

**EXHIBIT G  
TO THE OFFERING CIRCULAR  
ASSET PURCHASE AGREEMENT**

DEPARTMENT OF CORPORATIONS  
**RECEIVED**  
APR 03 2006  
SACRAMENTO OFFICE

DEPARTMENT OF CORPORATIONS  
**RECEIVED**  
APR 03 2006  
SACRAMENTO OFFICE

**PANCHERO'S FRANCHISE CORPORATION  
ASSET PURCHASE AGREEMENT**

**PANCHERO'S FRANCHISE CORPORATION**

**ASSET PURCHASE AGREEMENT**

**THIS ASSET PURCHASE AGREEMENT** ("this Agreement") made and entered into this \_\_\_\_ day of \_\_\_\_\_, 20\_\_, by and between LITTLE DONKEYS, INC. ("Seller"), a corporation organized and existing under the laws of the State of Illinois and \_\_\_\_\_ (hereinafter "Purchaser").

**W I T N E S S E T H:**

**WHEREAS**, Seller owns and operates a restaurant facility providing carry-out and on-premises dining services featuring burritos, quesadillas, tacos, fajitas, salads, rice, salsa, and other food and beverage products under the name "PANCHERO'S" and desires to sell substantially all of the assets of the business specified in Exhibit A attached hereto ("Territory") under the terms and conditions set forth below; and

**WHEREAS**, Seller owns and operates a PANCHERO'S business located within the geographical area described in Exhibit A attached hereto (hereinafter "Territory"); and

**WHEREAS**, simultaneous with the execution of this Agreement, Purchaser has entered into a Franchise Agreement (hereinafter "Franchise Agreement") with PANCHERO'S FRANCHISE CORPORATION covering the Territory; and

**WHEREAS**, Purchaser desires to purchase from Seller and Seller desires to sell to Purchaser certain assets presently used by Seller in connection with its operation of the PANCHERO'S business located within the Territory; and

**WHEREAS**, Seller recognizes that the PANCHERO'S business as presently conducted represents an ongoing business and has value as an ongoing business aside and apart from the value of the rights granted to Purchaser pursuant to the separate Franchise Agreement with PANCHERO'S FRANCHISE CORPORATION.

**NOW, THEREFORE**, the parties, in consideration of the undertakings and commitments of each party to the other set forth in this Agreement, hereby agree as follows:

1. **Closing Date.** The Closing Date of this transaction (hereinafter "Closing Date") shall be on or before \_\_\_\_\_ unless said Closing Date is extended by the mutual agreement of the parties.

2. **Sale and Purchase.**

(a) Upon the terms and subject to the conditions set forth in this Agreement, Seller agrees to sell, convey, transfer, assign and deliver to Purchaser, and Purchaser agrees to purchase and acquire from Seller, on or before the Closing Date, the following assets of Seller:

(i) Upon receiving Landlord's consent, Seller's interest in and to the leasehold improvements in the premises of the Franchised Business ("Premises");

(ii) All signs, machinery, furniture, fixtures, equipment and inventory (collectively including the leasehold improvements hereinafter called the "Equipment and Inventory") located on the Premises as is, where is and under no represented warranty;

(iii) Seller and Purchaser mutually understand and agree that the sale shall only include items located on the Premises in which title is held by Seller. Additionally, Purchaser understands that the sale does not include the sale, by Seller to Purchaser, of the right to use the name, trademark or the trade name "PANCHERO'S" (hereinafter "Marks") nor any other intangible rights granted under the Franchise Agreement, but that the separate Franchise Agreement entered into by PANCHERO'S FRANCHISE CORPORATION and Purchaser governs the use of the Marks by the Purchaser, it being specifically understood and agreed that all intangibles being conveyed hereunder are subject to the rights of Franchisor under the Franchise Agreement. Further, this sale includes Seller's prepaid expenses, cash on hand or deposit or its accounts receivable as of the Closing Date. All accounts receivable sent to Purchaser shall be immediately turned over to Seller in the form received, and Seller may endorse and deposit such payments as its own. Purchaser and Seller mutually understand that the herein contemplated sale is of assets constituting a PANCHERO'S business and that there is a transfer of "goodwill"; and

(iv) Seller and Purchaser shall agree to the allocation of the purchase price to each asset sold and shall complete our Internal Revenue Service 8594 form stating the allocations thereof.

(b) Seller shall deliver on or before the Closing Date, a Bill of Sale conveying the Equipment and Inventory to Purchaser.

(c) Seller and Purchaser shall execute the Assignment and Assumption Agreement assigning the leasehold in the Premises to Purchaser.

