to the jurisdiction of such court and waives any objection Sublessee may have to either jurisdiction or venue of such court.

29. ADDITIONAL TERMS.

29.1. Notwithstanding anything to the contrary in this Sublease, if Sublessee, or any proposed transferee of Sublessee, claims that Sublessor has unreasonably withheld or delayed its consent under this Sublease, or otherwise has acted unreasonably hereunder, their sole remedies shall be declaratory judgment and an injunction for the relief sought without any monetary damages, and Sublessee waives all other remedies on its own behalf and, to the extent permitted under all laws, on behalf of Sublessee's proposed transferee.

29.2. No merger shall result from Sublessee's sublease of the Premises, Sublessee's surrender of this Sublease or any termination of this Sublease in any other manner. In any such event, Sublessor may terminate any or all sub-tenancies or succeed to the interest of Sublessee as sub-landlord thereunder.

29.3. All parties signing this Sublease as Sublessee shall be jointly and severally liable for all obligations of Sublessee.

29.4. Nothing contained in this Sublease shall be deemed or construed to create the relationship of principal and agent or of partnership or of joint venture or of any association between Sublessor or Sublessee, and neither the method of computation of rent, nor any other provisions contained in this Sublease, nor any acts of the parties

hereto shall be deemed to create any relationship between Sublessor and Sublessee, other than the relationship of Sublessor and Sublessee.

29.5. Sublessee waives any and all rights of redemption granted by or under any laws if Sublessee is evicted or dispossessed for any cause, or if Sublessor obtains possession of the Premises by reason of the violation of Sublessee of any of the terms, covenants or conditions of this Sublease, or otherwise.

29.6. In the event Sublessee, its parent, affiliate, or subsidiary, or any entity in which Sublessee or any officer, director, or shareholder thereof, or any combination of such persons has a controlling interest, or any entity controlled by a member of the immediate family of any officer, director or shareholder of Sublessee acquires the fee interest of the Premises prior to expiration of the then current term of the Sublease, then upon such acquisition, the Sublease shall terminate at the election of the Sublessor. Upon termination of the Sublease, the parties shall promptly, without cost or expense to Sublessor, (i) execute all necessary documents to record the Sublease termination; (ii) prorate all rent, taxes, insurance and all other charges payable under the Sublease, except that, in the event that rent under this Sublease is greater than rent under the Master Lease, Sublessor shall be entitled to receive the difference in the rental amounts computed through the end of the term of this Sublease; and (iii) enter into a general mutual release of any claims arising out of the Sublease.

29.7. If Sublessee is a corporation, Sublessor may require, as a condition to the effectiveness hereof, the written guarantee and assumption of Sublessee's obligations hereunder by the principal officers, directors, any or all shareholders or trustees, or some other natural persons associated with Sublessee in the form attached hereto as **Exhibit "A"**.

30. COUNTERPARTS.

30.1. This Sublease may be executed in one or more counterparts, each of which will constitute an original, but all of which together will constitute but a single document. It shall not be necessary for the parties to execute the same counterpart(s) of this Sublease for this Sublease to become effective. A signature on this Sublease transmitted via facsimile or electronic mail/PDF or equivalent, electronic signature (such as DocuSign, or equivalent) shall be considered an original for all purposes hereunder.

31. CONSENT OF MASTER LESSOR.

31.1. In the event the Master Lease requires that the Sublessor obtain the consent of Master Lessor to any subletting by Sublessor, then this Sublease shall not be effective unless Master Lessor gives its consent to this Sublease in writing in the form attached hereto as **Exhibit "B"**.

32. NO BROKERS.

32.1. Sublessor and Sublessee represent and warrant to each other that neither of them has had any dealings with any real estate broker, agent or finder in connection with this Sublease and each party agrees to indemnify, defend protect and hold the other harmless from and against any costs, liabilities, expenses (including, but not limited to attorneys' fees and costs), fees, penalties or losses relating to compensation, commissions or charges claimed by any broker, agent or finder claiming a commission or fee based on the acts of the indemnifying party.

33. SIGNATURES.

IN WITNESS WHEREOF, the parties hereto have executed this Sublease as of the dates set forth below.

SUBLESSOR:

El Pollo Loco, Inc., a Delaware
Corporation

SUBLESSEE:

_____, a

By: _____

Name: _____

Title: _____

Date: _____

By: _____

Name: _____

Title: _____

Date: _____

EXHIBIT A: PERSONAL GUARANTEE OF SUBLEASE

The undersigned hereby unconditionally, absolutely and irrevocably guarantees the full performance and payment by Sublessee (as defined below) of, and expressly agrees to adopt and be bound by, each and all of the terms, covenants and conditions of that certain Sublease dated _____, 20____ (the "**Sublease**") between **El Pollo Loco, Inc. ("Sublessor")** whose address is 575 Anton Blvd., Suite 1100, Costa Mesa, CA 92626 and _____ ("**Sublessee**") whose address is _____. The undersigned further agrees as follows:

1. This guarantee will continue unchanged by any bankruptcy, reorganization or insolvency of Sublessee or by any disaffirmance or abandonment by a trustee of Sublessee.
2. This covenant and Sublease on the part of the undersigned shall continue in favor of Sublessor notwithstanding any extension, modification or alteration of the Sublease entered into by and between the parties thereto, or their successors or assigns, and no extension, modification, alteration or assignment of the Sublease shall in any manner release or discharge the undersigned and the undersigned does hereby consent thereto.
3. The liability of the undersigned under this guarantee shall be primary and in any right of action which shall accrue to Sublessor under the Sublease, Sublessor may, at its option, proceed against the undersigned without having commenced any action or having obtained any judgment against Sublessee.
4. The undersigned shall pay Sublessor's reasonable attorneys' fees (internal and external) and all costs and other expenses (internal and external) incurred in any collection or attempted collection or in any negotiations relative to the obligations hereby guaranteed or enforcing this guarantee against the undersigned, individually and jointly from commencing and prosecuting the legal proceeding and until the proceeding has come to a complete end (including appeals and settlements).
5. The undersigned hereby waives notice of any demand by Sublessor as well as any notice of default in the payment of rent or any other amounts contained or reserved in the Sublease.
6. All sums due under this guarantee shall bear interest from the date due until the date paid at the maximum contract rate permitted by law. The obligations under this guarantee include, without limitation, payment when due of rent and other sums due under the Sublease and all damages to which Sublessor is or may be entitled whether under applicable law, indemnification payments and payment of any and all legal fees, courts costs and litigation expenses incurred by Sublessor in endeavoring to collect or enforce any of the foregoing against Sublessee, the undersigned, or in connection with any property securing any or all of the foregoing or this guarantee.

7. The undersigned agrees that one or more successive or concurrent actions may be brought on this guarantee, in the same action in which Sublessee may be sued or in separate actions, as often as deemed advisable by Sublessor. The obligations under this guarantee are joint and several, and independent of the obligations of Sublessee.

8. No election in one form of action or proceeding, or against any party, or on any obligation, shall constitute a waiver of Sublessor's right to proceed in any other form of action or proceeding or against any other party. The failure of Sublessor to enforce any of the provisions of this guarantee at any time or for a period of time shall not be construed to be a waiver of any such provision or the right thereafter to enforce the same. All remedies under this guarantee shall be cumulative and shall be in addition to all rights, powers and remedies given to Sublessor by law or under any other instrument or Sublease.

9. All rights, benefits and privileges under this guarantee shall inure to the benefit of and be enforceable by Sublessor and its successors and assigns and shall be binding upon the undersigned and his heirs, representatives, successors and assigns. Neither the death of the undersigned nor notice thereof to Sublessor shall terminate this guarantee as to his estate, and, notwithstanding the death of the undersigned or notice thereof to Sublessor, this guarantee shall continue in full force and effect. The provisions of this guarantee may not be waived or amended except in writing executed by the undersigned and a duly authorized representative of Sublessor.

10. The undersigned represents and warrants that (i) it is in the undersigned's direct interest to assist Sublessee in procuring the Sublease, because Sublessee has a direct or indirect corporate or business relationship with the undersigned, (ii) this guarantee has been duly and validly authorized executed and delivered and constitutes the binding obligation of the undersigned, enforceable in accordance with its terms, and (iii) the execution and delivery of this guarantee does not violate (with or without the giving of notice, the passage of time, or both) any order, judgment, decree, instrument or Sublease to which the undersigned is a party or by which it or its assets are affected or bound.

11. If any provision of this guarantee or the application thereof to any party or circumstance is held invalid, void, inoperative, or unenforceable, the remainder of this guarantee and the application of such provision to other parties or circumstances shall not be affected thereby, the provisions of this guarantee being severable in any such instance. This guarantee is the entire and only Sublease between the undersigned and Sublessor respecting the guarantee of the Sublease, and all representations, warranties, Subleases, or undertakings heretofore or contemporaneously made, which are not set forth in this guarantee, are superseded.

12. Any notice which a party shall be requested or shall desire to give to the other under this guarantee shall be given by personal delivery or by depositing the same in the United States mail, first class postage pre-paid, addressed to Sublessor at its address set forth above and to the undersigned at its address set forth above, and such notices shall be deemed duly given on the date of personal delivery or three (3) days after the date of

mailing as aforesaid. Either party may change their address for purposes of receiving notices under this guarantee by giving written notice thereof to the other party in accordance with this section.

13. This guarantee is governed by and construed according to the laws of the State of California applicable to contracts made and to be performed in such state. In order to induce Sublessor to accept this guarantee, and as a material part of the consideration therefore, the undersigned (i) agrees that all actions or proceedings relating directly or indirectly to this guarantee shall, at the option of the Sublessor, be litigated in courts located within the State of California, and (ii) consents to the jurisdiction of any such court and consents to the service of process in any such action or proceeding by personal delivery or any other method permitted by law.

14. The undersigned waives and relinquishes any rights it may have under California Civil Code 2845, 2849 and 2850 or otherwise to require Sublessor to (a) proceed against Sublessee or any other guarantor, pledgor or person liable under the Sublease; (b) proceed against or exhaust any security for the Sublessee or this guarantee; or (c) pursue any other remedy in Sublessor's power whatsoever. In other words, Sublessor may proceed against the undersigned for the obligations guaranteed without first taking any action against Sublessee or any other guarantor, pledgor or person liable under the Sublease and without proceeding against any security. The undersigned shall not have, and hereby waives (a) any right of subrogation, contribution, indemnity and any similar right that the undersigned may otherwise have, (b) any right to any remedy which Sublessor now has or may hereafter have against Sublessee, and (c) any benefit of any security now or hereafter held by Sublessor. The undersigned waives (a) all presentments, demands for performance, notices of non-performance, protests, notices of protests and notices of dishonor; (b) all other notices and demands to which the undersigned might be entitled, including without limitation notice of all the following: the acceptance hereof; any adverse change in Sublessee's financial position; any other fact which might increase the undersigned's risk; any default, partial payment or non-payment under the Sublessee and any changes, modifications, or extensions thereof; and any revocation, modification or release of any guarantee of any or all of the Sublease by any person (including without limitation any other person signing this guarantee); (c) any defense arising by reason of any failure of Sublessor to obtain, perfect, maintain or keep in force any security interest in any property of Sublessee or any other person; (d) any defense based upon or arising out of any bankruptcy, insolvency, reorganization, arrangement, readjustment of debt, liquidation or dissolution proceeding commenced by or against Sublessee or any other guarantor or any person liable under the Sublease.

15. Without limiting the generality of the foregoing or any other provision of this guarantee, the undersigned expressly waives any and all benefits which might otherwise be available to it under California Civil Code 2839 (which provides that a surety is exonerated by the performance or the offer of performance of the principal obligation), 2899 (which provides for the order of resort to different funds held by the creditor) and 3433 (which provides for the right of a creditor to require that another creditor entitled to resort to several sources of payments first resort to sources not available to the first

creditor). The undersigned waives the rights and benefits under California Civil Code 2819 and agrees that by doing so its liability shall continue even if Sublessor alters any obligations under the Sublease in any respect or Sublessor's rights or remedies against Sublessee are in any way impaired or suspended without the undersigned's consent. Sublessor may without notice assign this guarantee in whole or in part.

16. The Sublease may be assigned either by Sublessor or Sublessee or the premises sublet in whole or in part without the undersigned's consent or notice to the undersigned and without affecting the liability of the undersigned under this guarantee.

17. The undersigned has had the opportunity to review this guarantee with its counsel and such counsel has explained to it the meaning and significance of the provisions of this guarantee, including, but not limited to, the waivers and consents contained in this guarantee, and answered any questions that it had regarding the meaning, significance and effect of the provisions of this guarantee.

18. The use of the singular herein shall include the plural. The obligations of two or more parties shall be joint and several. The terms and provisions of this guarantee shall be binding upon and inure to the benefit of the respective successors and assigns of the parties herein named.

19. This guarantee may be executed in two or more counterparts, each of which shall be deemed an original but all of which together shall constitute a single instrument. A signature on this guarantee transmitted via facsimile or electronic mail/PDF or equivalent, electronic signature (such as DocuSign, or equivalent) shall be considered an original for all purposes hereunder.

IN WITNESS WHEREOF, the undersigned executed this guarantee on the date(s) set forth below.

_____, an individual

By: _____

Name: _____

Title: An individual _____

Date: _____

_____, an individual

By: _____

Name: _____

Title: An individual _____

Date: _____

EXHIBIT B: MASTER LESSOR'S CONSENT

The undersigned Master Lessor, pursuant to the terms and conditions of the Lease dated _____, as amended, hereby grants its written consent to the Sublease by and between _____ ("**Sublessee**") and El Pollo Loco, Inc., a Delaware corporation ("**Sublessor**") on the terms set forth in the Sublease dated _____, 20____.

_____, a

By: _____

Name: _____

Title: _____

Date: _____

EXHIBIT F FRANCHISE DEVELOPMENT AGREEMENT



EL POLLO LOCO® FRANCHISE DEVELOPMENT AGREEMENT

Dated: _____

Territory:

Developer:

(Disclosure Document Control No. 040125033126)

TABLE OF CONTENTS:

El Pollo Loco® Franchise Development Agreement	1
Recitals.	3
1. Development Rights In Territory.....	3
2. Limitation On Development Rights.	5
3. Development Fee.	10
4. Term Of Development Agreement.....	10
5. Territory Conflicts.	11
6. Proprietary Rights Of Franchisor.	11
7. Insurance And Indemnification.	12
8. Transfer Of Rights.	15
9. Acknowledgment Of Selected Terms And Provisions Of The Franchise Agreement.....	15
10. Termination By Developer; Expiration Date.....	16
11. Events Of Default.	16
12. Effect Of Termination.....	19
13. Non-Waiver.....	20
14. Independent Contractor And Indemnification.	20
15. Entire Agreement.....	20
16. Dispute Resolution	21
17. Severability.....	22
18. Applicable Law; Choice Of Forum; Waiver Of Jury Trial.....	22
19. Document Interpretation.	22
20. Covenant Not To Compete.....	23
21. Notices.	24
22. Section Headings.	24
23. Acknowledgments.	25
24. Counterparts.....	25
25. Compliance With Laws, Rules Or Regulations.	25
26. Signatures.....	26
Exhibit A - Territory	27
Exhibit B - Development Schedule.....	28
Exhibit C - Existing El Pollo Loco® Restaurants In The Territory.....	29
Exhibit D – Development Incentives (If Applicable).....	30

EL POLLO LOCO® FRANCHISE DEVELOPMENT AGREEMENT (Non-exclusive/Exclusive)

THIS EL POLLO LOCO® FRANCHISE DEVELOPMENT AGREEMENT (“**Agreement**”) dated for identification purposes only as of _____, is made and entered into by and between **El Pollo Loco, Inc.**, a Delaware corporation, with its principal place of business at 575 Anton Blvd., Suite 1100, Costa Mesa, California 92626 (referred to herein as “**Franchisor**”) and _____ a _____, with its principal place of business at _____ (“**Developer**”).

RECITALS.

A. Franchisor owns certain proprietary and other property rights and interests in and to the “**El Pollo Loco®**” trademark and service mark, and such other trademarks, service marks, logo types, insignias, trade dress designs and commercial symbols as Franchisor may from time to time authorize or direct Developer to use in connection with the operation of a(n) “**El Pollo Loco®**” restaurant (the “**El Pollo Loco® Marks**” or “**Marks**”). Franchisor has a distinctive plan for the operation of retail outlets for the sale of fire-grilled food items and related products, which plan includes but is not limited to the El Pollo Loco® Marks and the Operations Manual (the “**Manual**” or “**Operations Manual**”), policies, standards, procedures, signs, menu boards and related items, and the reputation and goodwill of the El Pollo Loco® chain of restaurants (collectively, the “**El Pollo Loco® System**”).

B. Developer desires to obtain development rights for multiple restaurants under the El Pollo Loco® System (each, an “**El Pollo Loco® Restaurant**”) from Franchisor within a specified geographical (the “**Territory**”) specified in **Exhibit A** attached hereto and made a part hereof *(or if single unit, replace with “Developer desires to obtain development rights for a single restaurant under the El Pollo Loco® System (“El Pollo Loco® Restaurant”) from Franchisor within a specified address (the “Territory”) specified in Exhibit A attached hereto and made a part hereof.”)*

C. Franchisor is willing to grant the (non-exclusive/exclusive) right to develop and open El Pollo Loco® Restaurant(s) within the Territory referenced in **Exhibit A**.

NOW, THEREFORE, in consideration of the mutual covenants and obligations herein contained, the parties hereto agree as follows:

1. DEVELOPMENT RIGHTS IN TERRITORY.

1.1. Franchisor hereby grants to Developer, subject to the terms and conditions of this Agreement *(if Section 2.20 is applicable add “, and specifically Section 2.20 hereof,”)* and as long as Developer shall not be in default of this Agreement or any other development, franchise or other agreement between Developer and Franchisor, (non-exclusive/exclusive) development rights to establish and operate _____ franchised El Pollo

Loco® Restaurant(s) within the Territory, and to use the El Pollo Loco® System solely in connection therewith, at these specific locations to be designated in separate Franchise Agreement(s) (the “**Franchise Agreements**”). “Franchise Agreement” shall mean and refer to the then-current franchise agreement form that Franchisor issues for its traditional El Pollo Loco® Restaurants or the then-current license agreement form that Franchisor issues for its non-traditional El Pollo Loco® Restaurants. (If exclusive agreement, add “Developer expressly acknowledges that the exclusive rights granted herein apply only to the right to develop new restaurants in the Territory, and no exclusive territory or radius protection for the term of any Franchise Agreement is granted herein and any such protection shall be set forth in the particular Franchise Agreement to be signed.”) The Franchise Agreements (and all ancillary documents attached as Exhibits to the Franchise Agreement, including the Personal Guarantee) executed in accordance with this Agreement shall be in the form currently in use by Franchisor at the time of execution of the Franchise Agreement and shall be executed individually by each person, partner, member or shareholder.

1.2. (Only applies if exclusive Agreement. Delete if non-exclusive Agreement.) Except as otherwise provided in this Agreement and subject to the terms and conditions of Section 2.20 hereof, after the date of this Agreement and during the term of this Agreement, and so long as Developer is in compliance with its obligations under this Agreement, Franchisor shall neither, without Developer’s prior written consent: (i) grant development rights to anyone else with respect to the Territory or any part of the Territory; nor (ii) establish or franchise any person to establish an El Pollo Loco® restaurant under the Marks and System at any location within the Territory. Franchisor expressly retains all other rights and may, among other things, on any terms and conditions Franchisor deems advisable, and without granting Developer any rights therein:

a. Establish and operate or franchise others to establish and operate an El Pollo Loco® restaurant located outside of the Territory;

b. Sell the same or similar products (whether or not using the Marks), as will be sold by Developer in a developed El Pollo Loco® Restaurant, to customers at any retail location (whether within or outside of the Territory), through any method or channel of distribution, including, without limitation, at retail locations such as grocery or convenience stores and via the Internet, telemarketing and direct marketing means, through other non-El Pollo Loco® restaurants having the same or similar menu items, or through any other distribution channel or through “Ghost Kitchens” which we define as a professional food preparation and cooking facility set up for the preparation of delivery-only meals whether or not the facility produces menu items for multiple brands or just for El Pollo Loco® restaurants. Additionally, no Protected Area exists for El Pollo Loco® Restaurants located in “Non-Traditional Venues,” which we define as any of the following types of venues in which a facility is operated located within another primary business or in conjunction with other businesses or at institutional settings: toll roads, highway (or similar) rest stops, train stations, regional shopping malls, airports, mass transit stations, amusement, parks, and all properties controlled by the amusement park, travel stations,

hotels, motels and other types of lodging facilities, ships, ports, piers, casinos, stadiums, airports, theatres, big box retailers, building supply stores, warehouse club stores, colleges and universities, schools and other types of schools, hospitals and other types of health care institutions, military and other governmental facilities, office or in-plant food service facilities, shopping malls, grocery stores, outlet malls, supermarkets and convenience stores, and any site for which the lessor, owner or operator has indicated its intent to prefer or limit the operation of its food service facilities to a master concessionaire or contract food service provider, regional shopping malls, airports, mass transit stations, professional sports stadiums and arenas, ~~hotels and other types of lodging facilities, military bases, entertainment centers, amusement parks, casinos, universities and other types of schools, hospitals and other types of health care institutions,~~ or similar types of captive market locations that we may designate. We will determine and designate those shopping malls that in our judgment qualify as a regional shopping mall based on the size of the shopping complex, number of anchor tenants, existence of dedicated parking space, existence of unrelated merchandisers, and prevailing consumer and industry perceptions. Restaurants in Non-Traditional Venues may share their premises with other businesses, within a host facility, and may provide limited menu items and limited or no delivery. Franchisee may sign a lease with the host facility for a Restaurant located in a Non-Traditional Venue. Franchisor and Developer retain all other rights and obligations in this Agreement;

c. Establish and operate or franchise others to establish and operate restaurants (not using the Marks) having the same or similar menu items whether within or outside of the Territory; and

d. Any continued operation by Franchisor, or the allowance of any continued operation by a franchisee of Franchisor, of an El Pollo Loco® restaurant within the Territory which was opened on or before the date of this Agreement shall not be considered to constitute a breach of this Agreement.

1.3. (Only applies to multi-unit Development Agreement – delete if single-unit Development Agreement). Prior to or concurrent with the execution of this Agreement, Developer shall meet with Franchisor's development representatives and prepare a market development plan for the units to be constructed and opened by Developer in the Territory (identifying specific key areas, key intersections and trade areas in the Territory) and all development pursuant to this Agreement shall be in accordance with this plan (the "**Market Plan**"). The Market Plan shall include proposed areas where sites may be located, ranking and prioritization of site locations and other information customarily used by market planners in the restaurant industry. Developer and Franchisor shall jointly approve the Market Plan.

2. LIMITATION ON DEVELOPMENT RIGHTS.

2.1. Developer must submit one or more site(s) for approval, enter into binding leases or purchase agreements and open to the public the number of El Pollo Loco® Restaurant(s) on such approved sites each calendar year as required on the

Development Schedule, all as set forth on **Exhibit B** attached hereto and made a part hereof.

2.2. For purposes of the Development Schedule in **Exhibit B**, no credit will be given for the development of El Pollo Loco® Restaurant(s) outside the Territory, regardless of the fact that Developer may, upon proper application, obtain from Franchisor a Franchise Agreement for any such development.

2.3. Although this Agreement affords the Developer the right to develop and open El Pollo Loco® Restaurant(s) within the Territory, as set forth on **Exhibit A**, all El Pollo Loco® Restaurant(s) developed under this Agreement must be duly licensed through individual Franchise Agreement(s). Developer will execute Franchisor's then standard Franchise Agreement in use at the time of execution for each restaurant developed under this Agreement, and agrees to pay Franchisor the current fees, royalties and other required payments in accordance with the Franchise Agreement and Franchise Disclosure Document then in effect. Execution of the appropriate Franchise Agreement and payment of the initial franchise fee and/or any other required fees must be accomplished prior to the commencement of construction at any site.

2.4. Developer must satisfy all Franchisor's financial and operational criteria then in effect and in addition, if Developer is also a Franchisee of one or more El Pollo Loco® restaurants, Franchisee must also be in good standing with Franchisor and satisfy all Franchisor's financial and operational criteria then in effect prior to Franchisor's execution of each standard Franchise Agreement issued pursuant to this Agreement. Developer shall provide Franchisor with current information pertaining to Developer's financial condition and the financial condition of the majority and managing members/partners/shareholders of Developer at any time upon Franchisor's request and in no event less than once annually. Developer acknowledges that, among other things, it will be required to submit annual financial statements of Developer and personal financial statements of each of its principal owners and Managing Members to be eligible for financial approval by Franchisor. In the event any of the majority owners of Developer shall also be the Managing Members and/or majority owners of any other entity which is a franchisee of Franchisor, then each such franchisee entity must be operationally and financially approved by Franchisor before approval for expansion will be granted to any one franchisee entity. "**Managing Members**" shall be any individuals who are designated as the primary decision makers or general managers of the franchisee entity and those individuals who (individually or collectively) own at least 51% interest in the franchisee entity.

2.5. Developer shall use its best efforts to retain qualified real estate professionals (including licensed brokers) to locate proposed sites for the El Pollo Loco® Restaurant(s). Developer shall submit proposed sites for each El Pollo Loco® Restaurant unit to be developed under this Agreement for acceptance by Franchisor's Real Estate Site Approval Committee ("**RESAC**"), together with such site information as may be reasonably required by Franchisor to evaluate the proposed site, no later than the dates

set forth in **Exhibit B** as RESAC Submittal Dates, the first of which shall be approximately ninety (90) days after execution of this Agreement. Should the site be accepted by RESAC, it will be referred to as the “**Approved Site**”. Such acceptance will expire one (1) year from the RESAC approval date. Franchisor may require, as a condition to its approval of a site, a “**Market Study**”, which shall include a site description and analysis, traffic and other demographic information and an analysis of the impact of the proposed site on other company owned and franchised El Pollo Loco® restaurants surrounding or within the vicinity of such proposed site all in such format as the Franchisor may require. All such analyses, information and studies shall be prepared at the sole cost and expense of Developer.

2.6. Franchisor shall send representatives to evaluate proposed site(s) for each El Pollo Loco® Restaurant to be developed under this Agreement, and Franchisor will do so at its own expense for the first two (2) proposed sites for each El Pollo Loco® Restaurant. If Developer proposes, and Franchisor evaluates, more than two (2) sites for each El Pollo Loco® Restaurant, then Developer shall reimburse Franchisor for the reasonable costs and expenses incurred by Franchisor’s representatives in connection with the evaluation of such additional proposed site(s), including, without limitation, the costs of lodging, travel, meals and wages.

2.7. Provided there exists no default by Developer under this Agreement or any other development, franchise or other agreement between Franchisor and Developer, Franchisor shall evaluate each site proposed for which Developer has provided all necessary evaluation information, and shall promptly after receipt of Developer’s proposal, send to Developer written notice of acceptance or non-acceptance of the site.

2.8. If RESAC determines through its evaluation of the proposed site that the proposed site may impact sales at any company-owned El Pollo Loco® restaurant, Franchisor has the sole and absolute right to accept or reject the proposed site, without any obligation to discuss a possible resolution with Developer. However, Franchisor may elect to discuss with Developer a possible resolution with regards to the proposed site; however, if such an agreement cannot be reached, Franchisor has the sole and absolute right to reject the proposed site. If RESAC determines through its evaluation of the proposed site that the proposed site may potentially impact sales at any existing El Pollo Loco® franchisee’s restaurant, Franchisor shall notify Developer of the existing El Pollo Loco® franchisee’s (or franchisees’) location(s) and contact information. If nevertheless Developer wishes to try to proceed with that site, Developer must obtain a written waiver from those existing El Pollo Loco® franchisee(s) of any claims they might have against Developer and Franchisor with respect to the proposed new El Pollo Loco® Restaurant. Such waiver, if obtained, must be submitted along with the evaluation information required pursuant to this Section.

2.9. No later than the Site Commitment Dates set forth in **Exhibit B**, Developer shall submit for the Approved Site to Franchisor for its review and approval of:

- a. A fully negotiated but unexecuted lease, which may only be subject

to obtaining necessary governmental permits. The unexecuted form of the lease must be submitted to Franchisor to review for the required terms and conditions listed in Sections 2.9, 2.10, 2.11 and 2.12 below **prior** to full execution of the lease. Franchisor will promptly notify Developer upon their approval of the inclusion of such required terms and conditions. Developer will promptly then provide a final executed copy of the lease to Franchisor; or

b. A purchase agreement. Should Developer purchase the site using another entity other than the franchise entity, Developer must then enter into a lease with the Franchise entity as the lessee and the purchasing entity as the lessor and must comply with all the requirements of this Sections 2.9, 2.10, 2.11 and 2.12 below).

2.10. Any lease to be entered into by Developer shall include the terms and conditions set forth below and shall be in a form approved by Franchisor:

a. The tenant entity on the lease must match the franchise entity on the franchise agreement; and

b. The term (with renewal options) of the lease must match at least the initial term of the franchise agreement; and

c. The landlord consents to your use of the premises as an El Pollo Loco® restaurant which will be open during the required days and hours set out in the Operations Manual.

2.11. Franchisor shall have no liability under any lease or purchase agreement for any El Pollo Loco® Restaurant location developed under this Agreement and shall not guarantee Developer's obligations thereunder. Upon approval by Franchisor of the form of Developer's lease and execution of a lease for a site by Developer, Developer shall furnish to Franchisor a fully executed copy of such lease and any amendments thereto within fifteen (15) calendar days of such execution. Franchisor shall have no obligation to assist Developer to negotiate its leases.

2.12. The lease or deed may not contain any non-competition covenant which restricts Franchisor or any franchisee or licensee of Franchisor, from operating an El Pollo Loco® restaurant or any other retail restaurant, unless such covenant is approved by Franchisor in writing prior to the execution by Developer of the lease.

2.13. Each subsequent site to be developed pursuant to the Development Schedule shall be submitted for approval by RESAC by the date set forth in Exhibit B. Similarly, each fully executed lease (executed upon prior review and approval by Franchisor) or purchase agreement (with all contingencies to Developer's obligations waived or satisfied, except permitting contingencies) relating to each subsequent Approved Site shall: (1) be delivered to Franchisor on or before the Site Commitment Date for each respective El Pollo Loco® Restaurant as set forth in Exhibit B and (2) prior

to the execution of your Franchise Agreements (3) prior to the payment of your initial franchise fees for each site and (4) prior to the commencement of construction of the El Pollo Loco® Restaurant.

2.14. RESAC site approval does not assure that a Franchise Agreement will be executed. Execution of the Franchise Agreement is contingent upon Developer completing the purchase or lease of the proposed site within sixty (60) days after approval of the site by the Franchisor or no later than the dates set forth in **Exhibit B** as Site Commitment Dates.

2.15. Developer acknowledges that time is of the essence in this Agreement. If Developer has not obtained approval and entered into a binding lease or purchase agreement for each site for El Pollo Loco® Restaurant(s) to be developed under this Agreement by the applicable Site Commitment Date, Developer shall be in default of its obligations under the Development Schedule and Franchisor shall be entitled to exercise its rights and remedies under this Agreement, up to and including termination of this Agreement.

2.16. Developer also acknowledges that it is required pursuant to this Agreement to open El Pollo Loco® Restaurants in the future pursuant to dates set forth in the Development Schedule attached as **Exhibit B**. If Developer fails to meet the opening date for any El Pollo Loco® Restaurant to be developed under this Agreement, Developer shall be in default and Franchisor shall be entitled to exercise all rights and remedies available to Franchisor set forth in Section 11. Developer acknowledges that if Developer fails to open El Pollo Loco® Restaurants in a timely manner pursuant to the Development Schedule, Franchisor will suffer lost revenues, including royalties and other fees which would be difficult to calculate and which Franchisor would have received had Developer met the agreed schedule or had Franchisor had the right to grant development rights to others in the Territory.

