



## FRANCHISE DISCLOSURE DOCUMENT

INKA FRANCHISE CORP. A Nevada Corporation 2440 S. Maryland Parkway Las Vegas, Nevada 89104 (702) 998-9845 www.PolloInkaExpress.com



The franchise offered is for the establishment and operation of a restaurant that offers Peruvian cuisine, which is a natural fusion of Native Peruvian, Spanish, African, Chinese and Italian culinary traditions. These include rotisserie chicken, beef, and seafood dishes using proprietary sauces and rubs served in an authentic welcoming atmosphere. We offer three (3) types of franchise models: Pollo Inka Express (sit-down with drive-thru restaurant); Inka Wasi (fast casual restaurant); and El Pollo Inka (full sized restaurant).

We offer two (2) franchise programs for our franchisees: (1) opening a single Inka location and (2) for opening multiple Inka locations:

The table below illustrates the estimated initial investment for a single start-up Inka franchised restaurant:

Unit	Franchise Fee	Total Estimated Initial Investment
Pollo Inka Express Model	\$45,000	\$197,600 \$598,500 -
Inka Wasi Model	\$45,000	\$300,417 \$476,833 -
El Pollo Inka Model	\$75,000	\$518,833 \$893,000 -

The table below illustrates the estimated initial investment and development fees for developing multiple Inka restaurants (a minimum of two (2) up to five (5), but can be more if you develop more than five (5) Inka restaurants):

Unit	First Unit Franchise Fee	Units 2 – 5 Development Fee	Other Expenditures (1 <sup>st</sup> business)	Total Estimated Initial Investment
Poll Inka Express Model	\$45,000	\$30,000 - \$120,000	\$152,600 - \$553,500	\$227,600 - \$718,500 -
Inka Wasi Model	\$45,000	\$30,000 - \$120,000	\$255,417 - \$431,833	\$330,417 - \$596,833
El Pollo Inka Model	\$75,000	\$65,000 - \$260,000	\$443,833 \$818,000	\$583,833 - \$1,153,000

Inka Franchise Corp.



This Disclosure Document summarizes certain provisions of your franchise agreement, area 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 governmental agency has verified the information contained in this document.

You may wish to receive your Disclosure Document in another format that is more convenient for you. To discuss the availability of disclosures in different formats, contact Kirk Howell, 9811 W. Charleston Blvd., #2-561, Las Vegas, Nevada 89117, (702) 998-9845 or (301) 433-4909 or franchise@inkafranchsiecorp.com.

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 "<u>A Consumer's Guide to Buying a Franchise</u>," which can help you understand how to use this Disclosure Document, is available from the Federal Trade Commission. You can contact the FTC at 1-877-FTC-HELP or by writing to the FTC at 600 Pennsylvania Avenue, NW, Washington D.C., 20580. You can also visit the FTC's home page at www.ftc.gov for additional information. Call your state agency or visit your public library for other sources of information on franchising.

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

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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 THE DISCLOSURE DOCUMENT.

Call the state franchise administrator listed in Exhibit A 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 AGREEMENT AND AREA DEVELOPMENT AGREEMENT REQUIRE THAT MOST DISPUTES BE SUBMITTED TO LITIGATION/ARBITRATION IN CLARK COUNTY, NEVADA. OUT OF STATE LITIGATION/ARBITRATION MAY FORCE YOU TO ACCEPT A LESS FAVORABLE RESOLUTION FOR DISPUTES. IT MAY ALSO COST YOU MORE TO LITIGATE/ARBITRATE WITH US IN NEVADA THAN IN YOUR HOME STATE.
- 2. THE FRANCHISE AGREEMENT AND AREA DEVELOPMENT AGREEMENT STATE THAT NEVADA LAW GOVERNS THE AGREEMENT, AND NEVADA LAW MAY NOT PROVIDE THE SAME PROTECTIONS AND BENEFITS AS YOUR STATE'S LAW. YOU MAY WANT TO COMPARE THESE LAWS.
- 3. THIS IS A NEW FRANCHISE OFFERING. THE FRANCHISOR HAS ONLY BEEN IN BUSINESS FOR A SHORT PERIOD OF TIME (SINCE SEPTEMBER 5, 2014). FRANCHISOR HAS NOT YET BEGUN OPERATING ACTIVITIES. THEREFORE, THERE IS NO OPERATING HISTORY TO ASSIST YOU IN JUDGING WHETHER OR NOT TO MAKE THIS INVESTMENT.
- 4. THE FRANCHISOR HAS (\$26,587) IN NET EQUITY AND IS UNDERCAPITALIZED. THE ESTIMATED COSTS OF INITIAL INVESTMENT FOR FRANCHISEES FOR A SINGLE UNIT IS \$197,600 TO \$893,000. THEREFORE, THE FRANCHISOR MAY NOT BE ABLE TO MEET ALL OF ITS BUSINESS OPERATING OBLIGATIONS OR FULFILL ALL OF ITS PREOPENING OBLIGATIONS TO FRANCHISEES.
- 5. YOUR SPOUSE MAY BE REQUIRED TO SIGN A PERSONAL GUARANTEE, MAKING YOUR SPOUSE INDIVIDUALLY LIABLE FOR YOUR FINANCIAL OBLIGATIONS UNDER THE AGREEMENT. THE GUARANTEE WILL PLACE YOUR SPOUSE'S MARITAL AND PERSONAL ASSETS AT RISK IF YOUR FRANCHISE FAILS.

Inka Franchise Corp.

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