(d) Purchaser has inspected the Premises and agrees to accept all assets and Equipment and Inventory assigned, sold or conveyed under this Agreement "as-is" without any warranties by Seller as to merchant ability or fitness for a particular purpose or that any such assets or Equipment and Inventory are in working condition. As closely as possible to the Closing Date, Purchaser and Seller shall jointly take and co-sign an accurate inventory of the Equipment and Inventory located on the Premises, and a copy of said agreed upon inventory, which shall itemize only the major equipment items, shall be attached to the Bill of Sale provided for by Paragraph 2 of this Agreement. All other equipment, including small equipment, signs, inventory and non-perishable supplies shall be conveyed to Purchaser pursuant to the general provisions of the Bill of Sale. The

Purchaser shall be deemed to have accepted and taken receipt of the types, condition and amount of the items constituting this portion of the Equipment and Inventory as of the Closing Date when he co-signs the jointly prepared inventory.

(e) The Purchase Price shall be allocated to the assets of the business as follows:

|                         |          |
|-------------------------|----------|
| Equipment               | \$ _____ |
| Inventory               | \$ _____ |
| Covenant Not to Compete | \$ _____ |
| Goodwill                | \$ _____ |
| Contracts and Leases    | \$ _____ |

3. **Consideration.** As consideration for the purchase herein described, Purchaser agrees to pay to Seller the sum of \_\_\_\_\_ Dollars (\$ \_\_\_\_\_), of which \_\_\_\_\_ Dollars (\$ \_\_\_\_\_), in the form of a cashier's or certified check, shall be delivered to Seller by Purchaser simultaneously with the delivery by Purchaser to Seller of this Agreement, and \_\_\_\_\_ Dollars (\$ \_\_\_\_\_) in the form of a cashier's or certified check, shall be delivered by Purchaser at or prior to the Closing Date.

4. **Conditions to the Obligations of Seller.** The obligations of Seller under this Agreement are expressly subject to the delivery on the Closing Date by Purchaser of such cash payments as are necessary to comply with the terms of this Agreement and the PANCHERO'S FRANCHISE CORPORATION Franchise Agreement of which this Agreement is a part.

5. **Purchaser's Inspection.** Purchaser acknowledges that it has examined the Personal Property, Equipment and the Premises and, in entering into this Agreement, relies solely on its own investigation of the PANCHERO'S business. In connection therewith, Purchaser understands that the results of the operation of the business as a company or other Purchaser-owned and operated PANCHERO'S business may not be indicative of the results which may be expected under Purchaser's operation. Seller specifically makes no representation whatsoever concerning the success of the business or any future profits to be derived from the Purchaser's operation of a business on the Premises.

6. **Operations Information.** Seller, prior to the execution of this Agreement, has provided Purchaser with such information as Purchaser deemed necessary with respect to the operation of the business. Purchaser relies solely upon Purchaser's own knowledge and information in entering into this Agreement. Purchaser acknowledges that, in entering into this Agreement, Purchaser is not relying upon representations made by Seller, Seller's affiliate, PANCHERO'S FRANCHISE CORPORATION, or agents of Seller or agents of Seller's affiliate, PANCHERO'S FRANCHISE CORPORATION, either express or implied, except those

specifically made in this Agreement, the PANCHERO'S FRANCHISE CORPORATION Franchise Agreement and in the Offering Circular dated \_\_\_\_\_, all of which have been carefully reviewed by the Purchaser with the aid of its independent legal counsel.

7. **Debts and Liabilities.** Seller shall prorate any prepaid debts and liabilities it prepaid prior to the Closing Date, and Seller shall pay all debts and liabilities incurred in connection with its business prior to the Closing Date, none of which are being assumed by Purchaser. The parties intend for Purchaser to acquire ownership of the assets being purchased herein free and clear of all claims.

8. **Bulk Sales Laws.** The Purchaser hereby waives all requirements of the Bulk Transfer provisions of the Uniform Commercial Code of the state in which the Premises are located.

9. **Severability.** The invalidity or unenforceability of any particular provision of this Agreement shall not affect the other provisions, and this Agreement shall be construed in all respects as if such invalid or unenforceable provision had not been contained herein.

10. **Construction.** Whenever in this Agreement a singular word is used, it shall also include the plural whenever required by the context and vice versa.

11. **Survival.** All warranties, representations, covenants, obligations and agreements contained in this Agreement and in the PANCHERO'S FRANCHISE CORPORATION Franchise Agreement and the Offering Circular shall survive the closing of this transaction.