2.17. Developer acknowledges that the estimated initial investment and estimated expenses set forth in Items 6 and 7 of our Franchise Disclosure Document are subject to and likely to increase over time, and that future El Pollo Loco® Restaurants will likely involve a greater initial investment and operating capital requirements than those stated in the Franchise Disclosure Document provided to you prior to your execution of this Agreement.

2.18. Developer understands and acknowledges that in accepting Developer's proposed site or by granting a franchise for each Approved Site, Franchisor does not in any way, endorse, warrant or guarantee either directly or indirectly the suitability of such site or the success of the franchise business to be operated by Developer at such site. The suitability of the site and the success of the franchise business depend upon a number of factors outside of Franchisor's control, including, but not limited to, the Developer's operational abilities, site location, consumer trends and such other factors that are within the direct control of the Developer.

2.19. The purpose of this Agreement is to promote orderly incremental growth within the El Pollo Loco® System. The acquisition of existing El Pollo Loco® restaurants by Developer does not represent incremental growth and, therefore, does not satisfy the terms of this Agreement pertaining to development.

2.20. (To be added where there are existing restaurants in the Territory) Developer acknowledges that Franchisor (i) is operating or has franchised another to operate, one (1) or more El Pollo Loco® restaurants in the Territory or (ii) has granted franchise rights to another in the Territory or (iii) approved a new site for development for those locations identified in Exhibit C attached hereto and incorporated herein by this reference. Developer further acknowledges that Franchisor retains the sole and absolute right to approve or disapprove any proposed location for development under this Agreement if, in Franchisor's reasonable judgment: (i) such proposed location is not suitable for an El Pollo Loco® Restaurant or (ii) such proposed location will have a material adverse effect on the profitability of another existing El Pollo Loco® location (or approved site) in the Territory. Developer covenants to use its reasonable best efforts to avoid selecting proposed locations that would adversely impact pre-existing locations in the Territory.

3. DEVELOPMENT FEE.

3.1. Developer shall pay to Franchisor upon execution of this Agreement a non-refundable Development Fee (the "**Development Fee**") equal to \$20,000 in immediately available funds, for each El Pollo Loco® Restaurant to be developed under this Agreement. The Development Fee is consideration for this Agreement. The Development Fee is not consideration for any Franchise Agreement and is non-refundable. The \$20,000 Development Fee for each El Pollo Loco® Restaurant shall be applied against the initial franchise fee payable upon the execution of the Franchise Agreement applicable to such El Pollo Loco® Restaurant. As a benefit of signing the Development Agreement, the initial franchise fee for the second and each subsequent restaurant developed under the same Development Agreement will be reduced by us to \$30,000. As an example, the initial franchise fee for the first restaurant developed under a Development Agreement would be \$40,000 to which \$20,000 (from the Development Fee) will be credited. The initial franchise fee for the second and remaining restaurants developed under the same Development Agreement would be \$30,000, to which \$20,000 from the Development Fee will be credited. If this Agreement is terminated pursuant to Sections 10 or 11 below, Developer will lose its right to develop and any and all Development Fees. Developer may qualify for development incentives as described in Exhibit D.

4. TERM OF DEVELOPMENT AGREEMENT.

4.1. This Agreement shall commence on the date specified in Exhibit B. Unless terminated pursuant to Section 10 or 11 below, it shall expire upon the earlier of the date

specified in **Exhibit B** or upon the opening of the last El Pollo Loco® Restaurant listed in the Development Schedule.

5. TERRITORY CONFLICTS.

5.1. The rights granted Developer in this Agreement are subject to any prior territorial rights of other franchisees which may now exist in the Territory, whether or not those rights are currently being enforced. In the event of a conflict in territorial rights, whether under a Franchise Agreement or separate territorial or development agreement, Developer shall be free to negotiate with any person, corporation or other entity, which claims territorial rights adverse to the rights granted under this Agreement, for the assignment of those prior territorial rights. For this purpose, Franchisor agrees to approve any such assignment not in conflict with the other terms of this Agreement, subject to the condition of any Franchise Agreements involved, and current policies pertaining to assignments, including, but not limited to, satisfaction of all past due debts owed to Franchisor and the execution of a General Release.

5.2. In the event of third-party claims of the right to develop the Territory, it is the sole responsibility of Franchisor, where the right granted herein is exclusive, to protect and maintain Developer's right to the development of the Territory. However, if it appears to Franchisor, as its sole and absolute right to determine, that protection of the Territory by legal action is not advisable, whether due to the anticipation of, or the actual protracted nature of the action, the costs involved, the uncertainty of outcome, or otherwise, Franchisor has the right to terminate this Agreement, provided that it refunds to Developer the balance, if any, of the Development Fee made pursuant to Section 3, which has not been applied against the initial franchise fees for Franchise Agreement(s) to be acquired under this Agreement.

6. PROPRIETARY RIGHTS OF FRANCHISOR.

6.1. Developer expressly acknowledges Franchisor's exclusive right, title, and interest in and to the trade name, service mark and trademark "**El Pollo Loco**", and such other trade names, service marks, and trademarks which are designated as part of the El Pollo Loco® System, and Developer agrees not to represent in any manner that Developer has any ownership in El Pollo Loco® Marks. This Agreement is not a Franchise Agreement. Developer may not open an El Pollo Loco® Restaurant or use the El Pollo Loco® Marks at a particular site until it executes a Franchise Agreement for that site. Developer's use of the El Pollo Loco® Marks shall be limited to those rights granted under each individual Franchise Agreement. Notwithstanding the foregoing, Franchisor may authorize Developer in writing to use the Marks in connection with advertising and marketing activities in connection with this Agreement. Developer expressly agrees that such usage is limited to those specific activities or promotional materials approved by Franchisor's marketing department in advance. Developer further agrees that its use of the Marks shall not create in its favor any right, title, or interest in or to El Pollo Loco® Marks, but that all of such use shall inure to the benefit of Franchisor, and Developer has

no rights to the Marks except to the degree specifically granted by the individual Franchise Agreement(s). Building designs and specifications, color schemes and combinations, sign design specifications, and interior building layouts (including equipment, equipment specification, equipment layouts, and interior color schemes and combinations) are acknowledged by Developer to comprise part of the El Pollo Loco® System. Developer shall have no right to license or franchise others to use the Marks by virtue of this Agreement.

6.2. Developer acknowledges that, in connection with its execution of this Agreement, it may receive confidential and proprietary information regarding the El Pollo Loco® System, including, but not limited to, the El Pollo Loco® Operational Manual. Developer recognizes the unique value and secondary meaning attached to the El Pollo Loco® Marks and the El Pollo Loco® System, and Developer agrees that any noncompliance with the terms of this Agreement or any unauthorized or improper use will cause irreparable damage to Franchisor and its franchisees. Developer, therefore, agrees that if it should engage in any such unauthorized or improper use during, or after, the term of this Agreement, Franchisor shall be entitled to both seek temporary and permanent injunctive relief from any court of competent jurisdiction in addition to any other remedies prescribed by law.

6.3. Developer acknowledges that it will receive one (1) copy of the Operations Manual on loan from Franchisor and that the Operations Manual shall at all times remain the sole property of the Franchisor.

6.4. Developer's good faith communications with governmental agencies or regulators regarding Franchisor's conduct, provided that the Developer reasonably believes that the content of its communications is true and accurate, is not restricted

7. INSURANCE AND INDEMNIFICATION.

7.1. Throughout the term of this Agreement, Developer shall obtain and maintain insurance coverage with insurance carriers acceptable to Franchisor in accordance with Franchisor's current insurance requirements as modified from time to time. A certificate of insurance will be issued to Franchisor evidencing the required insurance coverage detailed in this Section. Such insurance coverage shall commence upon execution of this Agreement. Promptly following the date any policy of insurance is renewed, modified or replaced during the term of this Agreement, Developer will issue to Franchisor certificates of insurance evidencing such coverage. Developer shall insure for commercial general liability, in the amount of at least \$1,000,000 per occurrence. Automobile liability with at least \$1,000,000 combined single limit. Umbrella excess liability insurance with a minimum limit of \$5,000,000 limit per occurrence. Developer also shall carry such worker's compensation insurance as may be required by applicable law. All policies must contain provisions waiving rights of recovery against any named insured by subrogation. All coverages shall be placed with a financially stable insurer with a minimum AM Best Ratings of A-VII. In connection with and prior to commencing any construction, reimage or remodeling of the Restaurant, Developer, as franchisee, shall maintain Builder's All

Risks Insurance and performance and completion bonds in forms and amounts, and written by a carrier or carriers, acceptable to Franchisor.

7.2. For the benefit of Franchisor, Developer shall obtain an additional insured endorsement naming Franchisor. The endorsement shall state the above-described insurance shall be primary and not contributory, as to Franchisor; with a waiver of subrogation in favor of Franchisor. All commercial general liability and property damage policies shall contain a provision that Franchisor, although named as an insured, shall nevertheless be entitled to recover under such policies on any loss incurred by Franchisor, its affiliates, officers, agents and/or employees, by reason of the negligence of Developer, its principals, contractors, agents and/or employees. All policies shall extend to and provide indemnity for all obligations assumed by Developer hereunder and all other items for which Developer is required to indemnify Franchisor under the provisions of this Agreement, whether or not the liability arose from the negligence of Franchisor, its principals, contractors, agents or employees, and shall provide Franchisor with at least thirty (30) days' notice of cancellation, termination of coverage or material reduction of coverage. "**Affiliate**" is defined as any person or legal entity that directly or indirectly controls, is controlled by, or is under common control with the specified person or legal entity.

7.3. Franchisor reserves the right to specify reasonable changes in the types and amounts of insurance coverage required by this Section 7. In the event that Developer fails or refuses to obtain or maintain the required insurance coverage from an insurance carrier acceptable to Franchisor, or to maintain it throughout the term of this Agreement, Franchisor may, as its sole and absolute right and without any obligations to do so, procure such coverage for Developer. In such event, Developer shall pay the required premiums or reimburse Franchisor for such premiums and any related fees or costs upon written demand. The amount of such premiums and any related costs shall be set forth in a written invoice delivered to Developer by Franchisor. Developer shall reimburse Franchisor for the invoice amount within seven (7) days after the invoice has been delivered to Developer pursuant to Section 21.1 of this Agreement. Failure to maintain the required insurance or to promptly reimburse Franchisor for any premiums and any related fees or costs paid on behalf of Developer by Franchisor shall constitute a default hereunder. Should Franchisor elect to obtain such coverage for Developer, then Developer will assist Franchisor by providing the necessary information and access to enable Franchisor to obtain coverage for Developer.

7.4. Developer shall defend immediately upon tender of defense, at its own cost, the Franchisor, its subsidiaries, parent and affiliates, shareholders, directors, officers, employees and agents (collectively referred to, for Sections 7.4 and 7.5 only, as "**Franchisor**"), from and against any and all claims, lawsuits, complaints, cross complaints, arbitrations, demands, allegations, costs embraced by indemnity, loss, costs, expenses, internal and external (including internal and external attorneys' fees), liens and damages (collectively referred to, for Sections 7.4 and 7.5 only, as "**Losses**"), however caused, and reimburse Franchisor for all costs and expenses, internal and external (including internal and external attorneys' fees) incurred by the Franchisor in defense of

any Losses, resulting directly or indirectly from or pertaining to or arising out of, or alleged to arise out of, or in connection with Developer's activities under this Agreement, including, without limitation, any labor or employee-related claims whatsoever, (including, claims made by an employee of Developer resulting from the employee's training in a Franchisor operated facility or restaurant) and Developer's failure for any reason to fully inform any third party of Developer's lack of authority to bind the Franchisor for any purpose. Such Losses shall include, without limitation, (a) those arising from latent or other defects in any restaurant to be developed under this Agreement, whether or not discoverable by Franchisor, (b) those arising from the death of or injury to any person, and (c) those arising from damage to the property of Developer or the Franchisor, or any third party, whether or not any of the foregoing is a result of any strict liability imposed on Franchisor by fact, law, statute, or ordinance. Developer further agrees that Developer's duty to defend the Franchisor is separate from, independent of and free-standing of Developer's duty to indemnify the Franchisor and applies whether the issue of Developer's negligence, breach of contract, or other fault or obligation has been determined. Developer's duty to defend is regardless of the outcome of liability even if Developer is ultimately found not negligent and not dependent on the ultimate resolution of issues arising out of Losses.

7.5. Developer shall indemnify and hold harmless the Franchisor (as defined above) from and against any and all Losses (as defined above), however caused, resulting directly or indirectly from or pertaining to or arising out of or in connection with Developer's activities under the Development Agreement, including, without limitation, any labor or employee-related claims whatsoever (including any claims made by an employee of Developer resulting from the employee's training in a Franchisor operated facility or restaurant) and Developer's failure for any reason to fully inform any third party of Developer's lack of authority to bind the Franchisor for any purpose. Such Losses shall include, without limitation, (a) those arising from latent or other defects in any restaurant to be developed under this Agreement, whether or not discoverable by Franchisor (b) those arising from the death of or injury to any person and (c) those arising from damage to the property of Developer or the Franchisor, or any third party, whether or not any of the foregoing is a result of any strict liability imposed on Franchisor by fact, law, statute, or ordinance. Developer further agrees to indemnify and hold harmless Franchisor from all said Losses and shall pay for and be responsible for all said Losses, however caused, whether by any individual, employee, third person or party, vendor, visitor, invitee, trespasser or any firm or corporation whatsoever, whether caused by or contributed to by Franchisor, the combined conduct of Developer and Franchisor, or active or passive negligence of Franchisor, but for the sole negligence or willful misconduct of Franchisor.

7.6. The provisions of this Section 7 shall expire as to each El Pollo Loco® Restaurant to be developed under this Agreement upon execution of a Franchise Agreement for such El Pollo Loco® Restaurant. The provision of the Franchise Agreement, in particular, Section 9 thereof (insurance and Indemnification) shall supersede this Section 7 and govern the rights and obligations of the parties prospectively.

8. TRANSFER OF RIGHTS.

8.1. This Agreement shall inure to the benefit of Franchisor and its successors and assigns, and it is fully assignable by Franchisor.

8.2. The parties acknowledge and agree that this Agreement is personal in nature with respect to Developer, being entered into by Franchisor in reliance upon and in consideration of the personal skills, qualifications and trust and confidence reposed in Developer and Developer's present partners, managing members or officers if Developer is a partnership, a limited liability company or a corporation. Therefore, the rights, privileges and interests of Developer under this Agreement shall not be assigned, sold, transferred, leased, divided or encumbered, voluntarily or involuntarily, in whole or in part, by operation of law or otherwise without the prior written consent of Franchisor, which consent may be given or withheld as Franchisor's sole and absolute right. For purposes of this Section, a sale of stock, or any membership or partnership interest in Developer, or a merger or other combination of Developer shall be considered a transfer of Developer's interest prohibited hereunder. To request Franchisor's approval for an assignment or other transfer of this Agreement, Developer shall pay an administrative fee of \$10,000 per request, plus reimbursement of Franchisor's reasonable attorneys' fees to be fully paid the earlier of (i) upon Developer's signing of the assignment documentation or (ii) upon receipt of invoice in connection with the assignment documentation of such transfer for each permitted transfer ("**Developer Transfer Administration Fee**"). Notwithstanding the foregoing, Developer shall be permitted to assign business organizations to serve as Franchisee after Developer individually executes the Franchise Agreements, provided the ownership mirrors that of Developer (e.g., Developer consists of persons A (50%), B (25%) and C (25%). Franchisee also must be owned and controlled by the same three (3) persons with each retaining the same percentage of ownership). All other entity structures shall require the prior written approval of Franchisor. To request an assignment of this Agreement to a business organization that mirrors the current ownership, Developer shall pay an administrative fee of \$500 per request, plus reimbursement of Franchisor's reasonable attorneys' fees to be fully paid by the earlier of (i) upon Developer's signing of the assignment documentation or (ii) upon receipt of invoice in connection with the assignment documentation of such transfer ("**Entity Administration Fee**"). Where Developer desires to request to add new principals to the Developer or any Franchisee entity, Developer shall pay to Franchisor an additional \$2,500 per new principal to cover Franchisor's administrative costs for reviewing the application and suitability of each new principal as participants in the franchise business, plus reimbursement of Franchisor's reasonable attorneys' fees to be fully paid by the earlier of (i) upon Developer's signing of the documentation adding the new principal(s) or (ii) upon receipt of invoice in connection with the documentation of such addition ("**New Principal Administration Fee**"). For the avoidance of doubt, the Developer Transfer Administration Fee, Entity Administration Fee and New Principal Administration Fee (including the reimbursement of Franchisor's reasonable attorneys' fee) is payable whether or not the Developer's request is granted.

9. ACKNOWLEDGMENT OF SELECTED TERMS AND PROVISIONS OF THE FRANCHISE AGREEMENT.

9.1. Developer represents that it has read each of the terms and provisions of the current form of Franchise Agreement and acknowledges and is willing to agree to each and every obligation of Franchisee thereunder (as they may be modified in then-current forms of Franchise Agreement) including, but not limited to:

a. The obligation to deliver executed Personal Guarantees or Investor Covenants Regarding Confidentiality and Non-Competition in connection with the execution of each franchise agreement for El Pollo Loco® Restaurants to be developed under this Agreement;

b. The obligation to obtain the consent of Franchisor to any security interests to be granted by Developer in the assets or business of the El Pollo Loco® Restaurant to lenders or other financing sources in advance of any agreement to provide those security interests to such third parties;

c. All in-term and post-term restrictive covenants; and

d. All territorial rights, options and rights of first refusal retained by Franchisor under the franchise agreement.

10. TERMINATION BY DEVELOPER; EXPIRATION DATE.

10.1. This Agreement shall terminate immediately upon Franchisor's receipt of Developer's notice to terminate. In such event, the Development Fee shall be forfeited to Franchisor in consideration of the rights granted in the Territory up to the time of termination. Notwithstanding any provision to the contrary contained herein, unless earlier terminated by either party, this Agreement shall **expire on _____, 20____**, and all rights of Developer herein shall cease and all unapplied or unused Development Fees paid pursuant to Section 3 hereof shall be forfeited to Franchisor.

11. EVENTS OF DEFAULT.

11.1. The following events shall constitute a default by Developer, which shall result in Franchisor's right to declare the immediate termination of this Agreement.

a. Failure by Developer to meet the requirements of the Development Schedule within the time periods specified therein, including failure by Developer to meet the RESAC Submittal Date, Site Commitment Date or Opening Date for each site for an El Pollo Loco® Restaurant in a timely manner as set forth in Exhibit B and Section 2 above.

b. Any assignment, transfer or sublicense of this Agreement by Developer without the prior written consent of Franchisor.

c. Any violation by Developer of any covenant, term, or condition of any

note or other agreement (including any Franchise Agreement) between Developer and Franchisor (or an affiliate of Franchisor), the effect of which is to allow Franchisor to terminate (or accelerate the maturity of) such agreement before its stated termination (or maturity) date.

d. Developer's assignment for the benefit of creditors or admission in writing of its inability to pay its debts generally as they become due.

e. Any order, judgment, or decree entered adjudicating Developer bankrupt or insolvent.

f. Developer or any of its partners, officers, directors or principal shareholders is convicted of a felony, a crime involving moral turpitude, or any other crime or offense that is reasonably likely to adversely affect the El Pollo Loco® System, the goodwill associated therewith, or our interest therein;

g. Any petition, or application, by Developer to any tribunal for the appointment of a trustee, receiver, or liquidator of Developer (or a substantial part of Developer's assets), or commencement by Developer of any proceedings relating to Developer under any bankruptcy, reorganization, compromise, arrangement, insolvency, readjustment of debt, dissolution, or liquidation law of any jurisdiction, whether now or hereinafter in effect.

h. Any filing of a petition or application against Developer, or the commencement of such proceedings, in which Developer, in any way, indicates its approval thereof, consent thereto, or acquiescence therein; or the entry of any order, judgment, or decree appointing any trustee, receiver, or liquidator, or approving the petition in any such proceedings, where the order, judgment, or decree remains unstayed and in effect for more than thirty (30) days.

i. Any entry in any proceeding against the Developer of any order, judgment, or decree, which requires the dissolution of Developer, where such order, judgment, or decree remains unstayed and in effect for more than thirty (30) days.

j. Developer's voluntary abandonment of any of Developer's restaurants.

11.2. The following events shall constitute a default by Developer, which shall result in Franchisor's right to declare the termination of this Agreement, if such default is not cured within thirty (30) days after written notice by Franchisor to Developer:

a. Developer's default in the performance or observance of any covenant, term, or condition contained in this Agreement not otherwise specified in Section 11.1 above.

b. The creation, incurrence, assumption, or sufferance to exist of any

lien, encumbrance, or option whatsoever upon any of Developer's property or assets, whether now owned or hereafter acquired, the effect of which substantially impairs Developer's ability to perform or observe any covenant, term, or condition of this Agreement.

c. Refusal by Developer or Developer's partners, members, or shareholders to enter individually into the then-current form of Franchise Agreements and Personal Guarantee as provided in Section 1 above.

d. Any change, transfer or conveyance ("**Transfer**") in the ownership of Developer, which Transfer has not been approved in advance by Franchisor. Franchisor reserves the right to approve or disapprove any Transfer as its sole and absolute right.

11.3. If Franchisor is entitled to terminate this Agreement in accordance with Sections 11.1 or 11.2 above, Franchisor shall also have the right to undertake the following action instead of terminating this Agreement:

a. Franchisor may terminate or modify any rights that Developer may have with respect to protected exclusive rights in the Territory, as granted under Section 1.1 above, effective ten (10) days after delivery of written notice thereof to Developer.

11.4. Cross-Default, Termination and Cross-Termination

a. Cross-Default: A default by Developer under this Agreement will be deemed a default of all agreements between: (i) Developer and Developer's principals in his or her individual capacity or any other entity in which Developer's principals are owners, members, managers, shareholders or partners (individually and collectively, "Developer Entity"); (ii) Franchisor or any of our affiliates or predecessors (individual and collectively, "Franchisor Entity"). A Developer Entity's default of any other agreement, legal instrument or other document between the Developer Entity and a Franchisor Entity will be deemed a default under this Agreement. A default by any guarantor of Developer's obligations under this Agreement or any agreement, legal instrument or document between a Developer Entity and a Franchisor Entity will be deemed a default of this Agreement.

b. Termination: If Developer fails to cure any default to Franchisor's satisfaction, within the applicable period following notice from Franchisor, if applicable, or otherwise breach this Agreement, Franchisor may, in addition to all other remedies at law or in equity or as otherwise set forth in this Agreement, immediately terminate this Agreement. This termination will be effective immediately upon the giving of notice pursuant to Section 23.

c. Cross-Termination: If this Agreement is terminated as a result of Developer's default of this Agreement or any other agreement related to the Restaurant, Franchisor may, at Franchisor's option, elect to terminate any or all other agreements,

legal instruments or documents between a Developer Entity and a Franchisor Entity. If any agreement, legal instrument or document between a Developer Entity and a Franchisor Entity is terminated as a result of a default by the Developer Entity, Franchisor may, at Franchisor's sole discretion, elect to terminate this Agreement. If it is agreed that an incurable or uncured default under this Agreement or any other agreement, legal instrument or document between a Developer Entity and a Franchisor Entity will be grounds for termination of this Agreement or any other agreement, legal instrument or document between a Developer Entity and a Franchisor Entity, without additional notice or opportunity to cure.

11.5. If any of Developer's rights are terminated or modified in accordance with Section 11.3, such action shall be without prejudice to Franchisor's right to terminate this Agreement in accordance with Sections 11.1 or 11.2 above, and/or to terminate any other rights, options or arrangements under this Agreement at any time thereafter for the same default or as a result of any additional defaults of the terms of this Agreement.

12. EFFECT OF TERMINATION.

12.1. Immediately upon termination or expiration of this Agreement, for any reason, all of Developer's development rights granted pursuant to this Agreement shall revert to Franchisor. At the time of termination, only restaurants operating or to be operated under the El Pollo Loco® System by virtue of a fully executed Franchise Agreement shall be unaffected by the termination of this Agreement. Franchisor shall have no duty to execute any Franchise Agreement with Developer after the termination of this Agreement. The foregoing remedies are nonexclusive, and nothing stated in this Section 12 shall prevent Franchisor's pursuit of any other remedies available to Franchisor in law or at equity due to the termination of this Agreement.

12.2. Developer understands and agrees that upon the expiration or termination of this Agreement (or in the event of an exclusive development agreement, the failure of Developer to meet the Development Schedule and the resulting loss of exclusive development rights), Franchisor or its subsidiaries or affiliates, as their sole and absolute right, may open and/or operate restaurants in the Territory, or may authorize or franchise others to do the same, whether it is in competition with or in any other way affects the sales of Developer at the Developer's El Pollo Loco® Restaurants. In addition, upon termination or expiration of this Agreement, or if Developer's rights herein are terminated or modified pursuant to Section 11.1 or Section 11.2, above, all unapplied or unused Development Fees paid pursuant to Section 3 hereof shall be forfeited to Franchisor and Developer shall have no claim or right to any such Development Fees.

12.3. Upon termination or expiration of this Agreement, Franchisor can advise all suppliers of El Pollo Loco's proprietary food items and other supplies bearing any other proprietary marks or service marks or specific to the El Pollo Loco® design scheme, to cease delivering the items and products to Developer.

13. NON-WAIVER.

13.1. Franchisor's consent to or approval of any act or conduct of Developer requiring such consent or approval shall not be deemed to waive or render unnecessary Franchisor's consent to or approval of any subsequent act or conduct hereunder.

14. INDEPENDENT CONTRACTOR AND INDEMNIFICATION.

14.1. This Agreement does not constitute Developer an agent, legal representative, joint venturer, partner, employee or servant of Franchisor for any purpose whatsoever, and it is understood between the parties hereto that Developer shall be an independent contractor and is in no way authorized to make any contract, agreement, warranty or representation on behalf of Franchisor. The parties agree that this Agreement does not create a fiduciary relationship between them.

14.2. Under no circumstances shall Franchisor be liable for any act, omission, contract, debt, or any other obligation of Developer arising out of or in any way related to this Agreement. Developer shall indemnify, defend and hold harmless Franchisor against any such claim and the cost of defending it arising directly or indirectly from or as a result of, or in connection with, Developer's actions pursuant to this Agreement.

15. ENTIRE AGREEMENT.

15.1. This Agreement, including **Exhibits A, B, C and D** attached hereto, constitutes the entire full and complete agreement between Franchisor and Developer concerning the subject matter hereof and supersedes any and all prior written agreements. No other representations have induced Developer to execute this Agreement, and there are no representations, inducements, promises, or agreements, oral or otherwise, between the parties, not embodied herein, which are of any force or effect with reference to this Agreement or otherwise. Notwithstanding the foregoing, nothing in this Agreement shall disclaim or require Developer to waive reliance on any representation that Franchisor made in the most recent disclosure document (including its exhibits and amendments) that Franchisor delivered to Developer or its representative, subject to any agreed-upon changes to the contract terms and conditions described in that disclosure document and reflected in this Agreement (including any riders or addenda signed at the same time as this Agreement). The provisions of this Agreement may not be contradicted by any other statement concerning the subject matter herein. No amendment or modification of this Agreement shall be binding on either party unless written and fully executed.

15.2. This Agreement and all related agreements executed simultaneously with this Agreement constitute the entire understanding of the parties and supersede any and all prior oral or written agreements between Developer and Franchisor on the matters contained in this Agreement; but nothing in this or any related agreement is intended to disclaim the representations we made in the latest franchise disclosure document that Franchisor furnished to Developer.

16. DISPUTE RESOLUTION

16.1. Initial Meeting and Mediation - Except as otherwise provided in this Agreement, before any legal action is filed involving any claim or controversy between Franchisor and Developer (including its affiliates, investors, and Owners) relating to (a) this Agreement, (b) the parties business activities conducted as a result of this Agreement, or (c) the parties' relationship or business dealings with each other generally, the following procedure shall be complied with:

a. The party wishing to resolve a dispute shall initiate negotiation proceedings by first requesting in writing a meeting with the other party or parties. Within forty-five (45) days of receipt of the initial request for a meeting, the parties shall meet within the county in which Developer is then located, to discuss and negotiate toward a resolution of the controversy.

b. If negotiation efforts do not succeed, the parties shall engage in mandatory but non-binding mediation by a mediator jointly chosen by the parties or if the parties cannot agree upon a mediator, appointed by, and in accordance with the procedures of, JAMS or, if JAMS is no longer in existence, an organization of similar quality

c. A mediation meeting will be held at a place and at a time mutually agreeable to the parties and the mediator. The Mediator will determine and control the format and procedural aspects of the mediation meeting which will be designed to ensure that both the mediator and the parties have an opportunity to present and hear an oral presentation of each party's views regarding the matter in controversy. The parties act in good faith to resolve the controversy in mediation.

d. The mediation will be held as soon as practicable after the negotiation meeting is held. The mediator will be free to meet and communicate separately with each party either before, during or after the mediation meeting within 60 days of demand by either party.

16.2. At the election of the Franchisor, the provisions of this Section 16 shall not apply to controversies relating to any fee due the Franchisor by Developer or its affiliates, any promissory note payments due the Franchisor by Developer, or any trade payables due the Franchisor by Developer as a result of the purchase of equipment, goods or supplies. The provisions of this Section 16 shall also not apply to any controversies relating to the use and protection of the El Pollo Loco® Marks, the Manual or the El Pollo Loco® System, including without limitation, the Franchisor's right to apply to any court of competent jurisdiction for appropriate injunctive relief for the infringement of the El Pollo Loco® Marks or the El Pollo Loco® System.

16.3. In the event of the bringing of any action by either party against the other

arising out of or in connection with this Agreement or the enforcement thereof, or by reason of the breach of any term, covenant or condition of this Agreement on the part of either party, the party in whose favor final judgment is entered shall be entitled to have and recover from the other party reasonable attorneys' fees (internal and external) plus costs and expenses (internal and external) reasonably incurred from commencing, and prosecuting the legal proceeding and until the proceeding has come to a complete end (including appeals and settlements), the amount to be fixed by the court rendering such judgment.

17. SEVERABILITY.

17.1. Each section, part, term and/or provision of this Agreement shall be considered severable, and if, for any reason, any section, part, term and/or provision herein is determined to be invalid, contrary to, or in conflict with, any existing or future law or regulation, by any court or agency having valid jurisdiction, then such shall be deemed not to be a part of this Agreement, but such shall not impair the operation of, or affect the remaining portions, sections, parts, terms and/or provisions of this Agreement, which will continue to be given full force and effect and bind the parties hereto.

