

TACO JOHN'S

FRANCHISE DISCLOSURE DOCUMENT

Taco John's International, Inc.

(a Wyoming corporation)

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The franchise offered is to operate a Taco John's Restaurant that serves mainly Mexican food for carry out or consumption on the premises.

The total investment necessary to begin operation of a Taco John's franchise varies depending upon the size and seating capacity of the Taco John's Restaurant. The total investment (except for real estate) for a Signature T16 restaurant ranges from \$813,000 to \$1,160,000. For a T20i restaurant the total investment ranges from \$875,000 to \$1,228,000, for the Velocity restaurant the total investment ranges from \$710,000 to \$1,029,000 and for a non-traditional restaurant ranges from \$310,000 to \$599,000. This includes \$15,000 to \$25,000 that must be paid to the franchisor for the initial franchise fee for a T20i, Signature T16 and Velocity restaurant, or \$10,000 that must be paid to the franchisor for the initial franchise fee for a non-traditional restaurant.

This disclosure document summarizes certain provisions of your franchise agreement and other information in plain English. Read this disclosure document and all accompanying agreements carefully. You must receive this disclosure document at least 14 calendar days before you sign a binding agreement with, or make any payment to, the franchisor or an affiliate in connection with the proposed franchise sale. **Note, however, that no government agency has verified the information contained in this document.**

The terms of your contract will govern your franchise relationship. Do not rely on the 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 accountant.

Buying a franchise is a complex investment. The information in this disclosure document can help you make up your mind. More information on franchising, such as "A Consumer's Guide to Buying a Franchise," which can help you understand how to use this disclosure document, is available from the Federal Trade Commission. You can contact the FTC at 1-877-FTC-HELP or by writing to the FTC at 600 Pennsylvania Avenue NW, Washington, 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: March 31, 2015, as amended January 8, 2016.

For use in: AL, AK, AZ, AR, CA, CO, CT, DE, DC, GA, FL, ID, IL, IN, IA, KS, KY, LA, ME, MA, MI, MN, MS, MO, MT, NE, NV, NH, NJ, NM, NY, NC, ND, OH, OK, OR, PA, SC, SD, TN, TX, UT, VT, VA, WA, WV, WI, WY, and U.S. TERRITORIES (see following pages for varying effective dates in certain states.)

NOT FOR USE IN: HI, MD OR RI.

STATE EFFECTIVE DATES

The following states require that the Franchise Disclosure Document be registered or filed with the state, or be exempt from registration: California, Hawaii, Illinois, Indiana, Maryland, Michigan, Minnesota, New York, North Dakota, Rhode Island, South Dakota, Virginia, Washington, and Wisconsin.

The Franchise Disclosure Document is registered, on file or exempt from registration in the following states having franchise registration and disclosure laws, with the following effective dates:

| STATE | EFFECTIVE DATE |
|--------------|--|
| California | April 1, 2015, <u>as amended</u> <u>, 2016</u> |
| Illinois | March 31, 2015, <u>as amended</u> <u>, 2016</u> |
| Indiana | March 31, 2015, <u>as amended</u> <u>, 2016</u> |
| Minnesota | April 6, 2015, <u>as amended</u> <u>, 2016</u> |
| New York | March 31, 2015, <u>as amended</u> <u>, 2016</u> |
| North Dakota | April 6, 2015, <u>as amended</u> <u>, 2016</u> |
| South Dakota | March 31, 2015, <u>as amended</u> <u>, 2016</u> |
| Virginia | July 9, 2015, <u>as amended</u> <u>, 2016</u> |
| Washington | April 2, 2015, <u>as amended</u> <u>, 2016</u> |
| Wisconsin | March 31, 2015, <u>as amended</u> <u>, 2016</u> |

In all other states, the effective date of this Franchise Disclosure Document is the issuance date of March 31, 2015, as amended January 8, 2016.

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