12. **Allocation of Costs.** It is agreed by Purchaser and Seller that the costs of this transaction shall be apportioned as follows:

(a) As of the Closing Date, all real and personal property taxes levied against the Premises and the Equipment and Inventory, all assessments levied or assessed against the Premises and all other charges or fees relating to the Premises, but not otherwise expressly addressed in this Agreement shall be prorated between Purchaser and Seller on the basis of a thirty (30) day month and a three hundred sixty (360) day year.

(b) Purchaser shall pay the cost of revenue stamps, documentary or other transfer taxes or fees, if any.

(c) Seller and Purchaser hereby warrant, each to the other, that there are no commissions due any real estate or other brokers or finders resulting from the transactions contemplated by this Agreement by reason of any contract, listings or any dealings by Seller or Purchaser with any broker in regard to this transaction. Each party hereby agrees to indemnify and hold harmless the other with respect to any such claims from any broker claiming to have dealt with or had a contract with that party.

(d) All other closing charges or other expenses not otherwise chargeable specifically to Purchaser or Seller herein, shall be borne equally by Purchaser and Seller.

(e) In the event this transaction fails to close for any reason, the party failing to close shall be liable for any and all fees and costs associated with this transaction accruing up to and including the date of said termination. This paragraph is not to be deemed to be a liquidated damages provision nor is it to be construed to in any way limit the rights the parties hereto may otherwise have at law or in equity.

13. **Amendments.** This Agreement may be amended only by a written instrument executed on behalf of both Purchaser and Seller.

14. **Successors.** This Agreement and the terms and provisions hereof shall inure to the benefit of and be binding upon the successors and assigns of the parties hereto.

15. **Attorneys' Fees.** In the event that either party to this Agreement brings an action against the other party by reason of breach of any condition, covenant, representation or warranty in this Agreement, or otherwise arising out of this Agreement, the prevailing party in such action shall be entitled to recover from the non-prevailing party costs of a suit including, but not limited to, reasonable attorneys' fees in an amount to be set by the court rendering such judgment.

16. **Integration.** This Agreement and the PANCHERO'S FRANCHISE CORPORATION Franchise Agreement of which it is a part constitute the entire agreement between the parties and supersedes all prior discussions, negotiations and agreements whether oral or written.

17. **Governing Law and Choice of Venue.** This Agreement shall be construed according to and governed by the laws of the State of Illinois. Any actions brought based upon this Agreement shall be had in the court of appropriate jurisdiction sitting in Cook County, Illinois.

18. **Closing.** The transactions contemplated herein shall be consummated at a Closing Date mutually agreeable to Seller and Purchaser but not more than ninety (90) days after the date of execution of the Franchise Agreement.

19. **Adjustments.** Insurance and all other operating charges in connection with the sale of assets shall be prorated between Seller and Purchaser as of the Closing Date hereunder.

20. **Purchaser's Indemnity.** Purchaser shall indemnify and hold Seller harmless from and against any and all claims, demands, actions, controversies and suits, and all liabilities, losses, damages, costs, charges, counsel fees and other expenses of every nature and character, arising by reason of or resulting from (i) anything done, suffered to be done or omitted to be done by Purchaser in relation to this Agreement or the PANCHERO'S business on or after the Closing Date or (ii) any payment required to be made by Seller with respect to any Seller liability or obligation in respect of this Agreement or the PANCHERO'S business accruing on or after, or attributable to events arising on or after, the Closing Date.

21. **Notices.** Any notice, request, demand, instruction or other communication to be given to the parties hereto shall be in writing and delivered in person or sent by registered mail, certified mail, express mail or other recognized courier service that confirms delivery, postage or charges prepaid, to the addresses below, or to such other person or address as the parties hereafter designate:

If to Seller: LITTLE DONKEYS, INC.  
2475 Coral Court, Suite B  
Coralville, Iowa 52241

With a copy to: Jeff Hechtman, Esq.  
Horwood, Marcus & Berk  
333 W. Wacker Drive, Suite 2800  
Chicago, IL 60606

If to Purchaser: \_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

Notices shall be deemed given upon receipt.

22. **Time of the Essence.** Time is of the essence as to each and every provision of this Agreement.

23. **Counterparts.** This Agreement shall be executed in counterparts and each such counterpart shall be deemed to be an original.

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

**SELLER:**

**PURCHASER:**

By: \_\_\_\_\_

By: \_\_\_\_\_

Title: \_\_\_\_\_

Title: \_\_\_\_\_

**ACCEPTED/APPROVED BY  
ESCROW HOLDER:**

\_\_\_\_\_

By: \_\_\_\_\_

Dated: \_\_\_\_\_

\_\_\_\_\_  
Purchaser

\_\_\_\_\_  
Seller