18. APPLICABLE LAW; CHOICE OF FORUM; WAIVER OF JURY TRIAL.

18.1. This Agreement, after review by Developer and Franchisor, was accepted in the state in which Franchisor's then-current headquarters (currently the State of California) is located and shall be governed by and construed in accordance with the laws of such state, except that the provisions in Section 20.1 covering competition following the expiration, termination or assignment of this Agreement shall be governed by the laws of the state in which the breach occurs. **THE PARTIES AGREE THAT ANY ACTION BROUGHT BY EITHER PARTY AGAINST EACH OTHER IN ANY COURT, WHETHER FEDERAL OR STATE, WILL BE BROUGHT WITHIN THE STATE IN WHICH FRANCHISOR'S HEADQUARTERS (CURRENTLY THE STATE OF CALIFORNIA) IS THEN LOCATED. THE PARTIES HEREBY WAIVE ANY RIGHT TO DEMAND OR HAVE TRIAL BY JURY IN ANY ACTION RELATING TO THIS AGREEMENT IN WHICH THE FRANCHISOR IS A PARTY. THE PARTIES CONSENT TO THE EXERCISE OF PERSONAL JURISDICTION OVER THEM BY SUCH COURTS AND TO THE PROPRIETY OF VENUE OF SUCH COURTS FOR THE PURPOSE OF CARRYING OUT THE PROVISION, AND THEY WAIVE ANY OBJECTION THAT THEY WOULD OTHERWISE HAVE TO THE SAME. ANY ACTION BETWEEN DEVELOPER AND FRANCHISOR SHALL INVOLVE ONLY THE INDIVIDUAL CLAIMS OF DEVELOPER AND SHALL NOT INVOLVE ANY CLASS, GROUP, CONSOLIDATED, REPRESENTATIVE OR ASSOCIATIONAL ACTION. NOTHING IN THIS SECTION 18.1 IS INTENDED BY THE PARTIES TO SUBJECT THIS AGREEMENT TO ANY FRANCHISE OR SIMILAR LAW, RULE OR REGULATION TO WHICH THIS AGREEMENT WOULD NOT OTHERWISE BE SUBJECT.**

19. DOCUMENT INTERPRETATION.

19.1. All terms and words used in this Agreement, regardless of the number and gender in which they are used, shall be deemed and construed to include the singular or plural tense, and any gender, whether masculine, feminine or neuter, as the context or sense of this Agreement or any paragraph or clause may require, the same as if such words had been fully and properly written in the appropriate number or gender. In the event of a conflict in the language, terms, or conditions between this Agreement and any Franchise Agreement issued pursuant to this Agreement, the Franchise Agreement shall control.

20. COVENANT NOT TO COMPETE.

20.1. To further protect the El Pollo Loco® System while this Agreement is in effect, Developer and each officer, director, shareholder, member, manager, partner and other equity owner, as applicable, of Developer, if Developer is an entity, shall neither directly nor indirectly own, operate, control or any financial interest in any other business which would constitute a **“Competitive Business”** (as hereinafter defined) without the prior written consent of Franchisor; provided further, that Franchisor may, as its sole and absolute right, consent to the Developer’s continued operation of any business already in existence and operating at the time of execution of this Agreement. In addition, Developer covenants that, except as otherwise approved in writing by the Franchisor, Developer shall not, for a continuous, uninterrupted period commencing upon the expiration, termination or assignment of this Agreement, regardless of the cause for termination, and continuing for two (2) years thereafter, either directly or indirectly, for itself, or through or on behalf of, or in conjunction with any person, partnership, corporation or other entity, own, operate, control or have any financial interest in any Competitive Business which is located or has outlets or restaurant units within the Territory. The foregoing shall not apply to operation of an El Pollo Loco® restaurant by Developer pursuant to a Franchise Agreement with Franchisor or the ownership by Developer of less than five percent (5%) of the issued or outstanding stock of any company whose shares are listed for trading on any public exchange or on the over-the-counter market, provided that Developer does not control or become involved in the operations of any such company. For purposes of this Section 20.1, a Competitive Business shall mean a self-service restaurant or fast-food business which sells chicken and/or Mexican food products, which products individually or collectively represent more than twenty percent (20%) of the revenues from such self-service restaurant or fast-food business operated at any one location during any calendar quarter. A **“Competitive Business”** shall not include a full-service restaurant or a quick-service restaurant or fast-food business that sells certain chicken pieces such as, only chicken wings and drumsticks (with or without bones) or only chicken tenders which represents more than 80% of the revenues from such restaurant or business.

20.2. In the event that any provision of Section 20.1 above shall be determined by a court of competent jurisdiction to be invalid or unenforceable, this Agreement shall not be void, but such provision shall be limited to the extent necessary to make it valid and enforceable.

20.3. Developer understands and acknowledges that Franchisor shall have the right to reduce the scope of any obligation imposed on Developer by Section 20.1, without Developer's consent, and that such modified provision shall be effective upon Developer's receipt of written notice thereof.

20.4. Developer acknowledges that violation of the covenants not to compete contained in this Agreement would result in immediate and irreparable injury to Franchisor for which no adequate remedy at law will be available. Accordingly, Developer hereby consents to the entry of a preliminary and permanent injunction prohibiting any conduct by Developer in violation of the terms of those covenants not to compete set forth in this Agreement. Developer expressly agrees that it may conclusively be presumed that any violation of the terms of said covenants not to compete was accomplished by and through Developer's unlawful utilization of Franchisor's Confidential Information, know-how, methods and procedures

21. NOTICES.

21.1. For the purpose of this Agreement, all notices shall be in writing and shall be sent to the party to be charged with receipt thereof either (i) served personally, or (i) sent by certified or registered United States mail, or (ii) sent by reputable overnight delivery service, or (iv) sent by facsimile. Notices served personally are effective immediately on delivery, and those served by mail shall be deemed given forty-eight (48) hours after deposit of such notice in a United States post office with postage prepaid and duly addressed to the party to whom such notice or communication is directed. Notices served by overnight delivery shall be deemed to have been given the day after deposit of such notice with such service. Notices served via facsimile shall be deemed to have been given the day of faxing such notice. All notices to Franchisor shall be addressed as follows:

El Pollo Loco, Inc.
Attn: Legal Department re: FDA# _____
575 Anton Blvd., Suite 1100 Costa Mesa, CA 92626
(714) 599-5503 (fax)

21.2. All notices to Developer shall be faxed and mailed or sent via overnight service to the Developer's number and address shown on **Exhibit B**. Either party may from time to time change its address for the purposes of this Section by giving written notice of such change to the other party in the manner provided in this Section. Notwithstanding anything to the contrary contained herein, the Franchisor may deliver bulletins and updates to the Developer by electronic means, such as by the internet (e-mail) or an intranet, if any, established by Franchisor.

22. SECTION HEADINGS.

22.1. The section headings appearing in this Agreement are for reference

purposes only and shall not affect, in any way, the meaning or interpretation of this Agreement.

23. ACKNOWLEDGMENTS.

23.1. Developer acknowledges that it has received a complete copy of the El Pollo Loco® Franchise Disclosure Document, issuance date ~~April 1, 2025~~March 31, 2026 (Control No. 040125033126) at least fourteen (14) calendar days prior to the date on which this Agreement was executed by Developer or payment of any monies to the Franchisor.

24. COUNTERPARTS.

24.1. This Agreement may be executed in two or more counterparts, each of which shall be deemed an original but all of which together shall constitute a single instrument. A signature on this Agreement transmitted via facsimile or electronic mail/PDF or equivalent, electronic signature (such as DocuSign, or equivalent) shall be considered an original for all purposes hereunder.

25. COMPLIANCE WITH LAWS, RULES OR REGULATIONS.

25.1. Developer shall at all times develop El Pollo Loco® restaurant(s) in the Territory in accordance with the lease or sublease, if any, for the El Pollo Loco® restaurant(s) and in accordance with all applicable federal, state or local laws, rules, or regulations, including, but not limited to, OSHA related safety training and compliance. Any citations or penalties issued shall be the sole responsibility of Developer.

SIGNATURE PAGE(S) TO FOLLOW

26. SIGNATURES.

IN WITNESS WHEREOF, the parties hereto have duly executed, sealed and delivered this El Pollo Loco® Franchise Development Agreement in duplicate original as of the dates set forth below.

FRANCHISOR:

El Pollo Loco, Inc., a Delaware Corporation

By: _____
Name: _____
Title: _____
Date: _____

By: _____
Name: _____
Title: _____
Date: _____

DEVELOPER:

_____, a _____

By: _____
Name: _____
Title: _____
Date: _____

**EXHIBIT A TO EL POLLO LOCO® FRANCHISE DEVELOPMENT AGREEMENT -
TERRITORY**

EXHIBIT B TO EL POLLO LOCO® FRANCHISE DEVELOPMENT AGREEMENT - DEVELOPMENT SCHEDULE

DEVELOPER NAME:

NOTICE ADDRESS:

OFFICE PHONE:

OFFICE FAX:

PRINCIPAL1:

PRINCIPAL1 MOBILE & EMAIL:

PRINCIPAL2:

PRINCIPAL2 MOBILE & EMAIL:

COMMENCEMENT DATE:

EXPIRATION DATE:

TOTAL DEVELOPMENT FEE:

DEVELOPMENT SCHEDULE:

RESTAURANT NUMBER	INITIAL FRANCHISEE AMOUNT ¹	RESAC SUBMITTAL DATES	SITE COMMITMENT DATES (Date for delivery of signed leases or purchase agreements)	OPENING DATE OF RESTAURANT
Restaurant #1	\$40,000.00			
Restaurant #2	\$30,000.00			
Restaurant #3	\$30,000.00			

¹ Initial Franchise Fee is the total amount applicable to this unit, without applying the Development Fee deposited with Franchisor at the time of execution of this Agreement.

**EXHIBIT C TO EL POLLO LOCO® FRANCHISE DEVELOPMENT AGREEMENT -
EXISTING EL POLLO LOCO® RESTAURANTS IN THE TERRITORY**

**EXHIBIT D TO EL POLLO LOCO® FRANCHISE DEVELOPMENT AGREEMENT –
DEVELOPMENT INCENTIVES (IF APPLICABLE)**

**FIRST AMENDMENT TO EL POLLO LOCO® FRANCHISE DEVELOPMENT
AGREEMENT**

**THIS FIRST AMENDMENT TO EL POLLO LOCO® FRANCHISE
DEVELOPMENT AGREEMENT (“Amendment”)** is made and entered into this
_____, 20____, by and between **El Pollo Loco, Inc.**, a Delaware corporation
(**“Franchisor”**), with its principal place of business at 575 Anton Blvd., Suite 1100, Costa
Mesa, California 92626 and _____, a _____ with its principal
place of business at _____ (**“Developer”** or **“You”**).

RECITALS:

- A. Franchisor and Developer entered into an El Pollo Loco® Franchise Development Agreement # _____ dated _____, 20____ (**“Development Agreement”**).
- B. Developer has met the conditions to be eligible for the Development Incentive Program.
- C. Franchisor and Developer wish to modify the terms of the Development Agreement as described in this Amendment.

AGREEMENT:

NOW, THEREFORE, in consideration of the mutual covenants and obligations herein contained, the parties hereto agree as follows:

1. Recitals. Recitals listed above are incorporated herein and by this reference made a part of this Amendment.
2. Development Incentive Program - Reduced Royalty and Reduced Advertising Fee. If You qualify for the development incentive program and You open new Restaurants developed under the Development Agreement during the calendar years 2025 or 2026, the Royalty and Advertising Fee will be reduced as detailed in the table below. If You open (a) Restaurant(s) developed under the Development Agreement, during 2027 and subsequent years, or You are currently operating (an) existing El Pollo Loco® Restaurant(s) as an El Pollo Loco® franchisee, You will not be eligible for the reduced Royalty and reduced Advertising Fee. The reduced Royalty and reduced Advertising Fee shall be assignable subject to the terms of the Franchise Agreement. If the Restaurant closes at the Location, the reduced Royalty and reduced Advertising Fee will terminate. If the Restaurant relocates to another location in accordance with Franchisor’s site selection and approval procedures, the (non-reduced) Royalty and Advertising Fee will apply.

Applicable Time Period (Measured from the Opening Date)	Reduced Royalty	Reduced Advertising Fee
Year 1	2.5%	2.5%
Year 2	2.5%	2.5%
Year 3	2.5%	2.5%
Year 4	3.5%	3.5%
Year 5	4.5%	4.5% (or 4% if in LA DMA)
Year 6 and subsequent years	5.0%	5.0% (or 4% if in LA DMA)

3. Development Incentive Program – Reduced Initial Franchise Fees (“IFF”). Provided that (a) You qualify for the development incentive program; (b) You open a new Restaurant developed under the Development Agreement during the calendar years 2025 or 2026 and (c) You remain in good standing with Franchisor during the term of all Agreements do not default on your obligations under any of the Agreements, then Franchisor shall reduce the IFF to \$20,000 for the application Franchise Agreements.

4. Development Fees. The following is added after Section 3.1 of the Development Agreement:

3.2. Deferral and Conditional Abatement of Development Fees. Developer’s obligation to pay the total Development Fees (“**DF**”) due pursuant to the Development Agreement is hereby deferred and conditionally abated in accordance with the terms and conditions of this Amendment (collectively, the “**Deferred DF**”) listed below:

a. Except for the Deferred DF (which shall be paid in accordance with this Amendment), Developer shall have the continuing obligation to pay, as and when due under the Development Agreement, all other monetary obligations of Developer under the Development Agreement.

b. Provided Developer is not in default under its obligations under this Amendment, the Development Agreement or any other agreement between Developer (or its related affiliates) and Franchisor (collectively, the “**Agreements**”), the DF shall be deferred, due and payable in one (1) lump sum payment upon the expiration of the Development Agreement listed on Exhibit B. At Franchisor’s option (but without obligation to exercise such right), the entire Deferred DF shall become immediately due and payable, upon Developer’s default under any of the Agreements.

3.3. Terms and Conditions for the Abatement of Development Fees by Franchisor: Developer agrees that Developer will be eligible for the full abatement of Deferred DF provided Developer remains in good standing with Franchisor during the term of all Agreements and Developer does not default on its obligations under any of the Agreements.

3.4. Assignment of Deferred DF. Franchisor's agreement herein as to the Deferred DF (i) is specific consideration given only to the undersigned Developer and is personal to the undersigned Developer and, at Franchisor’s sole election, shall be null and void and of no further force or effect in the event of any transfer of the Development Agreement in whole or in part by assignment or subletting or otherwise, and (ii) is not a waiver or forgiveness of the Deferred DF and shall not reduce the amount of DF due under the Development Agreement.

3.5. Waivers. As a material inducement to cause Franchisor to agree to the deferring and/or abating of the Deferred DF as provided herein, Developer knowingly and intentionally waives and agrees not to assert or raise any claims, whether at law, equity or otherwise, to release, and forever discharges Franchisor, and all Franchisor's affiliates, and all the respective directors, officers, employees, attorneys, representatives and agents of said corporations, as well as parent corporations, subsidiaries, affiliates and any other legal entities which it owns or controls, individually or jointly, from any and all obligations, liabilities, claims, demands, actions and causes of action in law or in equity of whatsoever kind or nature arising prior to and including the Commencement Date hereof (collectively, the "**Claims**"), which Developer now has or may hereafter have by reason of any act, omission, event, deed or course of action having taken place, or which should have taken place, or on account of or arising out of any claimed violation of the Amendment, Development Agreement, any claim for breach of any other express or implied agreement, claim for breach of any implied violation of the covenant of good faith and fair dealing or any other claims which relate or refer in any way to the relationship between Franchisor and Developer which arises on or before the date hereof insofar as said claims relate to the Development Agreement or any other agreement between Developer and Franchisor, any claim arising under or alleged violation of the California Franchise Relations Act, any Federal antitrust law or State antitrust law except as prohibited by law.

With respect to the Claims, Developer acknowledges that Developer has either been advised by legal counsel or has made itself familiar with the provisions of California Civil Code section 1542. It is expressly acknowledged by each of the undersigned that any and all rights granted under Section 1542 of the California Civil Code, or any similar provisions, are hereby expressly waived. Such statute reads as follows:

"SECTION 1542. A GENERAL RELEASE DOES NOT EXTEND TO CLAIMS THAT THE CREDITOR OR RELEASING PARTY DOES NOT KNOW OR SUSPECT TO EXIST IN HIS OR HER FAVOR AT THE TIME OF EXECUTING THE RELEASE AND THAT, IF KNOWN BY HIM OR HER, WOULD HAVE MATERIALLY AFFECTED HIS OR HER SETTLEMENT WITH THE DEBTOR OR RELEASED PARTY."

Developer, being aware of the foregoing code section, hereby expressly waives any rights Developer may have thereunder, as well as under any other statutes or common-law principles of similar effect, pertaining to the Claims. Developer voluntarily waives all benefits and protections of Civil Code Section 1542, and any comparable law, and intends the release above to apply to known and unknown claims alike. Developer certifies Franchisor is not in breach or default and Developer does not have any claims, defenses, offsets or credits against Franchisor or the DF due under the Development Agreement.

5. Entire Agreement. This Amendment and the Development Agreement embodies the entire understanding between Franchisor and Developer with respect to the modifications set forth above and can be changed only by a writing signed by Franchisor and Developer. Except as modified herein, all the terms and conditions of the Development Agreement shall be unaffected and remain in full force and effect. In the event of any inconsistency between the terms of this Amendment and the terms of the Development Agreement, the terms of this Amendment shall control.

Miscellaneous. All capitalized terms not otherwise defined in this Amendment shall have the meanings given in the Development Agreement. Titles and captions are for convenience only and shall not constitute a portion of this Amendment. The parties hereto acknowledge that they have read and fully understand the provisions of this Amendment and that said provisions constitute a complete and exclusive expression of its terms and conditions. The parties executing this Amendment on behalf of Franchisor and Developer are duly authorized to do so. This Amendment may be executed in one or more counterparts, each of which will constitute an original, but all of which together will constitute but a single document. A signature on this Amendment transmitted via facsimile or electronic mail/PDF or equivalent, electronic signature (such as DocuSign, or equivalent) shall be considered an original for all purposes hereunder.

IN WITNESS WHEREOF, the parties hereto have duly executed, sealed and delivered this First Amendment to El Pollo Loco® Franchise Development Agreement in duplicate original as of the date(s) set forth below.

FRANCHISOR:

El Pollo Loco, Inc., a Delaware Corporation

By: _____
 Name: _____
 Title: _____
 Date: _____

By: _____
 Name: _____
 Title: _____
 Date: _____

DEVELOPER:

_____, a _____

By: _____
 Name: _____
 Title: _____
 Date: _____



EL POLLO LOCO® LICENSE AGREEMENT (NON TRADITIONAL VENUE)

Dated: _____

<u>Licensee Entity:</u>
<u>Ownership Schedule: (List Licensee Entity Individual Owners and their individual Percentage of Ownership of Licensee Entity. Note any notice may be sent only to the first person identified on the Ownership Schedule)</u>
<u>Licensee Notice Address:</u>
<u>Non Traditional Location:</u>
<u>Non Traditional Unit Number:</u>

TABLE OF CONTENTS:

1. SCOPE AND PURPOSE OF AGREEMENT	2
2. THE EL POLLO LOCO® MARKS & SYSTEM.....	3
3. TERM	4
4. SITE DEVELOPMENT	4
5. IMPROVEMENTS, FIXTURES AND EQUIPMENT	5
6. FEES, TAXES AND OTHER CHARGES	6
7. FINANCIAL REPORTING, BILLING AND PAYMENT	7
8. ADVERTISING AND MARKETING	9
9. INSURANCE AND INDEMNIFICATION	10
10. COMPLIANCE WITH MANUAL AND WITH SYSTEM STANDARDS	12
11. RESTAURANT MAINTENANCE AND REPAIR	14
12. HOURS OF OPERATION	14
13. PERSONNEL STANDARDS	14
14. INSPECTIONS	15
15. TRAINING	16
16. ASSIGNMENT.....	18
17. DEFAULT AND TERMINATION	21
18. RIGHTS AND OBLIGATIONS UPON TERMINATION	23
19. PROPRIETARY RIGHTS, CONFIDENTIAL INFORMATION AND UNFAIR COMPETITION	24
20. DISPUTE RESOLUTION	26
21. MISCELLANEOUS PROVISIONS	26
22. EFFECTIVE DATE	29
23. ACKNOWLEDGMENTS.....	29
24. ANTI-TERRORISM LAW	30
25. SIGNATURES	31

EXHIBITS AND SCHEDULES:

EXHIBIT 1: MEMORANDUM OF OPENING DATE	32
EXHIBIT 2: AUTHORIZATION AGREEMENT FOR PREARRANGED PAYMENTS (ACH)	33
EXHIBIT 3: EL POLLO LOCO® FINANCIAL REPORTING FORM.....	34
EXHIBIT 4: CONSENT TO AND ASSIGNMENT OF LICENSE RIGHTS.....	35

EL POLLO LOCO® LICENSE AGREEMENT (NON TRADITIONAL VENUE)

This El Pollo Loco® License Agreement (Non Traditional Venue) (this "**Agreement**"), is made as of _____, 20____, and entered into by and between **El Pollo Loco, Inc.**, a Delaware corporation (the "**Licensor**"), and _____, a _____ ("Licensee" or "**you**").

A. Licensor operates and licenses others to operate a number of retail outlets for the sale of fire-grilled food items and related products, in connection with the "**El Pollo Loco**" name and Licensor's distinctive plan of food service operation (each, an "**EPL Restaurant**" or "**Restaurant**").

B. Licensee desires to operate a non traditional Restaurant under Licensor's name and to utilize Licensor's plan of food service operation, all in accordance with the terms, covenants and conditions of this Agreement.

C. Licensor owns certain proprietary and other property rights and interests in and to the "El Pollo Loco" trademark and service mark, and such other trademarks, service marks, logo types, insignias, trade dress designs and commercial symbols as Licensor may from time to time authorize or direct Licensee to use in connection with the operation of an Restaurant (the "**El Pollo Loco® Marks**").

D. Licensor has developed, continues to develop and to operate, a distinctive plan for the operation of a chain of retail outlets "El Pollo Loco", for the sale of fire-grilled food items and related products, which includes the El Pollo Loco® Marks and the El Pollo Loco® Operations Manual (the "**Manual**"), policies, standards, procedures, recipes, signs (including menu boards) and related items which are fundamentally uniform in image and in food style and which share many fundamental menu items and methods of operation, and the reputation and goodwill of Licensor's chain of restaurants (collectively, the "**El Pollo Loco® System**") which may be periodically modified from time to time, and as provided in this Agreement.

1. SCOPE AND PURPOSE OF AGREEMENT

1.1. Licensee desires and agrees to operate and manage an "**El Pollo Loco**" restaurant to be located at:

City of _____,
County of _____,
State of _____ (the "**Restaurant**" or "**Location**").

Therefore, in entering into this Agreement, Licensee fully understands and agrees that this Agreement is conditioned upon the continued strict adherence by Licensee to, and Licensee agrees to comply with, all standards, policies, procedures and requirements published or which may from time to time be published or otherwise brought to Licensee's attention by Licensor for the operation, maintenance or improvement of the Restaurant under the El Pollo Loco® System and the El Pollo Loco® Marks. Licensee understands and agrees that strict adherence to these standards, policies, procedures and requirements is essential to the value of the El Pollo Loco® System and the El Pollo Loco® Marks.

1.2. In consideration of the foregoing representations and agreements of Licensee and other consideration as set forth herein, and subject to all of the terms, covenants and conditions of this Agreement, Licensor hereby grants to Licensee, and Licensee hereby accepts from Licensor, the right and License to operate the Restaurant under the El Pollo Loco® Marks and in accordance with the El Pollo Loco® System at the Location.

1.3. Licensor and Licensee retain all other rights and obligations in this Agreement including Licensor's absolute right to establish, franchise or license any other person to establish and operate Restaurants at any location outside the Location. Such Restaurants may include traditional El Pollo Loco® Restaurants, "El Pollo Loco Express Restaurants and Ghost Kitchens which we define as a professional food preparation and cooking facility set up for the preparation of delivery-only meals whether or not the facility produces menu items for multiple brands or just for EPL Restaurants and EPL Restaurants located in "Non-Traditional Venues," which we define as any of the following types of venues: in which a facility is operated located within another primary business or in conjunction with other businesses or at institutional settings: toll roads, highway (or similar) rest stops, train stations, regional shopping malls, airports, mass transit stations, amusement, parks, and all properties controlled by the amusement park, travel stations, hotels, motels and other types of lodging facilities, ships, ports, piers, casinos, stadiums, airports, theatres, big box retailers, building supply stores, warehouse club stores, colleges and universities, schools and other types of schools, hospitals and other types of health care institutions, military and other governmental facilities, office or in-plant food service facilities, shopping malls, grocery stores, outlet malls, supermarkets and convenience stores, and any site for which the lessor, owner or operator has indicated its intent to prefer or limit the operation of its food service facilities to a master concessionaire or contract food service provider, regional

shopping malls, airports, mass transit stations, professional sports stadiums and arenas, hotels and other types of lodging facilities, military bases, entertainment centers, amusement parks, casinos, universities and other types of schools, hospitals and other types of health care institutions, and similar types of captive market locations that we may designate. We will determine and designate those shopping malls that in our judgment qualify as a regional shopping mall based on the size of the shopping complex, number of anchor tenants, existence of dedicated parking space, existence of unrelated merchandisers, and prevailing consumer and industry perceptions. Restaurants in Non-Traditional Venues may share their premises with other businesses, within a host facility, and may provide limited menu items and limited or no delivery. Franchisee may sign a lease with the host facility for a Restaurant located in a Non-Traditional Venue. Franchisor and Franchisee retain all other rights and obligations in this Agreement including Franchisor's absolute right to establish or franchise any other person to establish and operate EPL Restaurants at any location outside the Protected Territory. Additionally, no Protected Area exists for EPL Restaurants located in Non-Traditional Venues.

1.4. Licensors expressly retains all other rights and may, among other things, on any terms and conditions Licensors deems advisable, and without granting Licensee any right therein:

a. Merchandise and distribute goods and services identified by the El Pollo Loco® Marks (including the same or similar products as sold by Licensee at the Restaurant) to customers at any retail location, regardless of its proximity to the Location, through any method or channel of distribution, including, without limitation, at retail locations such as grocery or convenience stores and via the Internet, telemarketing, and direct marketing means, or through other non-El Pollo Loco restaurants having the same or similar menu items or through any other distribution channel; and

b. Establish and operate and License other restaurants (not using the Marks) having the same or similar menu items, whether within or outside of the Location.

1.5. It is expressly understood and agreed by the parties that Licensee is and shall be an independent contractor, that Licensee is not for any purpose an employee or agent of Licensors, and that all of the personnel employed by Licensee at the Restaurant will be employees or agents of Licensee and will not be employees or agents of Licensors. Licensee understands and agrees that, as an independent contractor, it does not have the authority to do anything for or on behalf of Licensors including, but not limited to, holding itself out as Licensors; signing contracts, notes or other instruments; purchasing, acquiring or disposing of any property; or incurring any other obligation or liability. It is further understood and agreed by the parties hereto that no fiduciary relationship is intended or created by this Agreement.

2. THE EL POLLO LOCO® MARKS & SYSTEM

2.1. Upon the terms, covenants and conditions contained herein and during the term hereof, Licensee shall have the right to display and use the El Pollo Loco® Marks, but only for use in connection with retail sales and service of certain food products which Licensee is required to prepare and sell to the general public in and at the Restaurant.

2.2. Nothing contained herein shall be construed as authorizing or permitting Licensee to use the El Pollo Loco® Marks or the El Pollo Loco® System at any location other than the Location or for any purpose or in any manner other than that authorized herein; or in connection with the sale of any products for resale, or any products not required or approved by Licensors, or any products prepared at any place other than at the Location; provided, however, that catering and special event sales may be undertaken by Licensee in strict adherence with the limitations and procedures set forth in the Manual. Notwithstanding anything to the contrary contained herein, Licensors may require Licensee to discontinue the preparation, offer or sale of any product or item which, in the opinion of Licensors or any of its representatives, does not conform to the quality standards or image of Licensors and its products.

2.3. Nothing contained herein shall give Licensee any right, title or interest in or to any of the El Pollo Loco® Marks excepting only the privilege and license, during the term hereof, to display and use the same according to the foregoing limitations. Any and all goodwill arising in connection with Licensee's use of the El Pollo Loco® Marks and the El Pollo Loco® System shall belong to Licensors.

2.4. The business Licensed hereunder shall be named "El Pollo Loco" without any suffix or prefix attached thereto. Licensee shall use signs (including menu boards) ("Signs") and other advertising which denote that the Restaurant is named "El Pollo Loco" and which are approved by Licensors in advance. If Licensee is an entity or if Agreement is transferred to an entity, the name of such entity shall not contain any of the El Pollo Loco® Marks.

2.5. Except as Licensors may otherwise permit in writing, Licensee shall not display or use the trademark, trade name, service mark, logo types, label, design or other identifying symbol or name of any other person, or entity in, on or at the Restaurant or the Location.

2.6. In all public records, in Licensee's relationship with other persons or companies, and in any offering

document, prospectus or similar document, Licensee shall indicate clearly that Licensee's business is independently owned and that the operations of said business are separate and distinct from the operation of Licensor's business. Licensee shall display at the Restaurant, in such locations as may be specified by Licensor and in all correspondence and forms, a notification that the Restaurant is operated by an independent operator and not by Licensor.

2.7. Licensee shall not develop, create, generate, own, license, lease or use in any manner any computer medium or electronic medium (including, without limitation, any Internet home page, e-mail address, website, domain name, bulletin board, newsgroup or other Internet-related medium) which in any way uses or displays, in whole or in part, the El Pollo Loco® Marks, or any of them, or any words, symbols or terms confusingly similar thereto without Licensor's express written consent, and then only in such manner and in accordance with such procedures, policies, standards and specifications as Licensor may establish from time to time.

2.8. Licensor is the owner of, and will retain all right, title and interest in and to:

a. the domain names "**elpolloloco**" and "**crazychicken**;"

b. the URLs and/or websites:

888eptogo.com	elpolloloconews.com	locogiftsandgear.com	orderelpolloloco.com
elpolloloco.ai	eplemail.com	locoreward.com	ownanelpolloloco.com
elpolloloco.com	eplemployeesurvey.com	loco-reward.com	pollocoin.com
elpolloloco.info	eplfeedback.com	loco-rewards.com	polloloco.ai
elpolloloco.net	eplfranchisee.com	loco-rewards.net	polloloco.org
elpolloloco.org	eplfranchising.com	loco-rewards.org	pollozone.com
elpolloloco.site	eplmarketing.com	locotexas.com	stronglikeamadre.com
elpolloloco.space	eplportal.com	locotx.com	thepolloloco.com
elpolloloco.vip	eplsurvey.com	myepl.net	-
elpolloloco.work	eptogo.com	myepl.site	-
elpollolocofranchising.com	goairloco.com	myeplfeedback.com	-

c. all existing and future domain names, URLs, websites, future addresses and subaddresses using the El Pollo Loco® Marks in any manner;

d. all software; all content prepared for, or used on, the above Websites; and

e. all intellectual property rights in and to any of them.

2.9. Licensor reserves all rights to use the El Pollo Loco® Marks in any manner.

3. TERM

3.1. The term of this Agreement shall commence on the date Licensee first opens the Restaurant to the public (the "**Opening Date**") and shall end one day prior to the date which is the fifth (5th) anniversary of the Opening Date, unless sooner terminated as provided herein ("**Term**"). Promptly following the Opening Date, the parties shall execute a Memorandum of Opening Date attached as Exhibit 1 which shall confirm the Opening Date; provided, however, if the parties fail to execute such Memorandum of Opening Date, the Opening Date shall be as determined in good faith by Licensor. Upon the expiration or earlier termination of this Agreement, Licensee shall have no right or option to extend the term of this Agreement.

4. SITE DEVELOPMENT

4.1. After execution of this Agreement, Licensee will be required to achieve certain milestones to assure the timely development of the Restaurant

a. Within twelve (12) months following the date of Licensor's execution of this Agreement, Licensee must have completed all of the site development work (including, but not limited to, engineering, architectural/design, entitlements, and permitting) and commence construction of the Restaurant; and

b. Within thirty-six (36) months following the date of Licensor's execution of this Agreement, Licensee must have completed construction of the Restaurant at the Location and the Restaurant shall be open to the public.

