

TACO JOHN'S

~~2014~~2015

Franchise Disclosure Document

Taco John's International, Inc.

033114, amended 0714014 and 102814033115

**FRANCHISE DISCLOSURE DOCUMENT**

Taco John's International, Inc.

(a Wyoming corporation)

808 West 20th Street

Cheyenne, WY 82001

(307) 635-0101

www.tacojohns.com

FranDev@tacojohns.com

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 ~~\$768,000~~ \$813,000 to ~~\$1,105,000~~ \$1,160,000. For a T20i restaurant the total investment ranges from ~~\$778,000~~ \$875 to ~~\$1,160,228~~ \$1,160,228, for the Velocity restaurant the total investment ranges from \$710,000 to \$1,029,000 and for a non-traditional restaurant ranges from ~~\$305,000~~ \$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, 2014, as amended on July 14, 2014 and October 15, 2014~~ March 31, 2015.

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 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 Attachment G for information about the franchisor, about other franchisors, 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 OTHER AGREEMENTS DESCRIBED IN THIS DISCLOSURE DOCUMENT PROVIDE FOR ARBITRATION TO BE HELD ONLY IN COLORADO. OUT-OF-STATE ARBITRATION MAY FORCE YOU TO ACCEPT A LESS FAVORABLE SETTLEMENT FOR DISPUTES. IT MAY ALSO COST YOU MORE TO ARBITRATE WITH US IN COLORADO THAN IN YOUR OWN STATE.
2. THE FRANCHISE AGREEMENT STATES THAT WYOMING LAW GOVERNS THE AGREEMENT, AND THIS LAW MAY NOT PROVIDE THE SAME PROTECTIONS AND BENEFITS AS LOCAL LAW. YOU MAY WANT TO COMPARE THESE LAWS.
3. BY OWNING A FRANCHISE YOU ARE GOING INTO BUSINESS FOR YOURSELF. IT CARRIES WITH IT THE INHERENT RISKS OF OWNING A BUSINESS GENERALLY. IF YOU ACQUIRE A FRANCHISE, YOU MUST ASSUME THE RISK THAT YOU COULD LOSE YOUR ENTIRE INVESTMENT.
4. THERE MAY BE OTHER RISKS CONCERNING THIS FRANCHISE.

Effective Date: See the next page for state effective dates.

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