

FRANCHISE DISCLOSURE DOCUMENT



EL POLLO LOCO, INC.
a Delaware corporation
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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 \$900,000 to \$1,755,000. This includes \$40,000 that must be paid to the franchisor or affiliate. We also offer development rights for El Pollo Loco® Restaurants. The fee to enter into a Development Agreement with us is \$20,000 (or \$10,000, if within the Los Angeles (“LA”) Designated Market Area (“DMA”), as defined by Nielsen Media Research, Inc. per the US Cities by Designated Market Areas Report) per restaurant to be developed, and must be paid to the franchisor or affiliate. The \$20,000 (or \$10,000, if within the LA DMA) 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 affiliate. A different initial term may be offered in our discretion, such as to match your (sub)lease. In such case, the initial franchise fee will 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 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.

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STATE COVER PAGE

Your state may have a franchise law that requires a franchisor to register or file with a state franchise administrator before offering or selling in your state. REGISTRATION OF A FRANCHISE BY A STATE DOES NOT MEAN THAT THE STATE RECOMMENDS THE FRANCHISE OR HAS VERIFIED THE INFORMATION IN THIS DISCLOSURE DOCUMENT.

Call the state franchise administrator listed in **Exhibit B** for information about the franchisor, or about franchising in your state.

MANY FRANCHISE AGREEMENTS DO NOT ALLOW YOU TO RENEW UNCONDITIONALLY AFTER THE INITIAL TERM EXPIRES. YOU MAY HAVE TO SIGN A NEW AGREEMENT WITH DIFFERENT TERMS AND CONDITIONS IN ORDER TO CONTINUE TO OPERATE YOUR BUSINESS. BEFORE YOU BUY, CONSIDER WHAT RIGHTS YOU HAVE TO RENEW YOUR FRANCHISE, IF ANY, AND WHAT TERMS YOU MIGHT HAVE TO ACCEPT IN ORDER TO RENEW.

Please consider the following RISK FACTORS before you buy this franchise:

1. THE FRANCHISE AND DEVELOPMENT AGREEMENT REQUIRE YOU TO RESOLVE DEVELOPMENT DISPUTES WITH US BY ARBITRATION AND ALL OTHER DISPUTES WITH US BY MEDIATION IN THE STATE IN WHICH OUR HEADQUARTERS IS LOCATED AT THE TIME THE ACTION IS INITIATED, CURRENTLY CALIFORNIA. OUT-OF-STATE ARBITRATION OR MEDIATION MAY FORCE YOU TO ACCEPT A LESS FAVORABLE SETTLEMENT FOR DISPUTES. IT MAY ALSO COST YOU MORE TO ARBITRATE OR MEDIATE WITH US IN CALIFORNIA THAN IN YOUR OWN STATE.
2. THE FRANCHISE AND DEVELOPMENT AGREEMENT REQUIRE YOU TO SUE EL POLLO LOCO® ONLY IN IN THE STATE IN WHICH OUR HEADQUARTERS IS LOCATED AT THE TIME THE ACTION IS INITIATED, CURRENTLY CALIFORNIA. OUT OF STATE LITIGATION MAY FORCE YOU TO ACCEPT A LESS FAVORABLE SETTLEMENT FOR DISPUTES. IT MAY ALSO COST MORE TO SUE EL POLLO LOCO® IN ORANGE COUNTY, CALIFORNIA THAN IN YOUR HOME STATE.
3. THE FRANCHISE AND DEVELOPMENT AGREEMENT STATES THAT CALIFORNIA LAW GOVERNS THE AGREEMENTS, AND THIS LAW MAY NOT PROVIDE THE SAME PROTECTIONS AND BENEFITS AS LOCAL LAW. YOU MAY WANT TO COMPARE THESE LAWS
4. EL POLLO LOCO® AND ITS AFFILIATES MAY ESTABLISH OTHER FRANCHISES, COMPANY-OWNED OUTLETS OR 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.
5. THERE MAY BE OTHER RISKS CONCERNING THIS FRANCHISE.

Note: FRANCHISE LAWS OF YOUR STATE MAY VOID OR SUPERSEDE THE VENUE AND CHOICE OF LAW PROVISIONS OF THE FRANCHISE AGREEMENT REFERRED TO ABOVE (SEE EXHIBIT A). YOU SHOULD INVESTIGATE WHETHER YOU ARE PROTECTED BY A STATE FRANCHISE LAW. PLEASE REFER TO ANY STATE SPECIFIC ADDENDUM THAT MAY BE ATTACHED TO THE DISCLOSURE DOCUMENT FOR DETAILS.

We use the services of referral sources to assist us in selling our franchise. A referral source represents us, not you. We pay this person a fee for referring you to us. You should be sure to do your own investigation of the franchise.

EFFECTIVE DATES OF STATE REGISTRATION

The effective dates of this Disclosure Document in the states listed below are:

STATES	EFFECTIVE DATE
California	October 4, 2013
Kentucky	March 13, 2004
Nebraska	March 6, 2003
Texas	April 1998
Utah	February 11, 2014
Washington	April 1, 2015

Some of these states may require different or additional disclosures (see **Exhibit A**) and revisions to the Franchise Agreement (see **Exhibit C**).

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