4.2. Licensee understands and acknowledges that in accepting Licensee's Location, or by granting a License for a Location (whether or not formerly operated as a Licensor or Licensee-owned Restaurant), Licensor does not in any way endorse, warrant or guarantee either directly or indirectly the suitability of such Location or the success of the License business to be operated by Licensee at such Location. The suitability of the Location and the success of the License business depends upon a number of factors outside of Licensor's control including, but not limited to, Licensee's operational abilities, site location, consumer trends and such other factors that are within the direct control of Licensee.

4.3. If Licensee purchases a currently operating El Pollo Loco Restaurant (a "Turnkey Restaurant") from Licensors or another Licensee ("Seller"), then Licensee shall begin operation of the Restaurant on the date possession of the Restaurant is transferred to Licensee pursuant to the agreement entered into between Licensee and Seller for the purchase of the Restaurant. Failure to do so shall constitute a material default hereunder. With respect to non-Turnkey Restaurants, failure to reach each milestone described in Section 4.1 above within the specified time frames shall constitute a material default hereunder. Prior to opening the Restaurant, Licensee shall obtain and thereafter maintain throughout the term of this Agreement all necessary business licenses, permits and other documentation necessary for the operation of the Restaurant.

5. IMPROVEMENTS, FIXTURES AND EQUIPMENT

5.1. If the Location is other than a Turnkey Restaurant, then this Section will apply to the building, reconstruction, remodeling, or other changes necessary to conform the Location to the requirements set forth in this Section or as provided and updated by Licensors from time to time in accordance with this Section.

5.2. Licensee, at its sole expense, shall construct or, in the case of an existing building, remodel the Location and install such Signs, fixtures, furniture and equipment at the Location as are required in accordance with Licensors current requirements and specifications for same. Licensee shall be responsible for obtaining all zoning classifications and clearances which may be required by state or local laws, ordinances or regulations. Licensee shall obtain from applicable governmental authorities all permits, licenses and certifications required for lawful construction or remodeling work and for the operation of the Restaurant. If requested by Licensors, Licensee shall submit to Licensors a copy of all such required permits, licenses and certifications for the construction or remodeling work prior to commencing the construction or remodeling of the Location.

5.3. Licensors shall provide Licensee with standard plans and a sample layout for a typical non-traditional El Pollo Loco® restaurant and a set of typical construction, equipment and decor specifications (the "Plans").

5.4. Licensee, at its sole expense, shall employ licensed architects, designers, engineers, development consultants or others as may be necessary to complete, substitute, adapt or modify the Plans for the Restaurant so as to create a set of Restaurant specific final plans and specifications (collectively, "Final Plans"). Creating a set of Final Plans and specifications may include, but is not limited to, adapting Plans for structural engineering, architectural requirements, interior and exterior materials, locally available building materials, local weather requirements and federal, state and local code requirements. In some cases, these can lead to substantial changes and costs in the provided Plans. LICENSEE SHALL SUBMIT TO LICENSORS A COMPLETE SET OF FINAL PLANS AND SPECIFICATIONS, INCLUDING A SITE PLAN, AND OBTAIN LICENSORS WRITTEN APPROVAL OF SUCH PLANS AND SPECIFICATIONS PRIOR TO COMMENCING THE CONSTRUCTION OF THE RESTAURANT OR, IN THE CASE OF AN EXISTING BUILDING, THE REMODELING WORK FOR THE RESTAURANT. Licensors shall review such Final Plans and specifications promptly and approve or disapprove the same, and Licensors may provide comments on the plans and specifications to Licensee. Such review and approval by Licensors will be limited to items and issues relating to the El Pollo Loco® System only and is not intended to be a verification or approval of the structure of the building, mechanical systems or document accuracy. Examples of conceptual areas related to the El Pollo Loco® System include Signs, logos, finishes, decor and aesthetics, guest comfort, and ability to serve food within Licensors standards for quality, timeliness and cleanliness.

5.5. Licensee shall use a qualified licensed general contractor to perform the construction or remodeling work at the Restaurant. Licensees general contractor shall provide a schedule to Licensors before the start of construction. Licensors shall not be responsible for delays in the construction, equipping or decoration of the Restaurant or for any loss resulting from the Restaurant design or construction. All changes in the Restaurant Final Plans relating to the El Pollo Loco® System, as described in Section 5.4 above, to the construction or remodeling of the Restaurant or the implementation of such changes are subject to Licensors prior written approval. LICENSEE SHALL PROVIDE WRITTEN NOTICE TO LICENSORS OF THE DATE UPON WHICH CONSTRUCTION OF THE RESTAURANT COMMENCED WITHIN 7 DAYS AFTER COMMENCEMENT AND THEREAFTER SHALL PROVIDE TO LICENSORS MONTHLY PROGRESS REPORTS OF THE STATUS OF THE CONSTRUCTION WORK SIGNED BY LICENSEE'S ARCHITECT OR GENERAL CONTRACTOR. Licensees failure to commence the design, construction or remodeling, equipping and opening of the Restaurant promptly and with due diligence shall be grounds for the termination of this Agreement. Licensors shall make a final inspection of the completed Restaurant and may require such corrections and modifications as it deems necessary to bring the Restaurant into compliance with approved Final Plans. LICENSEE SHALL NOTIFY LICENSORS OF THE DATE OF COMPLETION OF CONSTRUCTION AND, WITHIN A REASONABLE TIME THEREAFTER, LICENSORS SHALL CONDUCT THE FINAL INSPECTION OF THE RESTAURANT AND ITS PREMISES. Licensee acknowledges and agrees that Licensee shall not open the Restaurant for business without the express written authorization of Licensors and that

Licensor's authorization to open shall be conditioned upon Licensee's furnishing to Licensor:

a. A letter from the general contractor responsible for the construction or remodeling of the Restaurant indicating that the Restaurant has been constructed or remodeled in substantial conformance with the approved Final Plans, including any changes thereto approved by Licensor, and in accordance with all applicable state and local governmental laws, statutes and ordinances regulating such construction including, without limitation, building, fire, health and safety codes; and

b. A temporary or final Certificate of Occupancy issued by the applicable local governmental entity.

5.6. Licensee shall, at its sole expense, purchase all required Signs, fixtures, furniture and equipment for the Restaurant and Location from a distributor listed on the Approved Brands and Distributors List (as defined below) or another distributor approved pursuant to Section 10.4. The items purchased shall be installed in strict accordance with the specifications of Licensor and erected and displayed in the manner and at such locations as are approved and authorized by Licensor in writing. Licensee shall maintain and display Signs which reflect the current image of El Pollo Loco® Restaurants and shall not place additional Signs at or in the Restaurant without the prior written consent of Licensor. Licensee shall discontinue the use of and remove, or modify, as applicable, such Signs that are declared obsolete by Licensor within 30 days after Licensee's receipt of Licensor's written request, subject to reasonable extension if Licensee is unable after using reasonable diligence to obtain required governmental approvals for modification of such Signs. Proper signage is fundamental to the El Pollo Loco® System and Licensee hereby grants to Licensor the right to enter the Location, including the Restaurant and any nearby areas where Signs are displayed, in order to remove and de-identify any unapproved or obsolete Signs in the event Licensee has failed to do so within the above-specified time frame.

5.7. Licensee is solely responsible for the acts or omissions of its contractors regarding compliance with all of the provisions of this Section, and Licensor shall have no responsibility for such acts or omissions. Licensor shall not be liable for any loss or damage arising from the design or plan of the Restaurant by reason of its approval of plans and specifications, or otherwise. Licensee shall indemnify Licensor for any loss, cost or expense, including attorneys' fees, that may be sustained by Licensor because of the acts or omissions of Licensee's contractors or arising out of the design, construction or remodeling of the Restaurant, except to the extent that any such loss, cost or expense arises as a result of the grossly negligent acts or omissions of Licensor, its employees and/or agents.

5.8. Licensee shall give to Licensor at least 30 days prior written notice of the anticipated Opening Date. Licensee shall not open the Restaurant to the public until it has received written approval from Licensor to open. If Licensee did not deliver to Licensor a final Certificate of Occupancy prior to the Opening Date, Licensee shall deliver to Licensor a copy of an unconditional final Certificate of Occupancy issued by the applicable local governmental entity no later than 90 days following the Opening Date.

6. FEES, TAXES AND OTHER CHARGES

6.1. Licensee shall pay to Licensor during the term of this Agreement the following nonrefundable fees:

a. An Initial License Fee ("IFF") of \$10,000.00, in full within 30 days of delivery of execution copies of this Agreement to Licensee. ~~As our sole and absolute right to determine, you may be offered an Initial Term of less than ten (10) years. The IFF will remain \$10,000.00.~~ All such payments shall be made by cashier's check or other form of payment acceptable to Licensor. Licensee hereby acknowledges and agrees that the grant of this License constitutes the sole and only consideration for the payment of the IFF and the IFF shall be fully earned by Licensor upon execution of this Agreement. In that regard, upon the payment of any portion of the IFF, the entire IFF shall be deemed fully earned and non-refundable in consideration of the administrative and other expenses incurred by Licensor in granting this License and for Licensor's lost or deferred opportunity to License to others.

b. A monthly royalty fee equal to 5 % of Licensee's immediately prior month's Net Sales (as defined in Section 7.1).

c. A monthly advertising fee equal to % of Licensee's immediately prior month's Net Sales (as defined in Section 7.1).

d. The amount of all sales taxes, use taxes and similar taxes imposed upon or required to be collected or paid by Licensor on account of goods or services furnished to Licensee by Licensor, whether such goods or services are furnished by sale, lease or otherwise. Licensee shall reimburse Licensor for the invoice amount within 7 days after the invoice has been delivered to Licensee.

e. Other Fees. Licensee may be charged Other Fees as incurred. Other Fees, include but are not limited to, POP Fees, Gift Card Discount Fees, Customer Feedback Costs, Inspection, Re-inspection & Coaching Fees, Obsolete Inventory Fund, Training Fees, Learning Management System Fees, Assignment Fees, New Restaurant Opening Support Fees, Computer-based Cash Control System and Restaurant Management/Point of Sale System, Digital Communication Board, Consulting and Evaluation Services and POS Software Services and Support and Oracle Reports & Analytics Portal IT-Fees.

6.2. Licensee shall pay interest to Licensor on any amounts which may become due to Licensor from Licensee, if such are not paid when due, at the rate of 15% per annum (pro-rated) or the maximum interest rate permitted by law, whichever is less.

6.3. CPI Adjustment for Fixed Dollar Amount Fees. For each fixed dollar amount fee or cost set forth in this Agreement, not more frequently than one time per calendar year, effective January 1 of such year (each, an **"Adjustment Date"**), such fee or amount may be adjusted by multiplying the then-current fee by a fraction, the numerator of which is the Consumer Price Index for All Urban Consumers (CPI-U), U.S. City Average, All Items, Not Seasonally Adjusted, published by the U.S. Bureau of Labor Statistics (the **"Index"**) for the November prior to the Adjustment Date, and the denominator of which is the Index for the corresponding month in the prior year, unless waived by Franchisor. If Franchisor does not implement an annual adjustment with respect to such fixed fee on any Adjustment Date (a **"Skipped Adjustment"**), Franchisor may, at any time thereafter, implement a catch-up adjustment to account for one or more Skipped Adjustments by providing Franchisee with sixty (60) days' prior written notice. The catch-up adjustment shall be calculated by multiplying the then-current fee by a fraction, the numerator of which is the Index for November prior to the effective date of the catch-up adjustment, and the denominator of which is the Index for the corresponding month in the year of the earliest Skipped Adjustment being adjusted. The Adjustment Date and Skipped Adjustment may be collectively referred herein to as the **"CPI Adjustment"**.

6.4. Adjustment for Vendor Fees. For each fee or cost set forth in this Agreement set by third party vendors, effective on the date of change in fees (each, an **"Vendor Pro-rated Adjustment Date"**), such fee or amount may be adjusted by dividing the then-current fee by the number of all EPL Restaurants participating in the services provided by that vendor. If Franchisor does not implement an annual adjustment with respect to such fixed fee on any Vendor Pro-rated Adjustment Date (a **"Vendor Pro-rated Skipped Adjustment"**), Franchisor may, at any time thereafter, implement a catch-up adjustment to account for one or more Vendor Pro-rated Skipped Adjustments by providing Franchisee with sixty (60) days' prior written notice. The catch-up adjustment shall be calculated by dividing the fee at the time of the fee change by the number of all EPL Restaurants participating in the services provided by that vendor for each corresponding month in the year (or use of vendor service if appropriate) of the earliest Skipped Adjustment being adjusted. The Adjustment Date and Skipped Adjustment may be collectively referred herein to as the **"Vendor Pro-rated Adjustment"**.

7. FINANCIAL REPORTING, BILLING AND PAYMENT

7.1. The term **"Net Sales"** as used in this Agreement shall mean the total revenues derived by Licensee in and from the Restaurant from all sales of food, beverages, goods, wares, merchandise and all services, rights, and anything else of value, made in, upon, or from the Restaurant, whether for cash, check, credit or otherwise, without reserve or deduction for inability or failure to collect the same, including, without limitation, all revenues derived from delivery, curbside pickup orders, catering, and special event sales, such sales and services where the orders therefor originate at and are accepted by Licensee into the Restaurant but delivery or performance thereof is made from or at any other place, or other similar orders are received or billed at or from the Restaurant, and any sums or receipts derived from the sale of meals to employees of the Restaurant, including university or cafeteria type meal plans. Net Sales is calculated after any rebates, discounts, coupons or refunds to customers, any employee meal discounts; any Loyalty Reward points or discounts. Net Sales do not include any sales taxes or other similar taxes that Licensee collects from customers and pay to any federal, state or local taxing authority. We reserve the right to modify our policies and practices regarding revenue recognition, revenue reporting, and the inclusion or exclusion of certain revenue from **"Net Sales"** as circumstances, business practices, and technology change.

7.2. Licensee shall deliver to Licensor on or before the 6th calendar day after each close of the sales month, a monthly Net Sales statement (**"Monthly T-Sheet"**), in the form specified by Licensor, setting forth the amount of Net Sales for the preceding month and a calculation of the monthly fees payable on such sales. Monthly fees, such as Royalty Fees, in addition to other fees such as POP Fees, Gift Card Discount Fees, Customer Feedback Costs, Re-Inspection Fees and Coaching Fees (hereinafter collectively will be referred to as **"Fees"**) shall be due and payable on the 10th day after the close of the sales month, which closing shall be designated by El Pollo Loco® as its sole and absolute right upon 10 days advance written notice to Licensee (**"Sales Month Closing"**). Licensee shall make all payments due hereunder by pre-arranged draft or sweep of Licensee's business bank operating account (**"ACH"**). Licensee will give Licensor authorization in the format set forth in the Authorization Agreement for Prearranged Payments, Exhibit 2 attached hereto for direct debits from Licensee's business bank operating account (the **"Operating Account"**). Licensee acknowledges it is Licensee's responsibility to notify Licensor of any changes to the bank operating account in a timely fashion. Licensor may choose, as its sole and absolute right, to accept other forms of payment including check, cashier's check and Electronic Funds Transfer (**"EFT"**). Licensee will contribute to the Obsolete Inventory Fund as described above. Contributions are payable to the vendor at the time of inventory purchase.

7.3. If Licensee is delinquent in any payment of such Fees, or if Licensee has not submitted the Monthly T-Sheet for more than a two-month period when due, Licenser may, as its sole and absolute right initiate an ACH or/and EFT transfer from the Operating Account an estimated amount of Fees due Licenser for such period which shall be based on the average of the immediately preceding 3 months' Net Sales. If, at any time, Licenser determines that Licensee has under-reported the monthly Net Sales of the Restaurant, or underpaid the monthly Royalty Fees, Advertising Fees, or other amounts due to Licenser under this Agreement, or any other agreement, Licenser may, in addition to exercising all other rights and remedies available to it under this Agreement, initiate an immediate transfer from the Operating Account in the amount equal to the unpaid Fees in accordance with the foregoing procedure, including interest as provided in Section 6.2 above. Any overpayment of Fees will be credited to the Operating Account effective as of the first due date after Licenser and Licensee determine that such credit is due.

7.4. In connection with payment of the monthly Fees by ACH or EFT, Licensee shall: (1) comply with procedures specified by Licenser relating to ACH or EFT transfers; (2) perform those acts and sign and deliver those documents as may be necessary to accomplish payment by ACH or EFT as described in this Section and above in Section 7.2; (3) give Licenser an authorization in the form designated by Licenser to initiate debit entries and/or credit correction entries to the Operating Account for payments of the monthly Royalty Fees and Advertising Fees, or other amounts due to Licenser under this Agreement, or any other agreement, including any interest charges; and (4) make sufficient funds available in the Operating Account for withdrawal by ACH or EFT of Fees due no later than each applicable due date.

7.5. In addition to the sales data required to be provided in the Monthly T-Sheet to be delivered pursuant to Section 7.2, Licensee shall deliver (in the manner prescribed by Licenser) to Licenser, on or before the 10th day after the end of each sales month during the term of this Agreement, any other sales and menu mix data reasonably requested by Licenser with respect to the preceding sales month, whether specified in the Manual or otherwise.

7.6. Within 30 days after the end of each calendar quarter and within 120 days after the end of each calendar year during the term of this Agreement, Licensee shall provide to Licenser a financial statement of the License business which shall include such information and data as specified in the financial reporting format set forth in Exhibit 3 attached hereto or in such other format reasonably approved by Licenser. Such fiscal year-end financial statements must be signed by Licensee, Licensee's treasurer or Licensee's chief financial officer and contain a representation that the financial statements present fairly the financial position of Licensee and the results of operations of the License business during the period covered.

7.7. Licensee shall maintain accurate and complete books and records pertaining to the operation and maintenance of the Restaurant as required by the standards, policies and procedures established by Licenser in accordance with the Manual. Licensee shall be solely responsible for performing all record keeping duties, and the cost for all such services shall be borne solely by Licensee.

7.8. Unless Landlord or a similar venue controlling entity mandates the use certain computer systems and software at Licensee's Non Traditional Location, Licensee shall obtain, install, and use the computer system that Licenser requires or approves in writing. The term "**Computer System**" means communications, computer systems, and hardware to be used by the Restaurant, including (a) back office and point of sale systems, (b) cash register systems; (c) physical, electronic, and other security systems; (d) printers and other peripheral devices; (e) archival back-up systems; and (f) internet access mode. In connection with the Computer System:

a. Licensee must obtain, install, and use the computer software programs required by Licenser (the "**Required Software**") from time to time. Licensee must utilize any proprietary software program that Licenser has developed or may develop, internally or with the assistance of outside suppliers or consultants, or that Licenser may license for use by the El Pollo Loco® System.

b. Licenser may modify specifications for and components of the Computer System and Required Software. The Computer System and Required Software must be purchased or leased from Licenser or from suppliers approved by Licenser and must be installed by Licenser or by suppliers approved by Licenser solely at Licensee's expense. Licenser may be the only approved supplier of the Computer System and Required Software. Licensee is responsible, at Licensee's expense, to ensure that all Computer System components and Required Software are: (i) installed in accordance with Licenser's standards and procedures; (ii) functioning properly with timely upgrades, updates, modifications, and maintenance; and (iii) can interface with Licenser's Computer System. Licensee has sole and complete responsibility for any and all consequences if the Computer System and Required Software is not properly operated, maintained, updated, modified, and upgraded. Licenser's modification of specifications for the Computer System and Required Software may require Licensee, at Licensee's expense, to purchase, lease, and/or license new or modified computer hardware and/or

software and/or communications capabilities and to obtain service and support for such modifications. Licensee shall be required to enter into an El Pollo Loco® IT Support Services Agreement (a **"Support Agreement"**) in connection with the operation of the Computer System. The Support Agreement (Exhibit 7) is attached to the Franchise Agreement Exhibit C. Licensee agrees that Licensor may condition any license of proprietary software to Licensee, or your use of technology that Licensor develops or maintains, on you signing the software license agreement or similar document Licensor provides to regulate your use of, and our and your respective rights and responsibilities with respect to, the software or technology. Licensor may charge Licensee up-front and ongoing weekly or monthly fees for any proprietary software or technology Licensor licenses to Licensee and for other maintenance and support services provided during this Agreement's term.

c. The Computer System is for use by Licensee only in connection with operational and management tasks of the Restaurant. Licensee may not use the Computer System for email, word processing, spreadsheets, web surfing, or any other personal application or purpose not approved in writing by Licensor (**"Personal Applications"**). In addition, Licensee will only install Licensor approved Wi-Fi hardware to ensure security and controls are in place to protect and segment networks.

d. Licensor shall have the right from time to time, and at any time, to retrieve data and information from Licensee's Computer System, by modem or other means, and use it for any reasonable business purpose both during and after the term of this Agreement. Licensor may, from time to time, specify in the Manual or otherwise in writing the information that Licensee shall collect and maintain on the Computer System, and Licensee shall provide to Licensor such reports as Licensor may reasonably request from the data so collected and maintained.

7.9. All of the accounts, books, records and federal, state and local tax returns and reports of Licensee, so far as they pertain to the business transacted under this Agreement, shall be open to inspection, examination and audit by Licensor and its authorized representatives at any and all times, and copies thereof may be made by Licensor and retained for its own use. All of such records shall be maintained and retained by Licensee for 7 years, and following the termination or expiration of this Agreement, the books and records for the preceding 7 years shall be maintained and retained by Licensee for 5 years. Licensor may inspect, examine audit and copy any and all books and records of the Licensee's business. Any such inspection, examination and audit shall be at Licensee's cost and expense as a result of Licensee's failure to prepare and deliver its transmittal reports to Licensor as required herein, or to maintain books and records as hereinabove provided, or if any such transmittal report is determined to be in error to an extent of 2% or more for the period audited. Any such cost and expense shall be set forth in a written invoice delivered to Licensee by Licensor. Licensee shall reimburse Licensor for the invoice amount within 7 days after the invoice has been delivered to Licensee.

7.10. Unless Landlord or a similar venue controlling entity mandates the use certain computer systems and software at Licensee's Non Traditional Location, Licensee shall participate in the Remote Ordering System (including, but not limited to, website and mobile application ordering and payment), Loyalty Program, Third Party Delivery Program, and Digital Menu Boards Program and Gift Cards Program (collectively referred to as **"Programs"**). Licensee shall comply with procedures and policies of the Programs specified by Licensor in the Manual or otherwise in writing, including those relating to making timely payment to third-party service providers for such Programs. Licensee acknowledges and agrees that, in connection with the Programs, Licensee may be required to:

a. Enter into a separate agreement with third party service providers of the Programs under the terms and conditions as may reasonably be required by such third parties for participation in the Programs;

b. Purchase or upgrade, as applicable, such hardware, software and equipment as shall be necessary to participate in the Programs;

c. Comply in all material respects with all applicable laws, statutes and regulations in performing Licensee's obligations under this Agreement and otherwise in connection with Licensee's participation in the Programs; and

d. Execute such forms or documents or take such other actions reasonably necessary or requested by Licensor to effectuate Licensee's participation in the Programs; and

e. Accept credit cards and mobile payments for orders made through these and other programs or product distribution channels, not imposing any minimum amount for the acceptance of any payment method.

7.11. We may discontinue or modify the Programs at any time, and upon receiving notice from us that we intend to do so, you must immediately cease the Programs or make the modifications that we require.

8. ADVERTISING AND MARKETING

8.1. Recognizing the value of marketing and advertising to the goodwill and public image of the El Pollo Loco® System, Licensor administers funds for advertising, public relations, marketing research and promotion into which licenses contribute an Advertising Fee. EPL Restaurants owned and operated by Licensor contribute on the same basis as licensees

within the same DMA. The entire Advertising Fee will be deposited into the "Advertising Fund" to be allocated as Licensor's sole and absolute right and Licensor shall have the sole and absolute right to determine the expenditures, investments and all aspects of activities funded by the Advertising Fund. Licensor shall be under no obligation to use the Advertising Fund to advertise equally for all markets or for all DMAs. Licensor shall be under no obligation to determine the incremental cost of sales advertising and investor relations sections of any internet web sites established by Licensor and funded in whole or in part by the Advertising Fund.

8.2. Licensee shall not engage in any advertising activities without Licensor's prior written consent. Should Licensee submit advertising that is not approved by Licensor, Licensee will be required to revise and resubmit such advertising again for written approval, *prior to use* of such advertising. Licensee shall submit to Licensor for Licensor's prior approval, at least 30 days prior to the beginning of each fiscal year, a marketing plan for Licensee's DMA. This marketing plan may be submitted by all Licensees in Licensee's DMA through an area advertising association. If Licensee is using materials not prepared by Licensor and which vary from Licensor's standard advertising and promotional materials, such materials must be submitted to Licensor for approval no less than 45 days prior to the beginning of such promotion or program. Licensor will review any materials submitted for Licensor's approval within 10 business days of receipt of such materials. Licensee shall not use any advertising or promotional materials that Licensor has disapproved, or that Licensor has not approved. Licensee may pay out of pocket for additional marketing items provided these items and activities are approved by Licensor prior to use.

8.3. Licensor shall have the right to establish local and/or regional advertising associations ("**Advertising Associations**") for El Pollo Loco® restaurants in Licensee's local or regional area, covering the geographic areas Licensor may designate from time to time. Licensor has the right to form, change, dissolve or merge the Advertising Associations. If Licensor has established an Advertising Association in Licensee's DMA, Licensee must participate in the Advertising Association and its programs and abide by its by-laws. Each EPL Restaurant located within the area governed by the Advertising Association will have a vote. Licensee must contribute the amounts to the Advertising Association(s) as determined by the Advertising Association members from time to time in accordance with their bylaws. Any EPL Restaurant owned by Licensor in Licensee's DMA or regional market area(s) will contribute to the Advertising Association on the same basis as Licensee contributes for its Restaurant.

9. INSURANCE AND INDEMNIFICATION

9.1. Throughout the term hereof, Licensee shall obtain and maintain insurance coverage with insurance carriers acceptable to Licensor in accordance with Licensor's current insurance requirements as modified from time to time as communicated by Licensor. The coverage shall commence when the Location is secured by Licensee by executed deed or (sub)lease. As proof of such insurance, a certificate of insurance shall be submitted by Licensee for Licensor's approval prior to Licensee's commencement of any activities or services to be performed under this Agreement. Licensee shall deliver a complete copy of Licensee's then-prevailing policies of insurance to Licensor within 30 days following the delivery of the certificate of insurance. The coverage shall include the following types of insurance and requirements:

<u>Type of Insurance</u>	<u>Minimum Limits of Liability</u>
<u>Commercial general and product liability insurance</u>	<u>\$1,000,000 per occurrence</u> <u>\$2,000,000 general aggregate</u>
<u>Worker's Compensation Insurance</u>	<u>Statutory</u>
<u>Automobile Liability Insurance</u>	<u>\$1,000,000 combined single limit</u>
<u>Umbrella Excess Liability Insurance</u>	<u>\$5,000,000 limit per occurrence</u>
<u>Employment Practices Liability Insurance</u>	<u>\$1,000,000 per occurrence</u> <u>\$2,000,000 general aggregate</u>

a. Full compliance with the insurance requirements of Licensee's (sub)lease, if any; and

b. Property and extended coverage insurance with a maximum deductible of \$10,000 and with endorsements for vandalism and malicious mischief, covering the building, structures, equipment, improvements and the contents thereof in and at the Restaurant, on a full replacement cost basis, insuring against all risks of direct physical loss (except for unusual perils such as nuclear attack, earth movement and war), and business interruption insurance sustained form covering the rental of the Location, previous profit margins, maintenance of competent personnel and other fixed expenses; and

c. In connection with and prior to commencing any construction of the Restaurant, Licensee shall maintain Builder's All Risks Insurance in forms and amounts, and written by a carrier or carriers, acceptable to Licensor; and

d. An additional insured endorsement naming Licensor as well as loss payee on the commercial property policy to the extent of its interests. The endorsement shall state the above-described insurance shall be primary

and not contributory, as to Licensor; and with a waiver of subrogation in favor of Licensor. All policies must contain provisions waiving rights of recovery against any named insured by subrogation and an endorsement under the commercial property policy naming Licensor as a loss payee; and

e. Commercial liability and umbrella/excess policies shall not contain: (i) mold, fungi, viruses, or bacteria exclusions applying to a good or product intended for consumption, or (ii) property damage or bodily injury caused by the ingestion of food. There may be other insurance policies (not mentioned here) required to cover potential losses due to your particular business operations.

f. All public liability and property damage policies shall contain a provision that Licensor, although named as an additional insured, shall nevertheless be entitled to recover under such policies on any loss occasioned to it, its affiliates, officers, agents and employees by reason of the negligence of Licensor, Licensee, or their respective principals, contractors, agents or employees. "Affiliate" is defined as any person or legal entity that directly or indirectly controls, is controlled by, or is under common control with the specified person or legal entity; and

g. All policies shall extend to and provide indemnity for all obligations assumed by Licensee hereunder and all other items for which Licensee is required to indemnify Licensor under the provisions of this Agreement, whether or not the liability arose from the negligence of Licensor, its principals, contractors, agents or employees, and shall provide Licensor with at least 30 days prior written notice of cancellation, termination or material reduction of coverage.

9.2. Licensee shall provide Licensor with certificates of insurance evidencing such coverage described above prior to the Opening Date and promptly following the date any policy of insurance is renewed, modified or replaced during the term of this Agreement. All coverages shall be placed with a financially stable insurer with a minimum AM Best Ratings of A-VII. Licensor reserves the right to specify reasonable changes (which may include increases) in the types and amounts of insurance coverage required by this Section. Should Licensee fail or refuse to procure the required insurance coverage from an insurance carrier acceptable to Licensor or to maintain it throughout the term of this Agreement, Licensor may as its sole and absolute right, but without any obligation to do so, obtain such coverage for Licensee, in which event Licensee shall pay on demand the required premiums and any related fees or costs (such as, but not limited to, broker's fees, taxes or service fees) or reimburse Licensor therefore. The amount of such premiums and any related fees or costs shall be set forth in a written invoice delivered to Licensee by Licensor. Licensee shall reimburse Licensor for the invoice amount within 7 days after the invoice has been delivered to Licensee pursuant to Section 21.3 of this Agreement. Failure to maintain the required insurance or to promptly reimburse Licensor for any premiums and any related fees or costs paid on behalf of Licensee by Licensor shall constitute a default hereunder. Should Licensor elect to obtain such coverage for Licensee, then Licensee will assist Licensor by providing the necessary information and access to enable Licensor to obtain coverage for Licensee. In the event of any claim, lawsuit, complaint, cross complaint, arbitration, demand, allegation, or liens and damages (collectively "**Claim**"), Licensee shall immediately notify Licensor in writing of the Claim and the facts surrounding such Claim pursuant to Section 21.3 of this Agreement.

9.3. Licensee shall defend immediately upon tender of defense, at its own cost, Licensor, its subsidiaries, parent and affiliates, shareholders, directors, officers, employees and agents (collectively referred to, for this Section and Section 9.4 only, as "**Licensor**"), from and against any and all claims, lawsuits, complaints, cross complaints, arbitrations, demands, allegations, costs embraced by indemnity, loss, costs, expenses (including attorneys' fees), liens and damages (collectively referred to, for this Section and Section 9.4 only, as "**Losses**"), however caused, and reimburse Licensor for all costs and expenses (including attorneys' fees) incurred by Licensor in defense of any Losses, resulting directly or indirectly from or pertaining to or arising out of, or alleged to arise out of, or in connection with the restaurant or operation of the restaurant, including, without limitation any labor or employee-related claims whatsoever (including claims made by an employee of Licensee resulting from the employee's training in a Licensor operated facility or restaurant), and Licensee's failure for any reason to fully inform any third party of Licensee's lack of authority to bind Licensor for any purpose. Such Losses shall include, without limitation, (a) those arising from latent or other defects in the Restaurant whether or not discoverable by Licensor, (b) those arising from the death of or injury to any person and (c) those arising from damage to the property of Licensee or Licensor, or any third party, whether or not any of the foregoing is a result of any strict liability imposed on Licensor by fact, law, statute, or ordinance. Licensee further agrees that Licensee's duty to defend Licensor is separate from, independent of and free-standing of Licensee's duty to indemnify Licensor and applies whether the issue of Licensee's negligence, breach of contract, or other fault or obligation has been determined. Licensee's duty to defend is regardless of the outcome of liability even if Licensee is ultimately found not negligent and not dependent on the ultimate resolution of issues arising out of any.

9.4. Licensee shall indemnify and hold harmless Licensor from and against any and all Losses, however caused, resulting directly or indirectly from or pertaining to or arising out of or in connection with the Restaurant or operation of the Restaurant, including, without limitation, any labor or employee-related claims whatsoever, including any claims made by an employee of Licensee resulting from the employee's training in a Licensor operated facility or restaurant, and Licensee's failure for any reason to fully inform any third party of Licensee's lack of authority to bind Licensor for any purpose. Such Losses shall include, without limitation, (a) those arising from latent or other defects in the Restaurant whether or not

discoverable by Licensor, (b) those arising from the death of or injury to any person and (c) those arising from damage to the property of Licensee or Licensor, or any third party, whether or not any of the foregoing is a result of any strict liability imposed on the Licensor by fact, law, statute, or ordinance. Licensee further shall indemnify and hold harmless Licensor from all said Losses and shall pay for and be responsible for all said Losses, however caused, whether by any individual, employee, third person or party, vendor, visitor, invitee, trespasser or any firm or corporation whatsoever, whether caused by or contributed to by Licensor, the combined conduct of Licensee and Licensor, or active or passive negligence of Licensor, but for the sole negligence or willful misconduct of Licensor.

10. COMPLIANCE WITH MANUAL AND WITH SYSTEM STANDARDS

10.1. Licensee acknowledges and agrees that strict and continued adherence by Licensee to Licensor's standards, policies, specifications, procedures, requirements, menu items policies, and the Manual comprising the El Pollo Loco® System (collectively, the "**System Standards**"), as set forth in this Section, in the Manual, and in other standards, policies, and procedures documents created or modified by Licensor from time to time, is required and that failure on the part of Licensee to so adhere will be grounds for termination of this Agreement as provided in Section 17 hereof. Licensee acknowledges that changes, modifications, deletions and additions to the System Standards may be necessary and desirable from time to time. Licensor may make such modifications, revisions, deletions and additions, including without limitation, modifications, revisions, deletions and additions to the Manual and to the menu items required to be offered by Licensee, which Licensor, in good faith and exercising its judgment believes to be desirable. Licensee agrees to comply with any such modification, revision, deletion or addition as of the date that such modification, revision, deletion or addition becomes effective, whether they involve refurbishing or remodeling the Restaurant, buying new operating assets, adding new menu items and services, initiating new programs, or otherwise modifying the nature of your operations, as if they were part of this Agreement as of the Effective Date. Licensee acknowledges that it shall receive a copy of the Manual for the Restaurant on loan from Licensor and that the Manual shall at all times remain the sole property of Licensor. Licensee understands that Licensor has entered into this Agreement in reliance upon Licensee's representation that it will strictly comply with all the provisions of the Manual. For purposes of this Agreement, the Manual shall be deemed to include all written directions delivered to Licensee by Licensor from time to time setting forth standards, specifications and procedures for the operation of Licensee's Restaurant.

10.2. Licensee acknowledges and agrees that it is in the best interest of the business conducted at the Restaurant to prepare and serve food in the Restaurant only from ingredients which meet the product specifications as communicated by Licensor to Licensee from time to time (the "**Specifications**"), and Licensee further promises that all products, equipment, goods, inventory and supplies used in connection with the Restaurant will comply with the Specifications. Furthermore, Licensee shall not offer or sell any product, service or other item at the Restaurant except those prior approved in writing by Licensor.

a. All menu items shall be made in strict compliance with Licensor's written recipes and requirements, which Licensor may change from time to time by amendments to the Manual.

b. Licensee acknowledges and agrees that all proprietary El Pollo Loco® marinades, marinade mixes and marinated ingredients used in the preparation of the required and approved El Pollo Loco® food products are unique. Their formulae and the process of their manufacture constitute trade secrets. Licensee shall purchase such marinades, marinade mixes and marinated ingredients exclusively from Licensor or, as Licensor's sole and absolute right to determine, from Licensor's designated distributor. The right to purchase and use such marinades, marinade mixes and marinated ingredients is licensed to Licensee pursuant to this Agreement, and such right is restricted to use in the License business at the Restaurant and solely for the term of this Agreement.

10.3. Throughout the term of this Agreement, Licensee shall be actively engaged in the management and day-to-day operation of the Restaurant. Additionally, Licensee must participate personally in the direct operation of the Restaurant and attend Licensor operations and business results meetings on or off (Restaurant) site or via video call, at Licensor's discretion. If Licensee cannot participate personally in the direct operation of the Restaurant, Licensee must appoint a Designated Operator who will devote his or her full time to the supervision of the business, operations of the Restaurant, all License activities, and any other El Pollo Loco® Restaurant owned by Licensee. The appointment of the Designated Operator is subject to Licensor's prior written approval. The Designated Operator must satisfactorily complete Licensor's Designated Operator Training Program ("**DOTP**") and become certified in the Food Protection Management Training Program ("**FPMT**"). If at any time, for any reason, the Designated Operator ceases to perform those duties on behalf of the Restaurant(s), (a) Licensee shall appoint a new Designated Operator within 90 days subject to Licensor's prior written approval, and the newly appointed Designated Operator must, within 150 days of appointment, satisfactorily complete Licensor's DOTP and have become certified in the FPMT, all at Licensee's expense; or (b) Licensee shall assume the duties of the Designated Operator and complete Licensor's DOTP and become certified in the FPMT within 240 days if not previously completed/certified within the last 36 months.

10.4. Licensee acknowledges that it has received a copy of Licensor's list of approved brands and distributors (the "**Approved Brands and Distributors List**"). Licensor has consulted with the distributors set forth on such list and each distributor has agreed to offer products, services, equipment, goods, inventory, supplies or paper products which will comply with Licensor's Specifications. Such Approved Brands and Distributors List is furnished to Licensee and Licensee must purchase only those products, equipment, goods, inventory, supplies, ~~and~~ paper products, or data integration with Licensor's systems (unless Landlord or a similar venue controlling entity mandates the use certain computer systems and software at Licensee's Non Traditional Location) that comply with the Specifications and only those brands, and only from those distributors, which are on the Approved Brands and Distributors List. If Licensee desires to purchase any brands and/or products from any distributor not named on the Approved Brands and Distributors List (or any brand and/or product not on the Approved Brands and Distributors List from a distributor on that list), Licensee shall first submit to Licensor a written request for approval of any such brand, product and/or distributor whichever is applicable, prior to Licensee's purchase of such product from such distributor. Licensor shall have the right to require that its representatives be permitted to inspect the distributor's facilities and that samples from the distributor be delivered either to Licensor or to an independent laboratory designated by Licensor for testing. Upon completion of Licensor's inspection or evaluation of the proposed distributor (including samples provided by such distributor), and upon submission of any additional information or data required by Licensor, Licensor shall promptly approve or reject such proposed distributor or services and goods. Licensor reserves the right, at its option, to re-inspect the facilities and products of any such approved distributor or of any distributor on Licensor's Approved Brands and Distributors List and to revoke its approval upon the distributor's failure to continue to meet any of Licensor's then-current Specifications and criteria. Nothing in the foregoing shall require Licensor to approve any distributor. Licensor agrees to evaluate any item which Licensee is considering procuring to determine whether such item complies with the Specifications. No charge shall be made by Licensor for the services of Licensor's employees in connection with such evaluation; however, Licensee shall reimburse Licensor for its reasonable cost and expenses in connection with such evaluation, including any amounts paid to independent laboratories or consultants chosen by Licensor as its sole and absolute right to assist in such evaluation. All such amounts shall be set forth in a written invoice delivered to Licensee by Licensor. Licensee shall reimburse Licensor for the invoice amount within 7 days after the invoice has been delivered to Licensee pursuant to Section 21.3 of this Agreement. The Approved Brands and Distributors List and any guide containing such list are proprietary information of El Pollo Loco® and must be kept strictly confidential by Licensee. Licensee shall not copy, distribute, release or otherwise provide any third party with all or any part of the information contained in the Approved Brands and Distributors List or guide without first obtaining the prior written approval of Licensor, which approval may be withheld as Licensor's sole and absolute right. (Notwithstanding anything in this Agreement to the contrary, Licensor may designate itself the only approved distributor of some or all of the brands and/or products. Licensor's proprietary products must be purchased from Licensor or its designated distributor pursuant to Section 10.2.b.)

10.5. As uniformity of appearance and public recognition are important to the El Pollo Loco® brand recognition and success of Licensee and Licensor hereunder, Licensee shall:

a. Use only uniforms, Signs, cards, posters, notices, displays, decorations, table tents and other such advertising materials which are identical in appearance and quality to those furnished or approved by Licensor. Licensor may make available its menu-stock (pre-printed as to all matters other than menu prices), including specials and featured items, to Licensee for printing in the event that Licensee elects to charge prices not provided for in Licensor's menu codes. Notwithstanding anything in this Agreement to the contrary, Licensor reserves the right, to the fullest extent allowed by applicable law, to: establish maximum, minimum or other pricing requirements with respect to the prices Licensee may charge; recommend retail prices; advertise specific retail prices for some or all products sold by Licensee, which prices Licensee will be compelled to observe; engage in marketing, promotional and related campaigns, which Licensee must participate in and which may directly or indirectly impact Licensee's retail prices; and otherwise mandate, directly or indirectly, the prices which Licensee may charge.) Licensee agrees that all specials or featured items designated by Licensor shall be included as part of the menu and shall be made available on the days and times designated by Licensor; and

b. Not authorize or permit in the Restaurant, or on behalf of the Restaurant, any advertising, Signs, cards, posters, notices, displays, decorations or table tents other than those described in Section 10.5(a), nor authorize or permit in or around the Restaurant any products or services which are not authorized by Licensor, without the prior written consent of Licensor.

c. Receive written approval from Licensor's Marketing Department to employ delivery companies as described in the Manual. Notwithstanding the foregoing, under the System, Licensor requires Licensee's participation in the Remote Ordering System, Loyalty Program and Third-Party Delivery Program. Licensee shall be required to participate, offer and conduct such programs.

d. Comply with our customer complaint resolution procedures and our commitment to customer satisfaction policy. Licensee must reimburse Licensor promptly if Licensor resolves a customer complaint because you fail to resolve the matter as or when required.

e. Cooperate with Licensor to maintain a single voice for the El Pollo Loco® brand across all social media platforms, including your agreement to refrain from creating, posting, or maintaining your own social media pages

related to the El Pollo Loco® brand.

10.6. Licenseor shall have the right to remove any unauthorized material at Licensee's expense.

10.7. At all times during this Agreement's term, Licensee must secure and maintain all licenses, permits, and certificates required for the Restaurant's operation and operate the Restaurant in full compliance with all applicable laws, ordinances, and regulations, including, but not limited to those relating to occupational hazards, health, environment, employment, workers' compensation and unemployment insurance, and withholding and payment of taxes. Your advertising and promotion must be completely factual and conform to the highest standards of ethical advertising. The Restaurant must in all dealings with customers, suppliers, Licenseor, and the public adhere to the highest standards of honesty, integrity, fair dealing, and ethical conduct. Licensee agrees not to engage in any business or advertising practice that could injure El Pollo Loco® Restaurants, including Licensee's Restaurant. Licensee must notify us in writing immediately if (a) any legal charge is asserted against Licensee or the Restaurant (even if there is no formal proceeding), (b) any action, suit, or proceeding is commenced against Licensee or the Restaurant, (c) you receive any report, citation, or notice regarding the Restaurant's failure to comply with any licensing, health, cleanliness, or safety standard, or (d) any bankruptcy or insolvency proceeding or an assignment for the benefit of creditors is commenced by or against Licensee, your owners, or the Restaurant. Licensee shall submit copies of all government health inspections and food borne illness investigation reports of the Restaurant to Licenseor, or Licenseor's designated agent. Additionally, should Licensee be subject to Restaurant closure by health officials or receive a "B" or equivalent restaurant rating, Licensee will immediately notify Licenseor by the fastest means available.

11. RESTAURANT MAINTENANCE AND REPAIR

11.1. Maintenance and repair of the Restaurant are the sole responsibility and shall be done at the expense of Licensee. For the term of this Agreement, Licensee, at its sole cost and expense, shall maintain the Restaurant and the Location, including, but not limited to, the Restaurant building, the Location and parking lot, equipment, decor, furnishings, fixtures, wares, utensils, supplies, and inventory, in good working order and condition and in compliance with all laws. Licensee shall make all repairs within a reasonable time period not to exceed 30 days of the date such repairs are identified as needed to bring the Restaurant into a first-class condition. Licensee shall replace any of the Restaurant's equipment, furnishings and fixtures and repaint the Restaurant as necessary to satisfy this Section. Without limiting the generality of the foregoing, upon notice from Licenseor of any change required or recommended by applicable law, rule or regulation, or if Licenseor discovers any circumstance which is or may result in a danger to public health, Licensee shall promptly, remove, repair, replace or modify any equipment or fixtures used in the Restaurant necessary to satisfy or rectify the same. All replacement equipment, furnishings and fixtures shall comply with Licenseor's then-current requirements and specifications.

11.2. Licensee shall not make any addition to or change in the physical appearance, decor, characteristics or style of the Restaurant without the prior written consent of Licenseor which consent may be withheld or granted as Licenseor's sole and absolute right.

11.3. All Signs to be used in connection with the Restaurant, both exterior and interior, must conform to Licenseor's Sign criteria as to type, color, design and location and be approved in writing by Licenseor prior to installation or display. Licensee shall change its Signs to conform with updated or revised requirements of Licenseor when Licenseor commits to implementing such revisions at 25% of the Licenseor's then-operated El Pollo Loco® restaurants.

11.4. Licensee shall at all times operate its Restaurant as a clean, safe, sanitary, orderly, legal and respectable place of business in accordance with the Manual, the lease or sublease, if any, for the Location and all applicable federal, state or local laws, rules, or regulations, including, but not limited to, OSHA related safety training and compliance. Licensee shall not cause or allow any part of its Location to be used for any immoral or illegal purpose. Any citations or penalties issued shall be the sole responsibility of Licensee.

12. HOURS OF OPERATION

12.1. Licensee shall keep the Restaurant fully operational and open to the public upon such days and during such minimum number of hours as Licenseor shall prescribe from time to time in the Manual. Licensee shall supply to Licenseor prior to the commencement of the construction or remodeling work of the Restaurant proof that the Restaurant is allowed to be open to the public during such required hours and days by the applicable local governmental authorities and by the landlord under the lease for the Location. In the event that the Restaurant is closed for reasons beyond Licensee's control, Licensee will immediately notify Licenseor by the fastest means available of the closing.

13. PERSONNEL STANDARDS

13.1. Subject to Section 13.5 below, Licensee shall hire, train and supervise Restaurant employees in accordance with the applicable provisions of the Manual. Licensee shall do everything necessary to ensure that all employees are, at all times during employment in the Restaurant, neat, clean and adequately trained and supervised in connection with the performance of their duties.

13.2. Licensee acknowledges that adequate training and supervision are necessary in order to ensure that the Restaurant personnel provide service to the public in a courteous, efficient and skilled manner and in accordance with the standards set forth in the Manual. Licensee understands and agrees that Licensee is solely responsible for the performance of its Operations Director(s), Certified Leader(s)General Manager(s), Assistant Manager(s), Shift Leader(s) and all other of its employees and that the acts and omissions of such employees which are inconsistent with the provisions of this Agreement shall be considered grounds for termination of this Agreement as provided in Section 17 hereof.

13.3. Licensee shall maintain wages, hours, working conditions and other benefits for all of its employees in accordance with all federal, state and local laws and regulations.

13.4. Licensee shall maintain all employee time, payroll and tax records and to file required reports thereon in accordance with all federal, state and local laws and regulations.

13.5. It is mutually understood and agreed by the parties that Licensee retains the responsibility and independent authority, notwithstanding any provision of this Agreement, to establish, maintain and enforce all personnel policies and procedures. Licensee is solely responsible for, and solely in control of, all employment matters, decisions and functions of Licensee's employees, including but not limited to those related to (a) wages, benefits, and other compensation; (b) hours of work and scheduling; (c) the assignment of duties to be performed; (d) the supervision of the performance of duties; (e) work rules and directions governing the manner, means, and methods of the performance of duties and the grounds for discipline; (f) the tenure of employment, including hiring and discharge; and (g) working conditions related to the safety and health of employees. Licensee further acknowledges and agrees that any personnel policies or procedures in the Manual or other written information from Licensor are for Licensee's optional use and are not mandatory provisions. It is Licensee's sole responsibility to determine to what extent, if any, any such policies and procedures described in the Manual or otherwise might be applicable to operations at Licensee's Store. Licensor and Licensee agree that neither is, nor will be deemed to be, a joint employer with the other and Licensee will defend, indemnify and hold harmless Licensor with respect to any such or similar claims.

14. INSPECTIONS

14.1. Licensor, and its authorized representatives, and third party vendors shall have the right to inspect the Restaurant and the supplies and inventory of Licensee at Licensee's cost. Licensor's personnel and representatives shall have the right to enter the Restaurant at any reasonable time, and from time to time, with or without notice, for the purposes of examination, conferences with Licensee and personnel of Licensee, observation and evaluation of the operations being conducted at the Restaurant.

14.2. Licensor may conduct quality control and evaluation programs, as Licensor shall determine (including a "accuracy guarantee" program, social media monitoring, Food Safety Audit ("FSA"), follow up FDAs and coaching, or other similar programs). Licensee shall allow and participate in such program(s), as required by Licensor. ~~Licensor shall have the right to require~~ Licensee will promptly ~~to pay its pro-rata share of the costs~~ (or pro-rata share of cost if applicable) incurred in establishing and maintaining such program(s) ~~and Licensee shall promptly pay such charges.~~ Licensee acknowledges that Licensor ~~shall have~~ has the right, in any manner Licensor may deem appropriate, to publish or disclose any information that is collected, produced or maintained under any program(s) implemented pursuant to this Section to other Licensees under the El Pollo Loco® System on a named basis, or to third parties outside the El Pollo Loco® System on an anonymous basis.

14.3. In connection with inspections conducted pursuant to Sections 14.1 and 14.2 above, Licensor and its authorized representatives may deliver to Licensee an inspection report in such form(s) as may be adopted by Licensor from time to time (the "Inspection Report(s)"). The Inspection Report(s) shall indicate the principal items inspected, observed and evaluated.

14.4. In the event that any such Inspection Report indicates a deficiency or unsatisfactory condition with respect to any item listed thereon that violates any System Standards at your cost, Licensee shall promptly commence to correct or repair such deficiency or unsatisfactory condition and thereafter diligently pursue the same to completion. In the event of a failure by Licensee to comply with the foregoing obligation to correct or repair, Licensor, in addition to all other available

rights and remedies, including the right to terminate this Agreement pursuant to Section 17 below, shall have the sole and absolute right, but not the obligation, to forthwith make or cause to be made such correction or repair, and the expenses thereof, including, without limitation, meals, lodging, wages and transportation for Licensor's personnel, if so utilized as Licensor's sole and absolute right to determine, shall be promptly reimbursed by Licensee. Should any deficiency or unsatisfactory condition be reported more than once within any 30 day period, Licensor shall have the right, in addition to all other available rights and remedies, to place a Licensor representative in charge of the Restaurant for a period of up to 30 days in each such instance, and the wages and expenses of meals, lodging and transportation of said representative, which shall be commensurate with that provided for Certified Leadersmanagers of other Licensor-owned El Pollo Loco® restaurants, shall promptly be reimbursed by Licensee. All such expenses incurred by Licensor pursuant to this Section shall be set forth in a written invoice delivered to Licensee by Licensor. Licensee shall reimburse Licensor for the invoice amount within 7 days after the invoice has been delivered to Licensee.

14.5. Notwithstanding Section 14.4 above, should the Inspection Report indicate a deficiency or unsatisfactory condition with respect to any item listed thereon that violates any System Standards, and Licensor or Licensor's agent are required to return to the Restaurant to re-inspect the Restaurant, or in Licensor's sole and absolute determination, provide a coaching session to Licensee, Licensor will charge Licensee an Re-Inspection Fee or Coaching Fee, as applicable for each subsequent Restaurant visit to Licensee's restaurant after the initial inspection. Licensee will give Licensor authorization to pay the Re-Inspection Fee as a direct debit from Licensee's Operating Account. ~~Should there be 2 consecutive Inspection Reports both indicating a deficiency or unsatisfactory condition with respect to any item listed thereon that violates any System Standards, and Licensor or Licensor's agent return to the Restaurant to provide a coaching session to Licensee; or should Licensor determine in our sole and absolute right that a coaching session is required at the Restaurant due to certain circumstances, Licensor will charge Licensee a Coaching Fee for each Coaching session at Licensee's restaurant. Licensee will give Licensor authorization to pay each Coaching session visit charge as a direct debit from Licensee's Operating Account.~~

14.6. In the event that the Restaurant operations threatened health or public safety or materially adversely affected the ownership, condition or operation of the Restaurant or adversely affect the El Pollo Loco® brand or goodwill, or the arrival of any health department inspector or regulatory official at the Restaurant for any reason, Licensee must (i) immediately within 2 hours of the arrival of the inspector or official, report such issue or health department visitation to Licensor by immediately contacting the assigned Director, License Business (or equivalent) and if unable to speak directly with the assigned Director, by immediately contacting the Support Center and (ii) compensate Licensor, or reimburse Licensor for all fees, costs or expenses, use of internal and external resources, taxes or other types of charges which Licensor pays on Licensee's behalf to third parties or that Licensor directly incurs, including payments to taxing authorities, governmental agencies, suppliers, contractors and insurance carriers, for products, services, loss in sales or revenue, supplies, equipment, goods, materials or inventory when Licensee's Restaurant operations or nonpayment threatens health or public safety or materially adversely affects Licensee's ownership, condition or operation of your Restaurant or materially adversely affects the "El Pollo Loco" brand or goodwill. While Licensor has the sole and absolute right to make such payments as described above on behalf of Licensee, it is not Licensor's obligation to do so. Licensor's decision to make payments on behalf of Licensee is not in lieu of any of Licensor's rights and remedies in this Agreement, including Licensor's right to terminate this Agreement. Licensee must transmit a copy of the official inspection report, any notice, fine, test results or the like to Licensor within 24 hours of receipt, regardless of the score or grade received.

15. TRAINING

15.1. Licensee acknowledges and agrees that it is important to the operation of the Restaurant that Licensee and its employees receive such training as Licensor may require from time to time. Therefore:

a. ~~The Restaurant must be managed by not less than 4 individuals as a General Manager, Assistant Manager or Shift Leader (collectively, "Managers") who: a minimum of 3-4 people as a General Manager, Assistant Manager or Shift Leader, each a "Certified Leader") who each (i) have successfully completed Licensor's Management Training Program ("MTP") at a Licensor designated Certified Training Restaurant ("CTR") (as determined by Licensor) or in the case of on-going training and if appropriate, at Licensee's Restaurant or at your designated Licensee CTR ("LCTR"); (ii) have each become certified in the FPMTP from a Licensor's approved vendor; and (iii) will be onsite and assume responsibility for the day to day management of the operations of the Restaurant, including the preparation of food products, accounting, and the supervision and training of personnel. A minimum of 1 General Manager and 1 Assistant Manager must attend the initial MTP The Managers-Each Certified Leader may be required to sign a confidentiality agreement in a form approved by Licensor. Each and every shift during operating hours must have a Manager-Certified Leader onsite and in charge.~~

b. If at any time, for any reason, the General ManagerChief Certified Leader ceases to perform those duties on behalf of the Restaurant, Licensee must promptly designate a new General Manager-Chief Certified Leader who meets the above-stated qualifications.

c. If this is Licensee's first EPL Restaurant, Licensee must also attend and satisfactorily complete the Executive Licensee Training Program ("EFTP"). Such training shall be completed prior to the opening of the Restaurant. MTP, EFTP and DOTP may be collectively referred to as "Training Programs" or "Initial Training Programs" or individually as "Training Program" or "Initial Training Program".

d. Licensee must appoint a Designated Operator to oversee all License activities. The appointment of a Designated Operator is subject to Licensor's prior written approval. The Designated Operator must satisfactorily complete the DOTP and become certified in the FPMP prior to the opening of the Restaurant. Licensee may be designated as a Designated Operator. ~~The Designated Operator may also be designated as a General Manager.~~

e. The Designated Operator shall devote their full time to the supervision of the business, operations of the Restaurant, all License activities, and any other El Pollo Loco® Restaurant owned by Licensee. If at any time, for any reason, the Designated Operator ceases to perform those duties on behalf of the Restaurant(s), Licensee shall appoint a new Designated Operator within 90 days, and the newly appointed Designated Operator must satisfactorily complete Licensor's DOTP within 150 days of appointment at Licensee's expense; or, Licensee shall assume the duties of the Designated Operator and complete Licensor's DOTP within 240 days (if not previously completed within the last 36 months).

f. Licensee shall implement a training program for Licensee's employees in accordance with training standards and procedures prescribed by Licensor and shall staff the Restaurant at all times during the term of this Agreement with a sufficient number of trained employees. If Licensee opens and/or operates 2 Restaurants within a consecutive 12-month period or more than 3 or more units in a consecutive 24-month period, Licensee will need to designate (i) a Training Manager and (ii) one of your Restaurants which will become your LCTR. Licensee must have proper infrastructure, including but not limited to, an adequate number of Training Managers for all of Licensee's Restaurants and employees already in place to meet brand standards and your ability to grow. Each Training Manager must complete to our satisfaction their Training Manager Program conducted at Licensor's support center and at a designated CTR or LCTR before they can be approved as a Training Manager for your organization(s). If at any time, for any reason, the Training Manager ceases to perform those duties on behalf of your organization(s), at your expense, you shall either: (a) appoint a new Training Manager within 90 days subject to EPL prior written approval, and the newly appointed Training Manager must satisfactorily complete the EPL Training Manager Program within 70 days from EPL's approval of the newly appointed Training Manager. To become certified by our training team, the Restaurant you choose as your LCTR must meet the following criteria, including but not limited to, your demonstration of consistently meeting all System's operational & performance standards as validated by Licensor and have sufficient space for training.

g. At Licensee's cost, Licensor may require continuing operations training from time to time to reinforce operational standards as necessary for on-going operational execution and for Licensee to maintain a sufficient number of trained employees. Licensor may require continuing operations training occasionally for new product roll-outs at Licensor's cost; however Licensee will be responsible for any and all costs for compensation, wages (including compensation of and worker's compensation insurance), lodging, living expenses, travel expenses or any other expenses incurred during the training of Licensee's employees (collectively, "Additional Employee Costs During Training"). The required frequency, duration, subject matter and required attendees shall be as determined by Licensor from time to time.

h. If the Restaurant is Licensee's or Licensee's affiliate's first Restaurant in the El Pollo Loco® System, Licensor shall assist Licensee in the initial opening of the Restaurant, defined as "New Restaurant Opening Support" or "NRO Support" for 2 weeks prior to the Restaurant opening and 2 weeks after the Restaurant opened, beyond the Initial Training Programs described above by sending certain members of Licensor's personnel to the Restaurant to assist in the scheduled opening of the Restaurant at a cost of \$30,000 to Licensee. Additional training beyond initial NRO Support will be at Licensee's cost and in Licensor's sole discretion.

i. The Restaurant shall not be opened until Licensor is satisfied that Licensee and Licensee's Certified LeadersManagers, Designated Operator, Training Manager(s) (if applicable) and other restaurant personnel have been adequately trained in the El Pollo Loco® System.

15.2. Licensor shall provide the Initial Training Programs as described in Section 15.1 without additional charge to Licensee provided that Licensee understands and agrees that Licensee shall be solely responsible for any and all Additional Employee Costs During Training (as defined in Section 15.1(g)). Additional training beyond what is described in Section 15.1 requested by Licensee in writing, shall be at Licensee's cost and in Licensor's sole discretion as to whether they can provide such additional training. Licensor shall charge Licensee a training fee of \$2,000\$500 per week per Certified LeaderManager for the fifth Certified LeaderManager and additional or replacement Certified LeadersManagers at the Restaurant. Licensor shall also charge Licensee a training fee of \$2,000\$500 per week per Certified LeaderManager for each and Certified Leader every Manager trained if this is the fourth or subsequent Restaurant owned by Licensee. Additionally, Licensor shall charge Licensee \$2,000\$500 per week per EFTP and or DOTP beyond the Initial Training Program described in Section 15.1. Licensee understands and agrees that Licensee shall also be solely responsible for any and all Additional Employee Costs During Training (as defined in Section 15.1(g) for any additional training or any additional attendees. Such Licensee, Designated Operator, Training Manager(s) and Certified LeadersManagers shall not be considered an employee or agent of Licensor.

16. ASSIGNMENT

16.1. Assignment by Licensors. Licensors shall have the right to assign or transfer any of its rights or delegate any of its obligations under this Agreement in whole or in part to any person, firm or corporation without any consent or approval from Licensees; provided, however, that with respect to any assignment resulting in the subsequent performance by the assignee of the obligations of Licensors hereunder provided the assignee shall expressly assume and agree to perform such obligations of Licensors in writing and from and after the date of any such assignment, Licensors shall have no further obligation or liability under this Agreement.

16.2. Assignment by Licensee. The rights and duties created by this Agreement are personal to Licensee. Licensee acknowledges that Licensors has entered into this Agreement in reliance on the individual or collective character, skill, aptitude, business ability, and financial capacity of Licensee and its owners. Licensee and each owner of an interest in this Agreement represent, warrant, and agree that all "Interests" in Licensee are owned in the amount and manner in which Licensee has disclosed them to Licensors, as more particularly set forth in the **Ownership Schedule** of this Agreement. (An "Interest" means any shares or partnership interests in Licensee and any other legal or equitable right in any of Licensee's stock, revenues, profits, rights or assets. When referring to Licensee's rights or assets, an "Interest" also includes this Agreement and Licensee's rights under and interest in this Agreement, the Restaurant and the revenues, profits or assets of the Restaurant.) Licensee and each owner also represent, warrant and agree that no change will be made in the ownership of an Interest other than as permitted by this Agreement or as Licensors may otherwise approve in writing. Licensee and each owner agree to furnish Licensors with evidence as Licensors may request from time to time to assure that the Interests of Licensee and each owner remain as permitted by this Agreement, including a list of all persons or entities owning any Interest. If Licensee is a Business Organization, Licensee shall cause each of the owners of any equity ownership in Licensee to execute an agreement granting Licensors an option to purchase each of such owner's Interest in Licensee upon an Assignment as provided in this Section.

16.3. Neither this Agreement nor any Interest herein nor any Interest of Licensee or any owner may be indirectly or directly, sold, transferred, assigned, conveyed, gifted, pledged, mortgaged, or otherwise encumbered ("**Assignment**") without Licensors's prior written approval. Any such purported Assignment occurring by operation of law or otherwise without Licensors's prior written consent shall constitute a default of this Agreement by Licensee and shall be null and void. Except in the instance of Licensee advertising to sell its Restaurant and assigning this Agreement in accordance with the terms thereof, Licensee shall not, without Licensors's prior written consent, offer for sale or transfer at public or private auction or advertise publicly for sale or transfer, the furnishings, interior and exterior décor, items, supplies, fixtures, equipment, Licensee's lease or the real or personal property used in connection with the Restaurant. This Agreement may not be transferred by Licensee to a publicly-held entity, or to any entity whose direct or indirect parent's securities are publicly traded and no shares of Licensee or any direct or indirect owner of Licensee may be offered for sale through the public offering of securities.

16.4. In the event that Licensee desires to make an Assignment including assigning all or any part of its rights, privileges and interests under this Agreement, Licensee shall first offer such Assignment to Licensors by notifying Licensors in writing of the material terms and conditions, including price and identity of transferee upon which Licensee would be willing to make such an Assignment. Licensee shall also concurrently provide Licensors with the estoppel certificate identified in Section 16.7 below and such other information as determined by Licensors to enable Licensors to evaluate the offer. Licensors shall have the first right to acquire said rights, privileges and interests of Licensee by accepting the offer in accordance with said terms and conditions or equivalent cash, as determined by Licensors in its reasonable business judgment.

a. If the Assignment will be in the aggregate more than 50% of any one class of outstanding capital stock, the voting power, membership interests, partnership interest or other Interest in Licensee occurring within 36 months prior to the date of the Assignment, (a "**Majority Interest**"), then Licensors shall have the option to purchase not only the Majority Interest being transferred, but also the remaining Interest, so that the ownership of Licensors will be 100%. Any purchase of such remaining Interest shall be valued on a basis proportionate to the price of the Interest initially being offered.

b. If, within 30 days after receipt of Licensee's notice, Licensors advises Licensee of its acceptance of the offer as stated in the notice, Licensee shall promptly make the Assignment to Licensors on the stated terms and conditions. Should Licensors elect to exercise its right of first refusal, Licensee shall, if requested by Licensors, cause Licensee's lease or sublease, if any, with the lessor for the Location to be assigned to Licensors (or, if the Location is owned by Licensee, Licensee shall lease the Location to Licensors on commercially reasonable terms applicable in that market). Notwithstanding the foregoing, Licensors shall have at least 60 days from the date of its notice of exercise to Licensee to close the transaction and Licensors shall also be entitled to all customary and reasonable representations and warranties from Licensee regarding the Licensee's business or any other interest being conveyed.

c. Notwithstanding the provisions of this Section, Licensors will waive Licensors's right of first refusal if the assignee is a revocable family trust for which Licensee is the controlling trustee and Licensee's immediate family

members are beneficiaries provided such Assignment is not considered a Majority Interest. An immediate family member is defined as a parent; sibling; child by blood, adoption, or marriage; spouse or significant other; grandparent or grandchild.

16.5. If, within 30 days after receipt of Licensee's notice, Licensor does not indicate its acceptance of the offer as stated in the notice, Licensee shall thereafter have the right, subject to the prior written consent of Licensor, to make the Assignment to the proposed transferee on the same terms and conditions as stated in the notice. Should Licensor not exercise its right of first refusal and should the contemplated Assignment not be completed within 120 days from the date of Licensee's notice, or should the terms and conditions thereof (including the proposed transferee or the ownership therein) be altered in any material way, this right of first refusal shall be reinstated and any such subsequent proposed Assignment or altered terms and conditions of the current transaction must again be offered to Licensor in accordance with the terms of Section 16.4 and this Section.

16.6. Licensee shall notify Licensor in writing of any proposed assignee and shall promptly furnish Licensor with such other information and documentation as Licensor may request for the purpose of considering whether to grant its written consent. Licensee acknowledges and agrees that Licensor shall be entitled, at its election and without liability to Licensee, to provide assignee with information relating to the Restaurant, including information in Licensor's possession relating to operations and sales. Licensor shall not unreasonably withhold its consent to an Assignment provided that Licensee and the assignee satisfy such reasonable terms and conditions which may be imposed by Licensor as a condition to obtaining Licensor's consent.

a. The assignee shall expressly assume in writing, via the Consent to and Assignment of License Rights attached hereto as Exhibit 4 of this Agreement, all of the obligations and liabilities of the License agreement. If the assignee is a partnership, corporation, limited liability company or other legal entity, then all partners, shareholders, and members of assignee that (i) hold at least a 10% interest in assignee and/or (ii) upon whose net worth Licensor is relying in determining that the assignee has met Licensor's financial minimum requirements for approval must execute the Consent to and Assignment of License Rights. If the assignee is a corporation, partnership or limited liability company, it also shall demonstrate to the reasonable satisfaction of Licensor that it has established transfer instructions prohibiting the transfer on its records of any equity securities, partnership interests or ownership interests in violation of the requirements set forth in this Section and that each stock, partnership or ownership certificate of Licensee shall have conspicuously endorsed upon its face a statement in form satisfactory to Licensor that the assignment or transfer is subject to all of the restrictions imposed upon assignments by this Agreement;

b. As of the date of such assignment, Licensee shall have fully performed and complied with all of its obligations to Licensor, whether under this Agreement or any other agreement, arrangement or understanding with Licensor;

c. Licensee shall pay and discharge all outstanding obligations to Licensor and to third parties arising from the existence, operation or maintenance of the Restaurant including, without limitation, amounts owing under this Agreement, the lease, if any, for the Location or to employees, suppliers, taxing authorities, utility companies and others as of the assignment date;

d. Licensee shall pay to Licensor the applicable assignment fee and reimburse Licensor for costs and expenses incurred in connection with such Assignment, including, without limitation, the cost of credit investigations and the preparation of Assignment agreements and Franchise Disclosure Documents which may be required to be delivered to such assignee under applicable federal or state law (for the avoidance of doubt, the foregoing fees (including the applicable Assignment Fee and reimbursement of Licensor's reasonable attorneys' fee) is payable whether or not Licensor ultimately approves Licensee's request for an Assignment); and

e. In conjunction with granting the consent of Licensor to any Assignment, Licensee shall execute a general release, in form and substance satisfactory to Licensor, of all claims against Licensor and any affiliates of Licensor.

16.7. Upon Licensor's request, Licensee shall, concurrently with any offer submitted to Licensor by Licensee regarding a transfer or purported Assignment or at any other time at Licensor's request, furnish Licensor with an estoppel agreement indicating any and all claims, demands and causes of action, if any that Licensee may have against Licensor or if none so exist, so stating, and a list of all owners having an interest in this Agreement or in Licensee, the percentage interest of each owner and a list of all officers, directors, members and/or shareholders in such form as Licensor may require.

16.8. Any Assignment including any encumbrance, assignment or purported encumbrance or assignment of Licensee's rights, privileges or interests under this Agreement without Licensor's written consent shall be null and void, of no force and effect, and shall constitute grounds for termination of this Agreement as provided in Section 17 hereof.

16.9. Any assignment based upon the legal incapacity of Licensee, whether by operation of law or otherwise, shall be subject to Licensor's written consent and right of first refusal as provided herein.

16.10. If this Agreement is assigned, Licensee shall remain liable to Licensor for the obligations under this Agreement and the obligations of the assignee hereunder and which arise as a result of acts, events or omissions which

occur prior to the effective date of the assignment or within the initial term of this Agreement; provided, however, that the foregoing limitation on liability shall not reduce Licensee's continuing liability to the extent that Licensee is a partner, shareholder or owner of an interest in the assignee. Licensor's consent to any transfer hereunder shall not constitute a waiver or release of any claims it may have against Licensee as of the date of the assignment.

16.11. Any transfer of this Agreement, or any interest in this Agreement, or Licensee by will or intestate succession, or the sale of this License, or any interest in Licensee constituting a Majority Interest by the executor or administrator of Licensee's or such shareholder's or person's estate, shall be considered to be a transfer requiring compliance with the provisions of this Section, including the requirements concerning Licensor's written approval of the assignee, the assignee's qualifications and training, and the execution of agreements. In the event Licensor does not approve the qualifications of any heir or beneficiary to operate the Restaurant, the executor or administrator of Licensee's estate shall have a period of 12 months following written disapproval to sell the License business to an assignee acceptable to Licensor, during which 12 month period the Restaurant shall be operated in accordance with all the terms and provisions of this Agreement. Such sale shall be subject to Licensor's right of first refusal pursuant to this Section. If such a sale is not concluded within that period, Licensor may terminate this Agreement.

16.12. If, for convenience of ownership, Licensee desires to assign this Agreement to a Business Organization to hold its interest in this Agreement, Licensor will consent to the assignment of this Agreement to a Business Organization, provided that (i) none of the securities of an Business Organization shall be traded on any public exchange or over the counter market; (ii) the certificates or other evidence of ownership held by the owner thereof shall contain a restriction on transfer referencing this Agreement, in a form required by Licensor; (iii) the ownership of the assignee Business Organization shall be in the same proportion as the ownership of Licensee immediately prior to the transfer; and (iv) none of the shares of stock, membership interests, voting power, equity or ownership interests in the assignee Business Organization shall be held by or for the benefit of a business competitor of Licensor. Licensee shall pay the entity administration fee upon Licensee's request of the transfer, for each transfer to a Business Organization, or for each transfer of ownership amongst existing owners where such transfer is for the convenience of ownership only. At the time of request for a transfer for the convenience of ownership, Licensee shall submit the following documents to Licensor and Licensor shall review, approve and/or disapprove such documents within 30 days thereafter. For an assignment to an entity or partnership, Licensee shall provide to Licensor the following:

Entity/Partnership*:	Documents:
<u>Corporation</u>	<u>File stamped copy of the Articles of Incorporation</u> <u>Fully executed copy of the Bylaws</u> <u>List of directors, shareholders and officers and their percentage ownership of the stock of the corporation.</u>
<u>Limited Liability Company</u>	<u>Certificate of Formation or comparable organizational document</u> <u>Fully executed copy of the Operating Agreement, containing an exhibit showing the percentage of ownership of all members in the limited liability company; and (iii) the name of the Manager or Managers of the limited liability company.</u>
<u>Partnership</u>	<u>File stamped copy of the Certificate of Limited Partnership or the Statement of Partnership</u> <u>Partnership Agreement with exhibit showing the percentage of ownership in the partnership by all partners.</u>

* Note - Each share certificate of a corporation or the operating agreement, or the partnership agreement shall contain a restriction on transfer in a form designated by Licensor

Licensee acknowledges that the purpose of the restrictions on transfer referenced above is to protect Licensor's trademarks, service marks, trade secrets, and operating procedures as well as the Licensor's general high reputation and image, and is for the mutual benefit of Licensor, Licensee and other Licensees of the Licensor. Licensor shall not unreasonably restrict the issuance or transfer of stock or interests in a partnership or limited liability company, provided that, in no event, shall any share of stock of such assignee corporation, or an interest in a partnership or limited liability be sold, assigned or transferred to a business of a competitor of Licensor or anyone of ill repute.

16.13. Where Licensee desires to add a new principal to the Licensee entity, Licensee shall pay to Licensor the new principal administration fee.

16.14. In connection with a sale by Licensee of all or substantially all of the assets relating to the Restaurant business, Licensee may take a security interest in the Restaurant and the purchaser's rights under this Agreement in order to secure any financing that Licensee provides to the purchaser for the purchase of the Restaurant. In the event of a default under such financing arrangement and the exercise by Licensee of its rights under such security interest, Licensee or the

individual(s) purchasing the Restaurant out of a foreclosure sale may become the Licensee under this Agreement, subject to its compliance with each of the requirements set forth in this Section.

17. DEFAULT AND TERMINATION

17.1. In addition to all other available rights and remedies, Licensor shall have the right to terminate this Agreement only for "cause". "Cause" is hereby defined as a material breach of this Agreement, including, but not limited to, any of the facts or circumstances specified in Sections 17.2, 17.3, or 17.4. The foregoing provisions of this section are subject to the provisions of any statutes or regulations which may prohibit Licensor from terminating this Agreement without good cause or without giving Licensee additional prior written notice of termination and opportunity to cure any default.

17.2. In addition to all other available rights and remedies, Licensor shall have the right upon the occurrence of any of the following events to immediately terminate this Agreement by giving written notice to Licensee.

a. Abandonment of the Restaurant by Licensee by failing to operate the Restaurant business for 5 consecutive days or any shorter period of time after which Licensor reasonably determines that Licensee does not intend to continue to operate the business, unless such failure is due to fire, flood, earthquake or other similar cause beyond Licensee's control, in which case Licensee shall comply with each of the requirements set forth in Section 21.17;

b. Licensee admits to an inability to pay its debts as the same become due, is declared bankrupt or judicially determined to be insolvent, or all or a substantial part of the assets thereof are assigned to or for the benefit of any creditor, or Licensee admits its inability to pay its debts as they come due;

c. A levy of execution is made upon the Restaurant, the license granted by this Agreement or upon any property used in the Restaurant business, and it is not discharged within 5 days of such levy;

d. The Restaurant business, equipment or premises are seized, taken over or foreclosed by a creditor, lienholder or lessor, or a final judgment rendered against Licensee remains unsatisfied for at least 30 days and a supersedeas or other appeal bond has not been filed;

e. The right to occupy or lease the Location is lost or terminated and Licensee has not relocated the Restaurant, if permitted, pursuant to Section 21.17;

f. Licensee or any of its partners, officers, directors or principal shareholders is convicted of any criminal misconduct that is relevant to the operation or ownership of the Restaurant or any felony;

g. Licensee or any of its partners, officers, directors or principal shareholders is convicted of a felony, a crime involving moral turpitude, or any other crime or offense that is reasonably likely to adversely affect the El Pollo Loco® System, the goodwill associated therewith, or our interest therein;

h. The failure of Licensee to reach each milestone and to open and operate the Restaurant in accordance with and by the time set forth in Section 4.1;

i. Any purported Assignment, including the transfer or sublicense of this License, or any right hereunder, without the prior written consent of Licensor;

j. Any material misrepresentation is made by Licensee in connection with the acquisition of the License herein;

k. Licensee engages in conduct which reflects materially and unfavorably upon the operation, the reputation of the Restaurant business, the El Pollo Loco® System, or the goodwill associated with the El Pollo Loco® Marks;

l. Licensee on 3 or more occasions fails to comply with 1 or more material standards or requirements of this Agreement (or as specified in the Manual), whether or not corrected after notification thereof;

m. A repetition within a one-year period of any default (whether or not that earlier default was corrected after notification thereof) shall justify Licensor in terminating this Agreement upon written notice to Licensee without allowance for any curative period;

n. Failure of Licensee, for a period of 10 days after notification of noncompliance, to comply with any federal, state or local law or regulation applicable to the operation and maintenance of the Restaurant, including, but not limited to, public health and safety requirements;

o. Reasonable determination on the part of Licensor that continued operation of the Restaurant by Licensee will result in an imminent danger to public health or safety;

p. Except for noncompliance otherwise covered by Section 17.2.j above, failure of Licensee to correct a deficiency or unsatisfactory condition referred to in an Inspection Report (discussed in Section 14 hereof) which Licensor reasonably determines may have a material adverse effect on the ownership or operation of the Restaurant after having received a reasonable opportunity to cure such deficiency or unsatisfactory condition, which in no event need be more than 30 days;

q. In the event that Licensee leases or subleases the Location and/or the leasehold improvements thereon from a third party, the failure of Licensee to cure any and all defaults under the terms and provisions of any such lease or sublease within the time provided for the curing of any such default(s) in any such lease or sublease;

r. Any misrepresentation by Licensee or any violation of the Anti-Terrorism Laws by Licensee or its employees shall constitute grounds for immediate termination of this Agreement and any other agreement Licensee has

entered into with Licensors or one of Licensors's affiliates.

17.3. Except for any default by Licensee under Section 17.2, or as otherwise expressly provided in this Agreement, Licensee shall have 10 days (5 days in the case of any default in the timely payment of sums due to Licensors or its affiliates or to vendors for any products, services or required fees due to such vendors), after Licensors's written notice of a material default within which to remedy any material default under this Agreement, and to provide evidence of such remedy to Licensors. If any such default is not cured within that time period, or such longer time period as applicable law may require or as Licensors may specify in the notice of default, this Agreement and all rights granted by it shall thereupon automatically terminate without further notice or opportunity to cure.

17.4. Licensee shall be in material default under this Section for any failure to comply with any of the requirements imposed by this Agreement. Such material defaults shall include, but are not limited to, the occurrence of any one or more of the following events:

a. Failure of Licensee to pay to Licensors, its affiliates or any third-parties any fees, costs, charges or other amounts due;

b. Failure of Licensee to pay when due any rent, taxes or other payments required under any sublease with Licensors for the Location;

c. Failure of Licensee to cure any default by Licensee under any loan, note or other obligation which is obtained to assist Licensee to make any payment due Licensors hereunder or which is secured by all or any part of Licensee's interest in the Restaurant, the Location, and/or the improvements or furniture, fixtures or equipment therein;

d. The attachment of any involuntary lien in the sum of \$1,000.00 or more upon any of the business assets or property of Licensee, which lien is not removed, or for which Licensee does not post a bond sufficient to satisfy such lien, within 30 days of the filing of such lien;

e. The failure of Licensee and/or its affiliates to cure any and all defaults under the terms and provisions of any other agreement with Licensors, including, but not limited to, the License Development Agreement, Sublease, Purchase Agreement, or any third party relating to this License or the operation or ownership of the Restaurant, including, but not limited to, any other License agreement, lease or promissory note between Licensors or its affiliate and Licensee within the time provided for the curing of any such defaults in any such other agreement, lease or promissory note;

f. Licensee's misuse or unauthorized use of the El Pollo Loco® Marks;

g. Failure of Licensee to comply with any standard or requirement of this Agreement which is not otherwise covered in this Section.

17.5. Cross-Default, Termination and Cross-Termination

a. Cross-Default: A default by Licensee under this Agreement will be deemed a default of all agreements between: (i) Licensee and Licensee's principals in his or her individual capacity or any other entity in which Licensee's principals are owners, members, managers, shareholders or partners (individually and collectively, "Licensee Entity"); (ii) Licensors or any of our affiliates or predecessors (individual and collectively, "Licensors Entity"). A License Entity's default of any other agreement, legal instrument or other document between the Licensee Entity and a Licensors Entity will be deemed a default under this Agreement. A default by any guarantor of Licensee's obligations under this Agreement or any agreement, legal instrument or document between a Licensee Entity and a Licensors Entity will be deemed a default of this Agreement.

b. Termination: If Licensee fails to cure any default to Licensors's satisfaction, within the applicable period following notice from Licensors, if applicable, or otherwise breach this Agreement, Licensors may, in addition to all other remedies at law or in equity or as otherwise set forth in this Agreement, immediately terminate this Agreement. This termination will be effective immediately upon the giving of notice pursuant to Section 21.

c. Cross-Termination: If this Agreement is terminated as a result of Licensee's default of this Agreement or any other agreement related to the Restaurant, Licensors may, at Licensors's option, elect to terminate any or all other agreements, legal instruments or documents between a Licensee Entity and a Licensors Entity. If any agreement, legal instrument or document between a Licensee Entity and a Licensors Entity is terminated as a result of a default by the Licensee Entity, Licensors may, at Licensors' sole discretion, elect to terminate this Agreement. If it is agreed that an incurable or uncured default under this Agreement or any other agreement, legal instrument or document between a Licensee Entity and a Licensors Entity will be grounds for termination of this Agreement or any other agreement, legal instrument or document between a Licensee Entity and a Licensors Entity, without additional notice or opportunity to cure.

17.6. Notwithstanding anything to the contrary contained in this Section, in the event any valid, applicable law of a competent governmental authority having jurisdiction over this Agreement and the parties hereto shall limit Licensors's rights of termination hereunder or shall require longer notice periods than those set forth above, this Agreement shall be deemed amended to conform to the minimum notice periods or restrictions upon termination required by such laws and regulations. Licensors shall not, however, be precluded from contesting the validity, enforceability or application of such laws

or regulations in any action, hearing or dispute relating to this Agreement or the termination thereof.

17.7. Licensor shall not, and cannot be held in breach of this Agreement until (i) Licensor has received written notice from Licensee describing in detail any alleged breach; and (ii) Licensor has failed to remedy the breach within a reasonable period of time after such notice, which period shall not be less than 60 days plus such additional time as reasonably required by Licensor if because of the nature of the alleged breach it cannot reasonably be cured within said 60 days, provided Licensor promptly commences and continues diligently to cure such alleged breach. Except for breach hereof by Licensor (subject to the preceding sentence) or as permitted under Section 21.17 hereof, Licensee shall have no right to terminate this Agreement.

17.8. In addition to all other available rights and remedies, Licensor shall have the right (but not the obligation) under the circumstances described below, to enter the Restaurant and assume the Restaurant's management for any period of time period we feel is appropriate. If Licensor assumes the Restaurant's management, Licensee must pay Licensor, in addition to the Royalty Fee and Advertising Fee, six percent (6%) of the Gross Sales, plus Licensor's direct out-of-pocket cost and expenses for the period of time Licensor assumes the Restaurant management. If Licensor assumes the Restaurant management, Licensee acknowledges that Licensor's duty is limited to using Licensor's reasonable efforts, and Licensor will not be liable to Licensee or Licensee's owners for any debts, losses or obligations the Restaurant incurs or to any of Licensor's creditors for supplies or services the Restaurant purchases. Licensor may assume the Restaurant's management if Licensee abandons the Restaurant or if Licensee fails to comply with any provision of this Agreement and did not cure the failure in the time period Licensor specified in Licensor's notice to Licensee. Licensee agrees to complete and sign a letter of agency, letter of authorization or equivalent, and provide it to Licensor upon Licensor's request if Licensor assumes the Restaurant's management so that Licensor may keep the existing telephone, facsimile, alarm and credit card machine numbers (as applicable) in operation under Licensor's phone service provider. Licensee also agrees to keep the phone, water, gas or electric service (as applicable) turned on and active for thirty (30) days after Licensor assumes Restaurant's management to allow Licensor to switch the services over to Licensor or Licensor's affiliate. Licensor's exercise of Licensor's management rights under this Section will not affect Licensor's right to terminate this Agreement.

18. RIGHTS AND OBLIGATIONS UPON TERMINATION

18.1. In the event of expiration or earlier termination of this Agreement:

a. Licensee shall promptly cease to use, in any manner and for any purpose, directly or indirectly, the El Pollo Loco® Marks, the El Pollo Loco® System, Licensor's trade secrets, proprietary information, policies, procedures, techniques, methods and materials used by Licensee in connection with the License relationship and shall immediately return to Licensor, or certify as destroyed any and all (including electronic) copies of any of the foregoing, including, but not limited to:

i. Specifications, recipes and descriptions of food products;

ii. The Manual, memoranda, bulletins, forms, reports, instructions and supplements thereto;

iii. Training methods and materials provided by Licensor hereunder;

iv. Brochures, posters and other advertising materials; and

v. All items bearing or containing the El Pollo Loco® Marks, including without limitation, all trademarks, trade names, service marks, logotypes, designs and other identifying symbols and names pertaining thereto.

b. Licensee shall immediately remove, obliterate or destroy all Signs and advertisements identifiable in any way with Licensor's name and perform such reasonable redecoration and remodeling of the Restaurant and the Location as may be necessary, in Licensor's judgment, to distinguish it from an El Pollo Loco® restaurant. To the extent that Licensor is required under applicable law to repurchase certain goods from Licensee, Licensee hereby grants to Licensor the option to purchase all paper goods, containers and all other items containing Licensor's name or the El Pollo Loco® Marks which are in re-saleable or reusable condition at the lower of their cost or fair market value at the time of termination;

c. Licensor may retain all fees paid pursuant to this Agreement;

d. On any termination or expiration of this Agreement, whether due to a default of Licensee or otherwise, Licensor shall have the right, at its option, for 30 days after such termination or expiration to elect to purchase Licensee's interest in the leasehold improvements and furniture, fixtures, equipment, and any or all of the other tangible Restaurant assets (collectively, "Assets") at a purchase price equal to the lesser of Licensee's cost or the fair market value of such Assets, and to purchase Licensee's inventory at Licensee's cost thereof. If the parties hereto cannot agree on the fair market value for the Assets within 45 days of any such date of termination or expiration, Licensor shall designate an independent appraiser whose determination shall be binding. If Licensor elects to exercise any option to purchase as herein provided, it shall have the right to set off all amounts due from Licensee and the costs of the appraisal, if any, against any payment therefor;

e. Should Licensee fail to perform any of these tasks, the Licensor's personnel and representative shall have the right to enter the Restaurant at any time, with or without notice, for the purposes of removing all trademarks,

trade names, service marks, logotypes, designs and other identifying symbols and names pertaining to El Pollo Loco brand and to remove, obliterate or destroy all Signs and advertisements identifiable in any way with Licensor's name and perform such reasonable redecoration and remodeling of the Restaurant and the Location as may be necessary, in Licensor's judgment, to distinguish it from an El Pollo Loco® restaurant. The cost of performing this will be billed to Licensee and payable within 5 days of receipt of invoice; and

18.2. Upon the expiration or termination of this Agreement, Licensee shall promptly pay all sums owing to Licensor and its subsidiaries and affiliates. In the event of termination by reason of any default of Licensee, such sums shall include all damages (including, but not limited to, any lost future royalties and advertising fees), costs and expenses (both internal and external), including reasonable attorneys' fees (both internal and external), incurred by Licensor as a result of the default, which obligation to pay all such sums shall give rise to and remain, until paid in full, a lien in favor of Licensor against any and all of the personal property, furnishings, equipment, Signs, fixtures, and inventory owned by Licensee located in the Restaurant operated hereunder at the time of any such default. Licensee shall pay interest to Licensor on any amounts which may become due to Licensor from Licensee, if such are not paid when due, at the rate of 15% per annum or the maximum interest rate permitted by law, whichever is less.

18.3. The expiration or termination of this Agreement shall be without prejudice to the rights and remedies of Licensor against Licensee. Furthermore, such expiration or termination shall neither release Licensee or any of its obligations and liabilities to Licensor existing at the time thereof nor terminate those obligations and liabilities of Licensee which, by their nature, survive the expiration or termination of this Agreement.

18.4. Upon expiration or termination of this Agreement, Licensor may remove all references to the License and/or to the Restaurant from its website(s).

18.5. Licensee expressly agrees that the existence of any claims it may have against Licensor, whether or not arising from this Agreement, shall not constitute a defense to the enforcement by Licensor of any of the provisions of this Section. Licensee agrees to pay all costs and expenses (both internal and external), including reasonable attorneys' fees (both internal and external) incurred by Licensor in connection with the enforcement of this Section.

18.6. Upon termination or expiration of this Agreement, Licensor can advise all suppliers of El Pollo Loco's proprietary food items and other supplies bearing any other proprietary marks or service marks or specific to the El Pollo Loco® design scheme, to cease delivering the items and products to Licensee.

19. PROPRIETARY RIGHTS, CONFIDENTIAL INFORMATION AND UNFAIR COMPETITION

19.1. In the event of any claim of or challenge to Licensee's use of the El Pollo Loco® Marks licensed under this Agreement, Licensee shall immediately notify Licensor in writing of the facts of such claim or challenge.

a. Licensor shall protect and defend Licensee against any claims or challenges arising out of Licensee's proper use of the El Pollo Loco® Marks licensed hereunder.

b. Licensor shall reimburse Licensee for all damages for which it is held liable in any such proceeding; however, the foregoing obligations of Licensor to protect, defend and reimburse Licensee will exist only if Licensee has used the name or mark which is the subject of the controversy in strict accordance with the provisions of this Agreement and the rules, regulations, procedures, requirements and instructions of Licensor and has notified Licensor of the challenge as set forth above.

c. Any action to be taken in the event of a claim or challenge to any of the El Pollo Loco® Marks shall be solely and absolutely within Licensor's right to determine. Licensor shall have the sole and absolute right to control any legal actions or proceedings resulting therefrom. Any actions taken to protect the El Pollo Loco® Marks shall also be within the sole and absolute right to determine and control of Licensor. Licensee shall cooperate fully with Licensor in the prosecution or defense of any claim or challenge concerning any of the El Pollo Loco® Marks.

19.2. If it becomes advisable at any time, as the sole and absolute right of Licensor, to modify or discontinue the use of any one or more of the El Pollo Loco® Marks or to use one or more additional or substitute names, marks or copyrights, Licensee shall immediately comply with the instructions of Licensor in that regard. In such event, the sole obligation of Licensor will be to reimburse Licensee for the actual costs, such as replacing sign faces, of physically complying with this obligation.

19.3. Licensee acknowledges and agrees that at all times and in all respects, the El Pollo Loco® Marks are the sole property of Licensor and that Licensee has only a license to use such rights and marks according to the provisions hereof. Licensee shall make no application for registration of any identifying name or mark licensed herein or similar thereto without the prior written consent of, and upon terms and conditions satisfactory to, Licensor. Licensee shall not register any

of the El Pollo Loco® Marks, part thereof, or anything confusingly similar thereto, as a domain name, or use, or permit the usage of, any of the same in connection with any Internet web site or web page. Licensee shall indicate the required trademark, service mark or copyright notices in the form specified by Licensor in connection with its use of the El Pollo Loco® Marks. Licensee shall take no action which will interfere with any of Licensor's rights in and to the El Pollo Loco® Marks. Licensee shall not, without Licensor's prior written consent, sell, dispense or otherwise provide Licensor's products or any El Pollo Loco products bearing the El Pollo Loco® Marks, except by means of retail sales in, or delivered from, the Restaurant.

19.4. Licensor has established a Website. As used herein, the term "**Website**" shall mean one or more Internet websites that may, among other things, provide marketing development operations and training materials, facilitate catering, take-out, curbside pickup and delivery orders, provide information about the System and the products and services which are offered on such Website and at restaurants operated under the El Pollo Loco® Marks.

a. Licensor may, as its sole and absolute right to determine, from time to time, without prior notice to Licensee: (i) change, revise, or eliminate the design, content and functionality of the Website; (ii) make operational changes to the Website; (iii) change or modify the URL and/or domain name of the Website; (iv) substitute, modify, or rearrange the Website, at Licensor's sole option, including in any manner that Licensor considers necessary or desirable to, among other things, (1) comply with applicable laws, (2) respond to changes in market conditions or technology, and (3) respond to any other circumstances; (v) limit or restrict end-users access (in whole or in part) to the Website; and (vi) disable or terminate the Website without Licensor having any liability to Licensee.

b. The Website may include one or more interior pages that identifies restaurants operated under the El Pollo Loco® Marks, including the Restaurant, by among other things, geographic region, address, telephone number(s), and menu items. The Website may also include one or more interior pages dedicated to License sales by Licensor and/or relations with Licensor's investors.

c. Licensor may, from time to time, establish a Licensee Page. As used herein, the term "**Licensee Page**" shall mean one or more interior pages of the Website dedicated in whole or in part to Licensee's Restaurant. Licensor may permit Licensee to customize or post certain information to the Licensee Page, subject to Licensee's execution of Licensor's then-current participation agreement, and Licensee's compliance with the procedures, policies, standards and specifications that Licensor may establish from time to time. Such participation agreement may require Licensee to pay a reasonable fee (not to exceed \$1,000.00 per year, which maximum shall increase at a rate of 3% per year for the term of this Agreement) for the privilege of having a Licensee Page, and may include, without limitation, specifications and limitations for the data or information to be posted to the Licensee Page, customization specifications, the basic template for design of the Licensee Page, parameters and deadlines specified by Licensor, disclaimers, and such other standards and specifications and rights and obligations of the parties as Licensor may establish from time to time. Any modifications (including customizations, alterations, submissions or updates) to the Content made by Licensor for any purpose will be deemed to be a "**work made for hire**" under the copyright laws, and therefore, Licensor shall own the intellectual property rights in and to such modifications. To the extent any modification does not qualify as a work made for hire as outlined above, Licensee hereby assigns those modifications to Licensor for no additional consideration and with no further action required and shall execute such further assignment(s) as Licensor may request.

d. Without limiting Licensor's general unrestricted right to permit, deny and regulate Licensee's participation on the Website as Licensor's sole and absolute right to determine, if Licensee shall breach this Agreement, or any other agreement with Licensor or its affiliates, Licensor may disable or terminate the Licensee Page and remove all references to the Restaurant on the Website until said breach is cured.

19.5. Licensee acknowledges that, in connection with the operation of the License business, Licensor will be disclosing confidential information and trade secrets to Licensee. Licensee further acknowledges that its knowledge of, and access to, Licensor's formulae, recipes, processes, products, Plans, techniques, know-how and other proprietary information, including without limitation the Manual and the El Pollo Loco® System (collectively referred to as the "**Confidential Information**"), are derived entirely from the material disclosed to Licensee by Licensor. Licensee acknowledges and agrees that at all times and in all respects, the Confidential Information is a trade secret of Licensor and that Licensee has only a license to use the Confidential Information according to the provisions of this Agreement.

a. Licensee, and each officer, director, shareholder, member, manager, partner, and other equity owner, as applicable, of Licensee, if Licensee is a Business Organization, shall maintain fully and strictly the secrecy of all the Confidential Information and to exercise the highest degree of diligence in safeguarding the Confidential Information during and after the term of this Agreement. Licensee shall divulge the Confidential Information only to Licensee's employees and only to the extent necessary to permit the efficient operation of the Restaurant during the effective term of this Agreement. After the expiration or termination of this Agreement, Licensee shall not divulge the Confidential Information to any person or entity, nor shall Licensee use the Confidential Information in any manner.

b. It is expressly agreed that the ownership of all of the El Pollo Loco® Marks and the Confidential Information is and shall remain vested solely in Licensor. Nothing contained in this Agreement shall be construed to require Licensor to divulge to Licensee any secret processes, formulae, ingredients or other information, except the material

contained in Licensor's Manual and training materials.

c. Licensee shall fully and promptly disclose to Licensor, all ideas, concepts, formulas, recipes, methods, techniques, and other possible improvements (each an "Improvement") relating to the development or operation of a quick service flame-grilled food product and/or related service, conceived or developed by Licensee or Licensee's employees during the Term. Any and all such Improvements will automatically be deemed to be Licensor's sole and exclusive property and works made-for-hire; provided, however, for any such improvements that do not qualify as work made-for-hire for Licensor, Licensee hereby assigns ownership of that or those Improvements to Licensor and covenants to execute whatever assignment or other documentation Licensor requests in order to evidence such assignment and to assist Licensor in securing intellectual property rights in the Improvement. Licensee may not test, offer, or sell any new products without Licensor's prior written consent, which may be withheld as Licensor's sole and absolute right.

d. Licensee's good faith communications with governmental agencies or regulators regarding Licensor's conduct is not restricted, provided that the Licensee reasonably believes that the content of its communications is true and accurate.

19.6. In the event that any provision of this Section shall be determined by a court of competent jurisdiction to be invalid or unenforceable, this Agreement shall not be void, but such provision shall be limited to the extent necessary to make it valid and enforceable.

19.7. Licensee acknowledges that violation of the covenants not to compete contained in this Agreement would result in immediate and irreparable injury to Licensor for which no adequate remedy at law will be available. Accordingly, Licensee hereby consents to the entry of a preliminary and permanent injunction prohibiting any conduct by Licensee in violation of the terms of those covenants not to compete set forth in this Agreement. Licensee expressly agrees that it may conclusively be presumed that any violation of the terms of said covenants not to compete was accomplished by and through Licensee's unlawful utilization of Licensor's Confidential Information, know-how, methods and procedures.

20. DISPUTE RESOLUTION

20.1. Initial Meeting and Mediation – Except as otherwise provided in this Agreement, before any legal action involving any claim or controversy between Licensor and Licensee (including its affiliates) relating to (a) this Agreement, (b) the parties' business activities conducted as a result of this Agreement, or (c) the parties' relationship or business dealings with each other generally is filed, the following procedures shall be complied with:

a. The party wishing to resolve a dispute shall initiate negotiation proceedings by first requesting in writing a meeting. Within 45 days of receipt of the initial request for such a meeting, the parties shall meet, discuss and negotiate toward a resolution of the controversy at a location within the county in which Licensor is then located.

b. If negotiation efforts do not succeed, the parties shall engage in mandatory but non-binding mediation by a mediator jointly chosen by the parties or if the parties cannot agree upon a mediator, appointed by, and in accordance with the procedures of, JAMS or, if JAMS is no longer in existence, an organization of similar quality.

c. A mediation meeting will be held at a place and at a time mutually agreeable to the parties and the mediator. The Mediator will determine and control the format and procedural aspects of the mediation meeting which will be designed to ensure that both the mediator and the parties have an opportunity to present and hear an oral presentation of each party's views regarding the matter in controversy. The parties will act in good faith to resolve the controversy in mediation.

d. The mediation will be held as soon as practicable after the negotiation meeting is held.

e. The mediator will be free to meet and communicate separately with each party either before, during or after the mediation meeting within 60 days of demand by either party.

20.2. At the election of Licensor, the provisions of this Section shall not apply to controversies relating to any fee due Licensor by Licensee or its affiliates, any promissory note payments due Licensor by Licensee, or any trade payables due Licensor by Licensee as a result of the purchase of equipment, goods or supplies. The provisions of this Section shall also not apply to any controversies relating to the use and protection of the El Pollo Loco Marks, the Manual or the El Pollo Loco® System, including without limitation, Licensor's right to apply to any court of competent jurisdiction for appropriate injunctive relief for the infringement of the El Pollo Loco Marks or the El Pollo Loco® System.

21. MISCELLANEOUS PROVISIONS

21.1. In the event that Licensee is comprised of more than one person, firm, corporation or other entity, Licensee's rights, privileges, interests, obligations and liabilities under this Agreement shall be joint and several with respect to such persons, firms, corporations or other entities.

21.2. If Licensee is a Business Organization, Licensor may require that Licensee maintain transfer instructions

restricting a transfer on its records of any securities, partnership interests or other ownership interests in violation of the restrictions set forth in Section 16 and that each stock, partnership or other ownership certificate of Licensee shall have conspicuously endorsed upon its face a statement in form satisfactory to Licensor that further assignment or transfer thereof is subject to each of the restrictions imposed upon assignments by this Agreement.

21.3. All notices required under this Agreement shall be in writing and shall be either (i) served personally; (ii) sent by certified or registered United States mail to the party to be charged with receipt thereof; or (iii) by reputable overnight delivery service. Notices served personally are effective immediately on delivery, and those served by mail shall be deemed given 48 hours after deposit of such notice in a United States post office with postage prepaid and duly addressed to the party to whom such notice or communication is directed. Notices served by overnight delivery shall be deemed to have been given the day after deposit of such notice with such service.

The address for Licensor shall be:

Attention: Chief Legal Officer re EPL # _____, El Pollo Loco, Inc., 575 Anton Blvd, Suite 1100, Costa Mesa, California 92626.

The address for Licensee shall be:

The address listed on the cover page of this Agreement.

Any notice that we send to you may be sent only to the first person identified on the Ownership Schedule table of Licensee (found on the 1st page of this Agreement), even if you have multiple owners. Licensor or Licensee may from time to time change its address for notice pursuant to this Section by giving a written notice of such change to the other party in the manner provided herein. Notwithstanding anything to the contrary contained herein, Licensor may deliver bulletins and updates to the Manual by electronic means, such as by the internet (e-mail) or an intranet, if any, established by Licensor.

21.4. Notwithstanding the above, Licensor may elect to utilize email or similar communications to Licensee for the purpose of communicating System modifications, operations, marketing and other bulletins, menu changes, product or equipment safety or recall alerts, or any other message Licensor determines, and Licensee hereby acknowledges that such communications will constitute actionable communication under this Agreement and shall ensure that Licensee's communications system includes the capability, and is set or programmed, to receive such communications from Licensor on a continual basis throughout the Term. Licensee must never opt out or refuse to accept any of such Licensor communications at any time during the Term.

21.5. The receipt and acceptance by either party of any delinquent payment due hereunder shall not constitute a waiver of any other default. No delay or omission in the exercise of any right or remedy of either party upon any default by the other hereunder shall impair such right or remedy or be construed as a waiver of any term, covenant or condition of this Agreement to be performed by the other party. To be effective, any waiver of any other default must be in writing and shall not constitute a waiver of any other default concerning the same or any other term, covenant or condition of this Agreement.

21.6. Licensor's consent to or approval of any act or conduct of Licensee requiring such consent or approval shall not be deemed to waive or render unnecessary Licensor's consent to or approval of any subsequent act or conduct hereunder.

21.7. The provisions of this Agreement are intended by the parties to be a complete and exclusive expression of their agreement. No other agreements, representations, promises, commitments or the like, of any nature, exist between the parties except as set forth or referenced herein. Notwithstanding the foregoing, nothing in this Agreement shall disclaim or require Licensee to waive reliance on any representation that Licensor made in the most recent disclosure document (including its exhibits and amendments) that Licensor delivered to Licensee or its representative, subject to any agreed-upon changes to the contract terms and conditions described in that disclosure document and reflected in this Agreement (including any riders or addenda signed at the same time as this Agreement). The provisions of this Agreement may not be contradicted by any other statement concerning the subject matter herein. Subject to our right to modify the Manual and other documents related to the System Standards, this Agreement may not be amended or modified except by a written agreement signed by the parties hereto. Nothing in this or any related agreement is intended to disclaim the representations we made in the latest License Disclosure Document that we furnished to you.

21.8. In the event of the bringing of any action by either party against the other arising out of or in connection with this Agreement or the enforcement thereof, or by reason of the breach of any term, covenant or condition of this Agreement on the part of either party, the party in whose favor final judgment is entered shall be entitled to have and recover from the other party reasonable attorneys' fees (internal and external) plus costs and expenses (internal and external)

reasonably incurred from commencing, and prosecuting the legal proceeding and until the proceeding has come to a complete end (including appeals and settlements), the amount to be fixed by the court rendering such judgment.

21.9. This Agreement shall be governed by and construed in accordance with the laws of the state in which Licensor's then-current headquarters is located (i.e., currently, the State of California); provided however that: (i) the provisions of any law of a state regarding Licenses (including registration, disclosure or relationship issues, and the regulations promulgated thereunder) shall not apply unless such state's jurisdictional, definitional and other requirements are met independently of, and without reference to, this Section; and (ii) if any matter related to this Agreement would be unenforceable under the laws of the state where Licensor's then-current headquarters is located, but would be enforceable under the laws of the state in which the Licensee is based, then the laws of the state in which the Licensee is based shall apply to such matter. **ANY ACTION BROUGHT BY EITHER PARTY AGAINST THE OTHER IN ANY COURT, WHETHER FEDERAL OR STATE, SHALL BE BROUGHT WITHIN THE STATE IN WHICH LICENSOR'S HEADQUARTERS (CURRENTLY THE STATE OF CALIFORNIA) IS THEN LOCATED. THE ACTION SHALL BE BROUGHT IN FEDERAL COURT IF FEDERAL COURT JURISDICTION IS AVAILABLE AND, IF NOT, IN STATE COURT. THE PARTIES HEREBY WAIVE ANY RIGHT TO DEMAND OR HAVE TRIAL BY JURY IN ANY ACTION RELATING TO THIS AGREEMENT IN WHICH LICENSOR IS A PARTY. THE PARTIES CONSENT TO THE EXERCISE OF PERSONAL JURISDICTION OVER THEM BY SUCH COURTS IN CALIFORNIA AND TO THE PROPRIETY OF VENUE OF SUCH COURTS FOR THE PURPOSE OF CARRYING OUT THIS PROVISION, AND EACH PARTY WAIVES ANY OBJECTION THAT IT WOULD OTHERWISE HAVE TO THE SAME. ANY ACTION BETWEEN LICENSEE AND LICENSOR SHALL INVOLVE ONLY THE INDIVIDUAL CLAIMS OF LICENSEE AND SHALL NOT INVOLVE ANY CLASS, GROUP, JOINT, CONSOLIDATED, REPRESENTATIVE OR ASSOCIATIONAL ACTION.**

21.10. Except with respect to Licensee's obligation to indemnify Licensor pursuant to Sections 9.3 and 9.4 of this Agreement, the parties waive to the fullest extent permitted by the law any right to or claim for any punitive or exemplary damages against the other and agree that, in the event of a dispute between them, the party making a claim shall be limited to recovery of any actual damages it sustains and injunctive relief. Any and all claims and actions arising out of or relating to this Agreement, the relationship of Licensee and Licensor, or Licensee's operation of the Restaurant, brought by either party hereto against the other, whether in mediation, or a legal action, shall be commenced within a year from the occurrence of the facts giving rise to such claim or action, or such claim or action shall be barred.

21.11. Any provision of this Agreement which may be determined by competent authority to be prohibited or unenforceable in any jurisdiction shall, as to that jurisdiction, be ineffective to the extent of the prohibition or unenforceability without invalidating the remaining provisions of this Agreement. Any prohibition against or unenforceability of any provision of this Agreement in any jurisdiction, including the state whose law governs this Agreement, shall not invalidate the provision or render it unenforceable in any other jurisdiction. To the extent permitted by applicable law, Licensee waives any provision of law which renders any provision of this Agreement prohibited or unenforceable in any respect.

21.12. Licensee recognizes the unique value and secondary meaning attached to the El Pollo Loco® System, the El Pollo Loco® Marks, the Confidential Information and the associated standards of operation and trade practices, and Licensee agrees that any noncompliance with the terms of this agreement or any unauthorized or improper use will cause irreparable damage to Licensor and its Licensees. Licensee therefore agrees that if it should engage in any such unauthorized or improper use, during or after the term of this Agreement, Licensor shall be entitled to both permanent and temporary injunctive relief from any court of competent jurisdiction in addition to any other remedies prescribed by law. Licensee agrees and acknowledges that in such event, Licensee may be required to post a bond while Licensor shall not be required to post a bond.

21.13. Licensee shall grant no security interest in the License or in any of the tangible assets of the business including the furniture, fixtures and equipment located in the Restaurants, unless the secured party agrees that in the event of any default by Licensee and exercise of its right to take and sell such assets under any documents relating to such security interests, Licensor shall have the right and option to exercise a right of first refusal to purchase such assets on the same terms and conditions offered by the secured party. If, within 30 days after receipt of the offer, which would include information and documentation as Licensor may need or require for the purpose of considering whether to exercise its right of first refusal to purchase such assets, Licensor does not indicate its acceptance of the offer as stated in the notice, secured party shall thereafter have the right to make the sale to the proposed transferee on the same terms and conditions as stated in the notice. Should Licensor not exercise its right of first refusal and should the contemplated sale not be completed within 120 days from the date of the notice, or should the terms and conditions thereof (including the proposed transferee or the ownership therein) be altered in any material way, this right of first refusal shall be reinstated and any such subsequent proposed sale or altered terms and conditions of the current transaction must again be offered to Licensor in accordance with the terms listed above.

21.14. This Agreement shall be binding upon and inure to the benefit of the parties hereto, their permitted heirs, successors and assigns.

21.15. This Agreement shall not be binding upon Licensor unless and until it shall have been accepted and signed by authorized officers of Licensor. This Agreement may be executed in one or more counterparts, each of which will constitute an original, but all of which together will constitute but a single document. A signature on this Agreement transmitted via facsimile or electronic mail/PDF or equivalent, electronic signature (such as DocuSign or equivalent), shall be considered an original for all purposes hereunder.

21.16. The parties intend to confer no benefit or right on any person or entity not a party to this Agreement, and no third party shall have the right to claim the benefit of any provision hereof as a third party beneficiary of any such provision. Licensee may not make any express or implied agreements, warranties, guarantees, or representations, or incur any debt, in the name or on behalf of Licensor. Licensor will not be obligated for any damages to any person or property directly or indirectly arising out of the Restaurant.

21.17. If following commencement of business at the Restaurant, the Restaurant is damaged or destroyed to the extent that Licensor determines that the Restaurant must be closed for repairs for more than 60 days, or if the Location is taken by condemnation proceedings or Licensee's lease is terminated through no act or failure to act on its part (except the failure to utilize any available options to extend such lease, or Licensee's willful truncation of such lease), then at Licensor's option, Licensor may elect to:

a. terminate this Agreement, require Licensee to relocate the Restaurant, or in the case of a casualty, require Licensee to rebuild the Restaurant.

b. require Licensee to rebuild the Restaurant, and Licensee shall, at its own expense, repair or reconstruct the Restaurant, and such construction shall be completed, and the Restaurant shall reopen for business not later than 12 months following the date the triggering event occurred. The minimum acceptable appearance for the reconstructed Restaurant will be that which existed just prior to the casualty; however, every effort shall be made to have the reconstructed Restaurant reflect the then-current image, design and specifications of new El Pollo Loco® restaurants.

c. require Licensee to relocate the Restaurant, Licensee must execute Licensor's then-current form of Development Agreement within 30 days of the date Licensor notifies Licensee of Licensor's election. Licensee must follow the site selection and approval procedures associated with the Development Agreement; provided, however, that no development fee shall be required to be paid. Upon approval by Licensor of a new site, Licensee must execute Licensor's then-current form of License agreement; provided, however, that the term of such new agreement shall be equal to the remaining term of this Agreement and Licensee shall not be required to pay a new IFF. Licensee will submit a replacement site for the new Restaurant, in accordance with the time frames indicated in the then-current form of Development Agreement, and which replacement site shall be located in an area defined as a radius surrounding the existing site of the Restaurant, the exact dimensions of which shall be reasonably negotiated between Licensee and Licensor taking into consideration the rights of other then-existing and potential Licensees. If Licensor approves the new site, Licensee shall either acquire or lease the site and design, construct and furnish the Restaurant in conformance with the design and construction requirements imposed by Licensor for new El Pollo Loco® restaurants. The new Restaurant must be open for business not later than 12 months following the date of the casualty or loss of possession of the original Location.

d. terminate this Agreement, and Licensee shall promptly comply with the requirements set forth at Sections 18.1 and 18.2.

22. EFFECTIVE DATE

22.1. This Agreement shall be effective as of the date it is executed by Licensor (the "Effective Date").

23. ACKNOWLEDGMENTS

23.1. Licensee acknowledges that Licensee has received a complete copy of the El Pollo Loco® Disclosure Document, together with all exhibits, issuance date ~~April 1, 2025~~ ~~amended July 1, 2025~~ March 31, 2026 (Control Number 040125.1033126), at least 14 calendar days prior to the date on which this Agreement was executed by Licensee or payment of any monies to Licensor.

23.2. The execution of this Agreement by Licensee will not constitute or violate any other agreement or commitment to which Licensee is a party.

23.3. Each individual executing this Agreement on behalf of Licensee is duly authorized to do so, and this Agreement constitutes a valid and binding obligation of Licensee.

23.4. Incorporated herein by this reference is all of the additional information provided by Licensee to Licensor as part of the application process pertinent to the grant of License evidenced by this Agreement. Licensee acknowledges that Licensor has relied on each item of such information in granting this License.

23.5. No statement, questionnaire, or acknowledgment signed or agreed to by a Licensee in connection with the commencement of the License relationship shall have the effect of (i) waiving any claims under any applicable state License law, including fraud in the inducement, or (ii) disclaiming reliance on any statement made by any Licensor, License seller, or other person acting on behalf of the Licensor. This provision supersedes any other term of any document executed in connection with the License.

24. ANTI-TERRORISM LAW

24.1. Licensee certifies that neither Licensee or its employees, or anyone associated with Licensee is listed in the Annex to Executive Order 13224¹. Licensee promises not to hire or have any dealings with a person listed in the Annex. Licensee certifies that it has no knowledge or information that, if generally known, would result in Licensee, its employees, or anyone associated with Licensee being listed in the Annex to Executive Order 13224. Licensee promises to comply with and assist Licensor to the fullest extent possible in Licensor's efforts to comply with the Anti-Terrorism Laws (as defined below). In connection with such compliance, Licensee certifies, represents, and warrants that none of its property or interests is subject to being "**blocked**" under any of the Anti-Terrorism Laws, and that Licensee are not otherwise in violation of any of the Anti-Terrorism Laws. Licensee is solely responsible for ascertaining what actions must be taken by Licensee to comply with all such Anti-Terrorism Laws. Licensee specifically acknowledges and agrees that Licensee's indemnification responsibilities as provided in this Agreement pertain to Licensee's obligations under this Section. Any misrepresentation by Licensee under this Section or any violation of the Anti-Terrorism Laws by Licensee or its employees shall constitute grounds for immediate termination of this Agreement and any other agreement Licensee has entered into with Licensor or one of Licensor's affiliates. "**Anti-Terrorism Laws**" means Executive Order 13224 issued by the President of the United States, the Terrorism Sanctions Regulations (Title 31, Part 595 of the U.S. Code of Federal Regulations), the Foreign Terrorist Organizations Sanctions Regulations (Title 31, Part 597 of the U.S. Code of Federal Regulations) the Cuban Assets Control Regulations (Title 31, Part 515 of the U.S. Code of Federal Regulations), the USA PATRIOT Act, and all other present and future federal, state and local laws, ordinances, regulations, policies, lists and any other requirements of any Governmental Authority (including the United States Department of Treasury Office of Foreign Assets Control) addressing or in any way relating to terrorist acts and acts of war.

¹ <http://www.treasury.gov/offices/enforcement/ofac/sanctions/terrorism.html>.

25. SIGNATURES

IN WITNESS WHEREOF, this Agreement has been executed by the parties hereto as of the date(s) first set forth below.

LICENSOR:

EL POLLO LOCO, INC., a Delaware Corporation

By: _____

Name: _____

Title: _____

Date: _____

LICENSEE:

_____,

a _____

By: _____

Name: _____

Title: _____

Date: _____

By: _____

Name: _____

Title: _____

Date: _____

EXHIBIT 1: MEMORANDUM OF OPENING DATE

On or about _____, 20____, **El Pollo Loco, Inc.**, a Delaware corporation ("**Licensor**"), and _____, a _____ ("**Licensee**"), entered into an El Pollo Loco® License Agreement (the "**License Agreement**") for an "**El Pollo Loco**" Restaurant Unit No. _____ located at _____ (the "**Location**").

The parties hereby agree that the Opening Date of the Restaurant at the Location was _____, 20____.

The term of the License Agreement shall expire on _____, 20____, unless sooner terminated as provided in the License Agreement.

This Memorandum of Opening Date may be executed in two or more counterparts, each of which shall be deemed an original but all of which together shall constitute a single instrument. A signature on this Memorandum of Opening Date transmitted via facsimile or electronic mail/PDF or equivalent, electronic signature (such as DocuSign or equivalent), shall be considered an original for all purposes hereunder.

IN WITNESS WHEREOF, the parties hereto have caused this Memorandum of Opening Date to be executed as of the date(s) below.

LICENSOR:

EL POLLO LOCO, INC., a Delaware Corporation

By: _____

Name: _____

Title: _____

Date: _____

LICENSEE:

_____,
a _____

By: _____

Name: _____

Title: _____

Date: _____

EXHIBIT 2: AUTHORIZATION AGREEMENT FOR PREARRANGED PAYMENTS (ACH)

On _____, 20____ and going forth, the undersigned depositor ("**Depositor**") hereby authorizes El Pollo Loco, Inc. ("**El Pollo Loco**") to initiate debit entries and/or credit correction entries to the Depositor's checking and/or savings account(s) indicated attached as Exhibit A and the depository ("**Depository**") to debit such account pursuant to El Pollo Loco's instructions ("**Authorization**").

This authority is to remain in full force and effect until Depository has received joint written notification from El Pollo Loco and Depositor of the Depositor's termination of such authority in such time and in such manner as to afford Depository a reasonable opportunity to act on it. Notwithstanding the foregoing, Depository shall provide El Pollo Loco and Depositor with 30 days' prior written notice of the termination of this authority. If an erroneous debit entry is initiated to Depositor's account, Depositor shall have the right to have the amount of such entry credited to such account by Depository, if within 15 calendar days following the date on which Depository sent to Depositor a statement of account or a written notice pertaining to such entry or 45 days after posting, whichever occurs first, Depositor shall have sent to Depository a written notice identifying such entry, stating that such entry was in error and requesting Depository to credit the amount thereof to such account. These rights are in addition to any rights Depositor may have under federal and state banking laws.

This Authorization may be executed in two or more counterparts, each of which shall be deemed an original but all of which together shall constitute a single instrument. A signature on this Authorization transmitted via facsimile or electronic mail/PDF or equivalent, electronic signature (such as DocuSign, or equivalent) shall be considered an original for all purposes hereunder.

Depositor: _____

By: _____

Name: _____

Title: _____

Date: _____

By: _____

Name: _____

Title: _____

Date: _____

(to be completed by Depositor)

Depository:

Branch:

Street Address, City, State, Zip Code:

Bank Transit/ABA Number:

Account Number:

ATTACH VOID CHECK

EXHIBIT 3: EL POLLO LOCO® FINANCIAL REPORTING FORM

You will be required to submit quarterly and year-end financial statements electronically in the following format. The financials should be comparative, showing the prior year amounts for the same periods. There should be columns for both the recently completed quarter and a Year-to-date column, if applicable. Do not include officer's salary, auto expenses, or any other above restaurant expenses should not be included.

	Amount	%
<u>Gross Sales</u>	<u>\$ 0</u>	
<u>Net Sales</u>	<u>0</u>	<u>100.0%</u>
<u>Food Cost</u>	<u>0</u>	<u>0.0%</u>
<u>Paper Cost</u>	<u>0</u>	<u>0.0%</u>
<u>Total Food & Paper</u>	<u>0</u>	<u>0.0%</u>
<u>Gross Profit</u>	<u>0</u>	<u>0.0%</u>
<u>Hourly and Certified</u>		
<u>LeaderManager labor</u>	<u>0</u>	<u>0.0%</u>
<u>Fringe Benefits (a)</u>	<u>0</u>	<u>0.0%</u>
<u>Total Labor</u>	<u>0</u>	<u>0.0%</u>
<u>Utilities</u>	<u>0</u>	<u>0.0%</u>
<u>Repair and Maintenance</u>	<u>0</u>	<u>0.0%</u>
<u>Cash Over/Short</u>	<u>0</u>	<u>0.0%</u>
<u>Controllable Costs (b)</u>	<u>0</u>	<u>0.0%</u>
<u>Restaurant Controllable Profit</u>	<u>0</u>	<u>0.0%</u>
<u>Advertising</u>	<u>0</u>	<u>0.0%</u>
<u>Royalties</u>	<u>0</u>	<u>0.0%</u>
<u>Third-Party Delivery Fees</u>	<u>0</u>	<u>0.0%</u>
<u>Indirect Costs (c)</u>	<u>0</u>	<u>0.0%</u>
<u>Occupancy Costs (d)</u>	<u>0</u>	<u>0.0%</u>
<u>Restaurant Operating Profit</u>	<u>\$</u>	<u>%</u>

(a) To include payroll taxes, health benefits, vacation, and workers compensation expense

(b) To include trash, store security, uniforms, laundry, cleaning/janitorial, operating supplies, music and plant service, landscape, and other misc. restaurant costs not captured elsewhere.

(c) To include credit card fees, bank charges, licenses, permits, fees, and pre-opening costs

(d) To include minimum and percentage rent, property taxes and insurance.

EXHIBIT 4: CONSENT TO AND ASSIGNMENT OF LICENSE RIGHTS

This Consent to and Assignment of License Rights (the "**Consent Agreement**") dated _____, 20____ (the "**Effective Date**") by and between **El Pollo Loco, Inc.**, a Delaware corporation ("**Licensor**"), located at 3535 Harbor Blvd., Suite 100, Costa Mesa, CA 92626, Attn: Legal Dept re EPL # _____, a _____ (the "**Assignor**"), located at _____, and _____, a _____, (the "**Assignee**"), located at _____.

RECITALS

- A. Licensor and Assignor are parties to that certain License Agreement dated _____ (the "**License Agreement**") pertaining to the operation of the El Pollo Loco restaurant located at _____ (the "**Restaurant**").
- B. Assignor desires to assign all of Assignor's title, rights, privileges and interests and obligations under the License Agreement to Assignee and to sell, transfer, and convey all of such title, rights, privileges, and interests to the Assets of the Restaurant to Assignee, all in accordance with the assignment provisions of the License Agreement.
- C. The License Agreement requires that Assignor first obtain written consent of Licensor before undertaking any assignment of the License Agreement or sale of the assets of the Restaurant.

NOW, THEREFORE, in consideration of the mutual covenants contained herein, the parties agree as follows:

1. Recitals A through C above are incorporated herein and by this reference made a part of this Consent Agreement.
2. Subject to the terms and conditions set forth herein, and upon the payment to Licensor of a [transfer or entity] fee of \$ _____, Licensor does hereby consent to the assignment by Assignor to Assignee of all of Assignor's rights, privileges, interests, and obligations under the License Agreement effective as of _____ ("**Changeover Date**"); the date of transfer of the Restaurant operation from Assignor to Assignee, when the Assignee takes over the ownership and operation of the Restaurant ("**Changeover Date**") which is anticipated to be _____.
3. Assignee covenants, warrants and agrees that, as of the date hereof, all of the obligations, liabilities and provisions of the License Agreement shall be fully performed and complied with by Assignee in its capacity as "Licensee" under the License Agreement, including, but not limited to, payment in full of all obligations to Licensor and to third parties arising from the existence, operation, or maintenance of the Restaurant.
4. Assignee acknowledges and warrants:
- a. that the License Agreement and any related franchise disclosure documents, manuals, lists, forms and other documents previously transmitted to Assignee have been fully read and understood;
 - b. that Assignee is knowledgeable and experienced in regard to the operation of an El Pollo Loco restaurant and the Licensor operating system;
 - c. that Assignee agrees to undertake, in accordance with the terms of the License Agreement, such training as Licensor may deem appropriate in connection with the operation and maintenance of the Restaurant;
 - d. that Assignee is fully aware that the term of the License Agreement will expire on _____, and has no renewal option periods and the License Agreement does not grant Assignee any territorial right or licenses, exclusive or otherwise; and
 - e. that as of the date of this Consent Agreement, the ownership interest in Assignee is divided as follows:
 - i. _____ - _____ %
 - ii. _____ - _____ %
 - f. that as of the date of this Consent Agreement, the individual listed below does and shall have the power and authority to act on behalf of Assignee in all matter affecting the Current Franchise Agreement:
 - i. (insert primary franchisee name) _____, (insert title) _____
 - g. that Assignee has conducted an independent study of the Restaurant, including consideration of any sales, profits or earnings figures that may have been made available to Assignee by or on behalf of Assignor, and in entering into this Agreement, Assignee relies solely upon such independent knowledge and in no respect has Assignee relied upon any representation, statement, endorsement or promise, either oral or written, by or on behalf of Licensor.

5. Limitation on Modification or Termination of Trusts.

- a) (insert name of trust 1), (insert name of trust 2), are herein collectively referred to as the "**Trusts**".

The terms of these Trusts may provide various methods and ways for each trust to be modified by the provisions of the trust itself or by an outside method which include, but are not limited to, trust decanting actions, exercises of powers of appointment whether limited or general in nature, modifications of irrevocable trusts by court petition, modifications of irrevocable trusts by Non-Judicial Settlement Agreements, modification of irrevocable trusts by methods by state statute, and other ways specific to each jurisdiction. The parties to these Trusts (Settlor and Trustees) hereby agree to not take any action that would revoke or modify the terms of any of these Trusts which would impact the administration and/or disposition of any El Pollo Loco franchise that is held within these Trusts. Notwithstanding the preceding, an action described in this paragraph can be a valid modification or termination of a Trust if either (A) the Trustee receives prior Franchisor approval of the action that changes the administration or disposition of an El Pollo Loco franchise interest or (B) the Trustee provides notice to Franchisor prior to Franchisee making changes and the changes to the Trust are solely changing: (1) the manner by which a family member beneficiary receives the franchise interest; (2) how a family member benefits from a franchise interest; or (3) the percentage of beneficial ownership that a family member of the Settlor receives either outright or in a subtrust for the family member's benefit within the Trust. The Trustees acknowledge that they understand their duties under this paragraph and that this paragraph creates a fiduciary duty between the Trustees and Franchisor, where the Trustees are to inform Franchisor of any action taken by the trust or the Settlor which would be an action described in this paragraph.

b) Any non-family member Trustee(s) or Trust Protector, or similar, would have to agree to comply with the requirements of the Franchise Agreements and report any action to Franchisor that would possibly violate any requirements of the Franchise Agreements.

c) These Trusts cannot distribute an interest in the El Pollo Loco Franchise Agreements to a charity(ies).

Initials

6. **Release.** In consideration of the consent by Licensor granted herein, Assignor and Assignee (collectively "Releasors") do each hereby waive, release and forever discharge Licensor, and all of Licensor's affiliates, and all the respective directors, officers, employees, attorneys, representatives, and agents of said corporations, as well as parent corporations, subsidiaries, affiliates and any other legal entities which it owns or controls, individually or jointly, from any and all obligations, liabilities, claims, demands, actions and causes of action in law or in equity of whatsoever kind or nature arising prior to and including the date hereof, which Releasors now have or may hereafter have by reason of any act, omission, event, deed or course of action having taken place, or which should have taken place, or on account of or arising out of any claimed violation of the License Agreement, any claim for breach of any other express or implied agreement, claim for breach of any implied violation of the covenant of good faith and fair dealing or any other claims which relate or refer in any way to the relationship between Licensor and Assignee or Licensor and Assignor or Assignor and Assignee which arises on or before the date hereof insofar as said claims relate to the License Agreement, or the License Agreement, or the Consent Agreement, and to the extent allowed by law, any claim for breach of the assignment of Assignor's title, rights, privileges, interests, and obligations under the License Agreement as contemplated in this Consent Agreement, or any other agreement between Releasors (or any of them) and Licensor, any claim arising under or alleged violation of the California License Relations Act, any Federal antitrust law or State antitrust law except as prohibited by law.

It is expressly acknowledged by each of the undersigned that any and all rights granted under Section 1542 of the California Civil Code are hereby expressly waived. Such statute reads as follows:

"A general release does not extend to claims that the creditor or releasing party does not know or suspect to exist in his or her favor at the time of executing the release and that, if known by him or her, would have materially affected his or her the settlement with the debtor or released party."

Releasors voluntarily waive all benefits and protections of Civil Code Section 1542, and any comparable law, and intend the release above to apply to known and unknown claims alike.

7. Assignor and Assignee understand and agree that Assignor shall remain secondarily liable in the event of any default by the Assignee under the License Agreement, and that by entering into this Consent Agreement, Assignor and Assignee fully and unconditionally guarantee the Assignee's performance and compliance in all respects with the obligations, liabilities and provisions thereunder; provided, however, that this guarantee shall not extend to any default of non-compliance with the obligations, liabilities, and provisions of the License Agreement by Assignee during any extension of the initial term of the License Agreement. Assignor further understands and agrees that, to the extent principals of Assignor have personally guaranteed the performance of Assignor under the terms and conditions of the License Agreement, such personal guarantee shall NOT be modified by this Consent Agreement and any such guarantors shall not be released from liability of any kind or nature by the terms of this Consent Agreement. Licensor agrees that a copy of any

notice of default given to Assignee by Licensor shall also be concurrently given to Assignor.

8. Unless Assignee is currently the Licensee of another El Pollo Loco restaurant, Assignor shall train, at Assignor's expense, Assignee and up to 2 of Assignee's managers prior to Assignee's takeover of the operation of the Restaurant from Assignor, in order to train Assignee in the Licensor operating system. Such training must be completed to Licensor's satisfaction prior to turning over the running of the Restaurant to Assignee. In the event that Assignor wishes Licensor to train Assignee's personnel in the Licensor operating system, Assignor shall reimburse Licensor for the cost of such training.

Assignor agrees to grant permission to Assignee for Assignee to access the historical sales and transactional information belonging to Assignor as stored in Assignor's Point of Sale system ("POS") prior to the effective date of this Consent Agreement.

9. _____

10. Licensee shall provide Assignor and Assignee with a then current estimate of the Restaurant gift card liability and/or credit 5-10 days prior to the Changeover Date. Assignor and Assignee shall then incorporate and adjust for any Restaurant gift card liability and/or credit within their purchase of the Restaurant.

11. Licensor's consent to the assignment of Assignor's rights and obligations under the License Agreement and the assets of the Restaurant is expressly contingent upon Assignor paying and discharging all obligations incurred in Assignor's operation of the Restaurant prior up to the Changeover Date including, but not limited to, the following:

a. Any unpaid amounts owed Licensor under monthly License billing statements for periods up to the Changeover Date shall be payable through escrow, by cashier's check or by direct debit (ACH) to Licensor prior to the Changeover Date. If the Changeover Date is modified, the estimate should be adjusted on a per diem basis;

b. Taxes due or accrued and unpaid, including, but not limited to, the sales tax on food and consumables sold in the Restaurant;

c. Any federal, state or local taxes required to be withheld from employees' salaries and wages; and

d. Any and all amounts due suppliers and vendors to the Restaurant.

12. ~~Within 30~~ No later than 60 days following the Changeover Date, Licensor shall prepare and submit to Assignor a final accounting for sums due together with a check for any sums due Assignor or a statement for any sums due Licensor. In connection with such accounting, Licensor shall have the right, without the obligation, to pay any bills incurred by Assignor prior to the Changeover Date and to add amounts so paid to amounts charged Assignor in such accounting. As of the Changeover Date, Assignee shall assume total responsibility for the operation of, and shall be solely responsible for, any obligations incurred in connection with the Restaurant prior to the Changeover Date in the event that such obligations have not been satisfied by Assignor.

13. All notices required under this Consent Agreement shall be in writing and shall be either (i) served personally; (ii) sent by certified or registered United States mail to the party to be charged with receipt thereof; (iii) by reputable overnight delivery service or (iv) sent via facsimile. Notices served personally are effective immediately on delivery, and those served by mail shall be deemed given 48 hours after deposit of such notice in a United States post office with postage prepaid and duly addressed to the party to whom such notice or communication is directed. Notices served by overnight delivery shall be deemed to have been given the day after deposit of such notice with such service. Notices served via facsimile shall be deemed to have been given the day of faxing such notice. The address for Licensor, Assignor and Assignee shall be the address listed above in the first paragraph of this Consent Agreement. Licensor, Assignor or Assignee may from time to time change its address for notice pursuant to this Section by giving a written notice of such change to the other party in the manner provided herein. Notwithstanding anything to the contrary contained herein, Licensor may deliver bulletins and updates to the Manual by electronic means, such as by the internet (e-mail) or an intranet, if any, established by Licensor. This notice provision supersedes any notice provision contained in the License Agreement.

14. This Consent Agreement shall inure to the benefit of the successors and assigns of Licensor, and to any and all of its affiliates, parents and subsidiaries, and shall be binding upon the heirs, representatives, successors and assigns of Assignor and Assignee.

15. Except as modified herein, all the terms and conditions of the License Agreement shall be unaffected and remain in full force and effect.

16. The parties hereto acknowledge that they have read and fully understand the provisions of this Consent Agreement and that said provisions constitute a complete and exclusive expression of its terms and conditions.

17. The parties executing this Consent Agreement on behalf of Assignee or Assignor hereby represent and warrant that: (a) they have the full power, right and authority to enter into and execute this Consent Agreement; and (b) those persons whose signatures are hereinafter evidenced on this Consent Agreement on behalf of Assignee or Assignors are duly authorized signatories of Assignee or Assignors, fully empowered to commit and bind Assignee or Assignors to those certain terms, covenants and conditions set forth herein.

18. If either party is a business organization, the party is duly organized and qualified to do business in the state and any other applicable jurisdiction within which the Restaurant is located.

19. This Consent Agreement shall not be binding upon Licensor unless and until it shall have been accepted and signed by an authorized officer of Licensor.

20. This Consent Agreement may be executed in one or more counterparts, each of which will constitute an original, but all of which together will constitute but a single document. It shall not be necessary for Licensor, Assignors and Assignee to execute the same counterpart(s) of this Consent Agreement for this Consent Agreement to become effective. A signature on this Consent Agreement transmitted via facsimile or electronic mail/PDF or equivalent, electronic signature (such as DocuSign, or equivalent), shall be considered an original for all purposes hereunder.

IN WITNESS WHEREOF, the parties hereto have executed this Consent to and Assignment of License Rights Agreement as of the date(s) written below.

LICENSOR:

El Pollo Loco, Inc., a Delaware Corporation

By:

Name:

Title:

Date:

ASSIGNOR:

, a

By:

Name:

Title:

Date:

ASSIGNEE:

, a

By:

Name:

Title:

Date:

EXHIBIT [H](#) INVESTOR COVENANTS REGARDING CONFIDENTIALITY AND NON-COMPETITION

Statement of Ownership of Franchisee:

Name of Principal/Investor	Percentage of Ownership Interest

In conjunction with your investment in _____ a _____ ("**Developer**"), you ("**Investor**" or "**You**"), acknowledge and agree as follows:

1. Developer owns and operates, or is developing, pursuant to a development agreement dated _____ ("**Development Agreement**") with El Pollo Loco, Inc. ("**EPL**"), which Franchise Development Agreement requires persons with legal or beneficial ownership interests in Developer under certain circumstances to be personally bound by the confidentiality and non-competition covenants contained in the Development Agreement. All capitalized terms contained herein shall have the same meaning set forth in the Development Agreement.

2. You own or intend to own a certain percentage of legal or beneficial ownership interest (as described above) in Developer and acknowledge and agree that your execution of this Agreement is a condition to such ownership interest and that you have received good and valuable consideration for executing this Agreement. EPL may enforce this Agreement directly against you and your Owners (as defined below).

3. If you are a corporation, partnership, limited liability company or other entity, all persons who have a legal or beneficial interest in you ("**Owners**") must also execute this Agreement.

4. You and your Owners, if any, may gain access to parts of EPL's Confidential Information as a result of investing in Developer. The Confidential Information is proprietary and includes EPL's trade secrets. You and your Owners hereby agree that while you and they have a legal or beneficial ownership interest in franchise and thereafter you and they: (a) will not use the Confidential Information in any other business or capacity (such use being an unfair method of competition); (b) will exert best efforts to maintain the confidentiality of the Confidential Information; and (c) will not make unauthorized copies of any portion of the Confidential Information disclosed in written, electronic or other form. If you or your Owners cease to have an interest in franchisee, you and our Owners, if any, must deliver to EPL any such Confidential Information in your or their possession.

5. During the term of the Development Agreement and during such time as you and your Owners, if any, have any legal or beneficial ownership interest in Developer, you and your Owners, if any, agree that you and they will not, without EPL's consent (which consent may be withheld as EPL's sole and absolute right) directly or indirectly (such as through an Affiliate or through your or their Immediate Families) own any legal

or beneficial interest in, or render services or give advice in connection with: (a) any Competitive Business located anywhere, or (b) any entity located anywhere that grants franchises or licenses interest to others to operate any Competitive Business.

6. For a period of two (2) years, starting on the earlier to occur of the date you or your Owners cease to have any legal or beneficial ownership interest in Developer and the effective date of termination or expiration of the Development Agreement, neither you nor any of your Owners directly or indirectly (such as through an Affiliate or through your or their Immediate Families) shall own a legal or beneficial interest in, or render services or give advice to: (a) any Competitive Business operating at or within a radius of five (5) miles of the location of the Restaurant and/or any El Pollo Loco restaurant then in operation or under construction; or (b) any entity that grants franchises or license other interest to others to operate any Competitive Business. If you or any of your Owners fail to or refuse to abide by any of the foregoing covenants and EPL obtains enforcement in a judicial or arbitration proceeding, the obligations under the breached covenant will continue in effect for a period of time ending two (2) years after the date such person commences compliance with the order enforcing the covenant.

7. You and each of your Owners expressly acknowledge the possession of skills and abilities of a general nature and the opportunity to exploit such skills in other ways, so that enforcement of the covenants contained in Sections 5 and 6 will not deprive any of you of your personal goodwill or ability to earn a living. If any covenant herein, which restricts competitive activity, is deemed unenforceable by virtue of its scope or in terms of geographic area, type of business activity prohibited and/or length of time, but could be rendered enforceable by reducing any part of all of it, you and we agree that it will be enforce to the fullest extent permissible under applicable law and public policy. EPL may obtain in any court of competent jurisdiction any injunctive relief, including temporary restraining orders and preliminary injunctions, against conduct or threatened conduct for which no adequate remedy at law may be available or which may cause it irreparable harm. You and each of your Owners acknowledges that any violation of Section 4, 5, or 6 hereof would result in irreparable injury for which no adequate remedy at law may be available. If EPL files a claim to enforce this Agreement and prevails in such proceeding, you agree to reimburse EPL for all its cost and expense, including reasonable attorneys' fees.

8. You and each of your Owner's good faith communications with governmental agencies or regulators regarding Franchisor's conduct is not restricted, provided that You and each of your Owners reasonably believe that the content of its communications is true and accurate.

9. This Investor Covenants regarding Confidentiality and Non-Competition Agreement ("**Investor Agreement**") may be executed in two or more counterparts, each of which shall be deemed an original but all of which together shall constitute a single instrument. A signature on this Investor Agreement transmitted via facsimile or electronic mail/PDF (or equivalent), electronic signature (such as DocuSign, etc. or equivalent), shall be considered an original for all purposes hereunder.

IN WITNESS WHEREOF, the undersigned have executed and delivered this Agreement on the dates set forth below.

INVESTOR:

If an Individual

By: _____
Name: _____
Title: An individual
Date: _____

By: _____
Name: _____
Title: An individual
Date: _____

If a corporation, partnership, limited liability company or other legal entity:

_____, a _____

By: _____
Name: _____
Title: _____
Date: _____

By: _____
Name: _____
Title: _____
Date: _____

OWNERS:

By: _____
Name: _____
Title: An individual
Date: _____

By: _____
Name: _____
Title: An individual
Date: _____

EXHIBIT K: LIST OF FRANCHISEES WHO LEFT SYSTEM IN ~~2024~~2025 OR WHO HAVE NOT COMMUNICATED WITH US WITHIN 10 WEEKS OF THE ISSUANCE DATE OF THIS DISCLOSURE DOCUMENT

Franchisee	Primary Owner or Partners	Unit	Unit City, State	Phone	Comments
~~Pensar Big, Inc.~~	~~Carmen & Andrea Huerta¹~~	~~3417~~	~~Chino Hills, CA~~	~~626-331-6859~~	~~Restaurant ownership transferred in 2024~~
~~Pensar Big, Inc.~~	~~Carmen & Andrea Huerta~~	~~3420~~	~~Fullerton, CA~~	~~626-331-6859~~	~~Restaurant ownership transferred in 2024~~
~~Pensar Big, Inc.~~	~~Carmen & Andrea Huerta~~	~~3421~~	~~Lakewood, CA~~	~~626-331-6859~~	~~Restaurant ownership transferred in 2024~~
~~Lugo Pollos, Inc.~~	~~Ben, Norma & Adrian Lugo²~~	~~3838~~	~~Tucson, AZ~~	~~562-477-2519~~	~~Restaurant ownership transferred in 2024~~
~~Lugo Pollos, Inc.~~	~~Ben, Norma & Adrian Lugo~~	~~3839~~	~~Tucson, AZ~~	~~562-477-2519~~	~~Restaurant ownership transferred in 2024~~
~~Lugo Pollos, Inc.~~	~~Ben, Norma & Adrian Lugo~~	~~3961~~	~~Tucson, AZ~~	~~562-477-2519~~	~~Restaurant ownership transferred in 2024~~
~~The Cluck Brothers, Inc.~~	~~Gary Brubaker & Jon Brubaker~~	~~3391~~	~~Costa Mesa, CA~~	~~949-887-3177~~	~~Restaurant ownership transferred in 2024~~
~~The Cluck Brothers, Inc.~~	~~Gary Brubaker & Jon Brubaker~~	~~3442~~	~~Lake Forest, CA~~	~~949-887-3177~~	~~Restaurant ownership transferred in 2024~~
~~POYO, Inc.~~	~~Rosa, Michael & Freddie Pinuelas²~~	~~3425~~	~~Reseda, CA~~	~~818-752-7804~~	~~Restaurant ownership transferred in 2024~~
~~POYO, Inc.~~	~~Rosa, Michael¹ & Freddie Pinuelas¹~~	~~3738~~	~~Northridge, CA~~	~~818-752-7804~~	~~Restaurant ownership transferred in 2025~~
~~POYO, Inc.~~	~~Rosa, Michael¹ & Freddie Pinuelas¹~~	~~3881~~	~~Newbury Park, CA~~	~~818-752-7804~~	~~Restaurant ownership transferred in 2025~~
~~Lugo's Enterprises, Inc.~~	~~Adrian Benjamin Lugo²~~	~~3332~~	~~Whittier, CA~~	~~714-743-2228~~	~~Restaurant ownership transferred in 2025~~
~~Lugo's Enterprises, Inc.~~	~~Adrian Benjamin Lugo²~~	~~3938~~	~~Tustin, CA~~	~~714-743-2228~~	~~Restaurant ownership transferred in 2025~~
~~Ka-Moa LLC~~	~~Aaron Pingel², Angel Lara² & William Engel²~~	~~3844~~	~~San Diego, CA~~	~~858-414-6569~~	~~Restaurant ownership restructure & transfer in 2025~~
~~WKS Restaurant Corporation~~	~~Paul Tanner², Jay² & Roland Sponberg²~~	~~3488~~	~~Lakewood, CA~~	~~562-354-9227~~	~~Restaurant closed in 2025~~

¹ Still has ownership in another El Pollo Loco® restaurant.

² Still has ownership in other El Pollo Loco® restaurants.

Franchisee	Primary Owner or Partners	Unit	Unit City, State	Phone	Comments
WKS Restaurant Corporation	Paul Tanner², Jay² & Roland Spongberg²	3619	Tempe, AZ	562-354-9227	Restaurant closed in 2025
NGC Foods, Inc.	Harsimran & Paramjit Singh Nagra	3862	San Diego, CA	951-234-4825	Restaurant ownership transferred in 2025
NGC Foods, Inc.	Harsimran & Paramjit Singh Nagra	3793	El Cajon, CA	951-234-4825	Restaurant ownership transferred in 2025
L.A. Tasty Food, Inc.	Jacob Barnes & Inessa Barnes	3315	Los Angeles, CA	818-634-8451	Restaurant ownership transferred in 2025
L.A. Tasty Food, Inc.	Jacob Barnes & Inessa Barnes	3297	Los Angeles, CA	818-634-8451	Restaurant closed in 2025
Keepin' It Grill, Series I LLC	David Henry	3864	Fort Worth, TX	806-283-0652	Restaurant ownership transferred in 2025
Keepin' It Grill, Series II LLC	David Henry	3865	Dallas, TX	806-283-0652	Restaurant ownership transferred in 2025
Keepin' It Grill, Series III LLC	David Henry	3866	Allen, TX	806-283-0652	Restaurant ownership transferred in 2025
Keepin' It Grill, Series IV LLC	David Henry	3867	Denton, TX	806-283-0652	Restaurant ownership transferred in 2025
Keepin' It Grill, Series V LLC	David Henry	3868	Richardson, TX	806-283-0652	Restaurant ownership transferred in 2025
Keepin' It Grill, Series VI LLC	David Henry	3893	Watauga, TX	806-283-0652	Restaurant ownership transferred in 2025
Chicken Time I LLC	David Henry	3800	Hurst, TX	806-283-0652	Restaurant ownership transferred in 2025
Chicken Time II LLC	David Henry	3804	Bedford, TX	806-283-0652	Restaurant ownership transferred in 2025
Chicken Time III LLC	David Henry	3806	Grand Prairie, TX	806-283-0652	Restaurant ownership transferred in 2025
Chicken Time IV LLC	David Henry	3823	Irving, TX	806-283-0652	Restaurant ownership transferred in 2025
Chicken Time V LLC	David Henry	3830	Arlington, TX	806-283-0652	Restaurant ownership transferred in 2025
Chicken Time VI LLC	David Henry	3832	Grand Prairie, TX	806-283-0652	Restaurant ownership transferred in 2025
F. Mak, Inc.	Mike Ara	3695	Riverside, CA	909-215-7022	Restaurant ownership transferred in 2025
F. Mak, Inc.	Mike Ara	3736	Glendale, CA	909-215-7022	Restaurant ownership transferred in 2025

¹ Still has ownership in another El Pollo Loco® restaurant.

² Still has ownership in other El Pollo Loco® restaurants.

If you buy this franchise, your contact information may be disclosed to other buyers when you leave the franchise system.

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

EXHIBIT [KL](#): FINANCIAL STATEMENTS

EL POLLO LOCO HOLDINGS, INC. AND SUBSIDIARIES

INDEX TO THE CONSOLIDATED FINANCIAL STATEMENTS

Audited Consolidated Financial Statements

Report of Independent Registered Public Accounting Firm (BDO USA, P.C.; Costa Mesa, California; PCAOB ID #243) 2

Consolidated Balance Sheets – December 31, 2025 and December 25, 2024 4

Consolidated Statements of Income—For the years ended December 31, 2025, December 25, 2024, and December 27, 2023 5

Consolidated Statements of Comprehensive Income— For the years ended December 31, 2025, December 25, 2024, and December 27, 2023 6

Consolidated Statements of Changes in Stockholders’ Equity—For the years ended December 31, 2025, December 25, 2024, and December 27, 2023..... 7

Consolidated Statements of Cash Flows—For the years ended December 31, 2025, December 25, 2024, and December 27, 2023 8

Notes to Consolidated Financial Statements 9

EXHIBIT LM: GUARANTEE OF PERFORMANCE

GUARANTEE OF PERFORMANCE

For value received, El Pollo Loco Holdings, Inc., a Delaware corporation (the “**Guarantor**”), located at 3535 Harbor Blvd., Suite 100, Costa Mesa, CA 92626 575 Anton Blvd., Suite 1100, Costa Mesa, CA 92626, absolutely and unconditionally guarantees to assume the duties and obligations of El Pollo Loco, Inc., a Delaware corporation, located at 3535 Harbor Blvd., Suite 100, Costa Mesa, CA 92626 575 Anton Blvd., Suite 1100, Costa Mesa, CA 92626 (the “**Franchisor**”), under its franchise registration in each state where the franchise is registered, and under its Franchise Agreement identified in its 20265 Franchise Disclosure Document, as it may be amended, and as that Franchise Agreement may be entered into with franchisees and amended, modified or extended from time to time. This guarantee continues until all such obligations of the Franchisor under its franchise registrations and the Franchise Agreement are satisfied or until the liability of Franchisor to its franchisees under the Franchise Agreement has been completely discharged, whichever first occurs. The Guarantor is not discharged from liability if a claim by a franchisee against the Franchisor remains outstanding. Notice of acceptance is waived. The Guarantor does not waive receipt of notice of default on the part of the Franchisor. This guarantee is binding on the Guarantor and its successors and assigns.

The Guarantor signs this guarantee at Costa Mesa, California, on the ~~13th~~ ____ day of March ~~2025~~2026.

Guarantor:

El Pollo Loco Holdings, Inc., a Delaware corporation

By: _____

Name: Ira Fils

Title: ~~Executive VP, CFO & Treasurer~~Chief Financial Officer

RECEIPT

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 El Pollo Loco, Inc. offers you a franchise, it must provide this Disclosure Document to you 14 calendar days before you sign a binding agreement or make a payment with the franchisor or an affiliate in connection with the proposed franchise sale.

However, some state franchise laws require El Pollo Loco, Inc. to provide this Disclosure Document to you at the first personal meeting held to discuss the franchise sale or at least 10 business 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 El Pollo Loco, 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 your state agency.

The name, principal business address, and telephone number of each franchise seller is as follows: Tim Welsh, 575 Anton Blvd., Suite 1100~~3535 Harbor Blvd., Suite 100~~, Costa Mesa, CA 92626 (714) 599-5165; and Jeannine Jones, 3535 Harbor Blvd., Suite 100, Costa Mesa, CA~~Shannon Iverson, 3535 Harbor Blvd., Suite 100, Costa Mesa, CA 92626~~ (714) 599-5000.

We authorize the agents listed in **Exhibit B** to receive service of process for El Pollo Loco, Inc.

The issuance date of this Franchise Disclosure Document is ~~April 1, 2025~~ March 31, 2026.

I have received a Disclosure Document dated ~~April 1, 2025~~ March 31, 2026, and with effective date(s) of state registration as listed in the State Cover Page that including the following Exhibits:

A	State-Specific Addenda to Disclosure Document, Franchise and/or Franchise Development Agreement	8	Agreement General Release
B	State Administrators/Agents for Service of Process	9	Consent to and Assignment of Franchise Rights (for Change of Ownership Interests in Franchisee and for Entity Change by Franchisee)
C	Franchise Agreement including the following exhibits:	10	Amendment to Franchise Agreement to Apply Development Fee
1	Memorandum of Opening Date	11	Amendment to Successor Franchise Agreement
2	Personal Guarantee of Franchise Agreement	12	<u>Amendment to Franchise Remodel Schedule Participation Agreement (Extension)</u>
3	Investor Covenants regarding Confidentiality and Non-Competition (Franchisee)		Schedule 1: Statement of Ownership of Franchisee
4	Authorization Agreement for Prearranged Payments (Direct Debits)	D	Purchase Agreement including the following exhibits:
5	Advertising Association Membership Agreement	A	List of Assets / Excluded Assets
6	El Pollo Loco Financial Reporting Form	A-1	# _____ Restaurant
7	El Pollo Loco® IT Support Services	A-2	# _____ Restaurant

- B Bill of Sale and Assignment
- C List of Assumed Liabilities
- D Form of New Franchise Agreement for New Restaurants
- E Form of Sublease Agreement
- F Form of New Franchise Development Agreement
- G Allocation of Purchase Price
- 10F Schedule 10(F) Disclosure Schedules
- E Sublease including the following exhibits:
 - A Personal Guarantee of Sublease
 - B Master Lessor's Consent
- F Development Agreement, including the following exhibits:
 - A Territory

- B. Development Schedule
- C. Existing El Pollo Loco® Restaurants in the Territory
- D. Development Incentives (if applicable)
- G Non-Traditional License Agreement
- H Operations Manual Table of Contents
- H Investor Covenants Regarding Confidentiality and Non-Competition
- I List of Franchisees
- J List of Franchisees Who Left System in 20245 or Who Have Not Communicated With Us Within 10 Weeks of the Issuance Date of this Disclosure Document
- K Financial Statements
- L Guarantee of Performance

PROSPECTIVE FRANCHISEE:

By: _____
 Name: _____
 Company & Title (if applicable): _____

 Address: _____

 Phone: _____
 Date: _____

By: _____
 Name: _____
 Company & Title (if applicable): _____

 Address: _____

 Phone: _____
 Date: _____

By: _____
 Name: _____
 Company & Title (if applicable): _____

 Address: _____

 Phone: _____
 Date: _____

By: _____
 Name: _____
 Company & Title (if applicable): _____

 Address: _____

 Phone: _____
 Date: _____

PLEASE SIGN AND DATE AS OF YOUR DATE OF RECEIPT OF THE FDD

RETAIN FOR YOUR RECORDS

RECEIPT

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 El Pollo Loco, Inc. offers you a franchise, it must provide this Disclosure Document to you 14 calendar days before you sign a binding agreement or make a payment with the franchisor or an affiliate in connection with the proposed franchise sale.

However, some state franchise laws require El Pollo Loco, Inc. to provide this Disclosure Document to you at the first personal meeting held to discuss the franchise sale or at least 10 business 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 El Pollo Loco, 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 your state agency.

The name, principal business address, and telephone number of each franchise seller is as follows: Tim Welsh, 575 Anton Blvd., Suite 1100~~3535 Harbor Blvd, Suite 100~~, Costa Mesa, CA 92626 (714) 599-5165; and ~~Jeannine Jones, 3535 Harbor Blvd, Suite 100, Costa Mesa, CA~~Shannon Iverson, Jeannine Jones, 575 Anton Blvd., Suite 1100, Costa Mesa, CA 92626 (714) 599-5000.

We authorize the agents listed in **Exhibit B** to receive service of process for El Pollo Loco, Inc.

The issuance date of this Franchise Disclosure Document is ~~April 1, 2025~~March 31, 2026.

I have received a Disclosure Document dated ~~April 1, 2025~~March 31, 2026, and with effective date(s) of state registration as listed in the State Cover Page that including the following Exhibits:

A State-Specific Addenda to Disclosure Document, Franchise and/or Franchise Development Agreement B State Administrators/Agents for Service of Process C Franchise Agreement including the following exhibits: 1 Memorandum of Opening Date 2 Personal Guarantee of Franchise Agreement 3 Investor Covenants regarding Confidentiality and Non-Competition (Franchisee) 4 Authorization Agreement for Prearranged Payments (Direct Debits) 5 Advertising Association Membership Agreement 6 El Pollo Loco Financial Reporting Form 7 El Pollo Loco® IT Support Services Agreement	8 General Release 9 Consent to and Assignment of Franchise Rights (for Change of Ownership Interests in Franchisee and for Entity Change by Franchisee) 10 Amendment to Franchise Agreement to Apply Development Fee 11 Amendment to Successor Franchise Agreement 12 <u>Amendment to Franchise Remodel Schedule Participation Agreement (Extension)</u> Schedule 1: Statement of Ownership of Franchisee D Purchase Agreement including the following exhibits: A List of Assets / Excluded Assets A-1 # _____ Restaurant A-2 # _____ Restaurant B Bill of Sale and Assignment C List of Assumed Liabilities

D Form of New Franchise Agreement for New Restaurants E Form of Sublease Agreement F Form of New Franchise Development Agreement G Allocation of Purchase Price 10F Schedule 10(F) Disclosure Schedules E Sublease including the following exhibits: A Personal Guarantee of Sublease B Master Lessor's Consent F Development Agreement, including the following exhibits: A. Territory B. Development Schedule	C. Existing El Pollo Loco® Restaurants in the Territory D. Development Incentives (if applicable) G <u>Non-Traditional License Agreement</u> H <u>Operations Manual Table of Contents</u> H <u>Investor Covenants Regarding Confidentiality and Non-Competition</u> I <u>List of Franchisees</u> J <u>List of Franchisees Who Left System in 20245 or Who Have Not Communicated With Us Within 10 Weeks of the Issuance Date of this Disclosure Document</u> K <u>Financial Statements</u> L <u>Guarantee of Performance</u>

PROSPECTIVE FRANCHISEE:

By: _____

Name: _____

Company & Title (if applicable): _____

Address: _____

Phone: _____

Date: _____

By: _____

Name: _____

Company & Title (if applicable): _____

Address: _____

Phone: _____

Date: _____

By: _____

Name: _____

Company & Title (if applicable): _____

Address: _____

Phone: _____

Date: _____

By: _____

Name: _____

Company & Title (if applicable): _____

Address: _____

Phone: _____

Date: _____

PLEASE SIGN AND DATE AS OF YOUR DATE OF RECEIPT OF THE FDD

RETURN TO EL POLLO LOCO, INC.