FRANCHISE DISCLOSURE DOCUMENT

DEL TACO LLC
a California limited liability company
25521 Commercentre Drive, Suite ~~200~~150
Lake Forest, California 92630
(949) 462-9300
www.deltaco.com

As a Del Taco franchisee, you will offer Mexican-American and American cuisine in a quick service restaurant under the "Del Taco" trade name and business system.

The total investment necessary to begin operation of a Del Taco franchised business ~~as an end cap restaurant with a drive-through~~ ranges from $813,700 to $1,900,500. This includes between $46,700 to $~~139,000~~106,000 that must be paid to the franchisor or its affiliate(s). The total investment necessary to begin operation of a non-traditional Del Taco ~~Fresh Flex type of~~ franchised business ranges from $~~1,081,700~~856,200 to $~~2,468,500~~2,010,000. This includes between $46,700 to $~~139,000~~106,000 that must be paid to the franchisor or its affiliate(s). The total investment necessary to begin operation of a Del Taco franchised business that you convert from another restaurant ranges from $~~863,700~~856,200 to $~~1,900,500~~2,010,000. This includes between $46,700 to $~~139,000~~106,000 that must be paid to the franchisor or its affiliate(s) if you are converting a non-Del Taco restaurant to a franchised restaurant or between $50,000 to $1,800,000 if you are converting a company-owned restaurant to a franchised restaurant. If you sign a development agreement, you ~~will also pay a development fee equal to $35,000 for the first restaurant to be developed and $10,000 for each additional restaurant to be developed, which will be applied toward the applicable initial franchise fees listed above if and when you sign a franchise agreement for a restaurant. You~~ must agree to develop a minimum of ~~3~~two franchised businesses ~~under a development agreement~~and the total investment necessary ranges from $2,625,400 to $6,175,000. This includes between $70,000 that must be paid to the franchisor or its affiliate(s).

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 or grant. **Note, however, that no governmental agency has verified the information contained in this document.**

You may wish to receive this disclosure document in another format that is more convenient for you. To discuss the availability of disclosures in different formats, please contact the Franchise Development Department at 25521 Commercentre Drive, Suite ~~200~~150, Lake Forest, California 92630, 949-462-9300.

The terms of your contract will govern your franchise relationship. Do not 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 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 ("FTC"). You can contact the FTC at 1-877-FTC-HELP or by writing to the FTC at 600 Pennsylvania Avenue, N.W., Washington, D.C. 20580. You also can 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.

Your state also may have other laws on franchising. Ask your state agencies about them.

Issuance Date: March ~~31~~7, ~~2023~~2024

How to Use This Franchise Disclosure Document

Here are some questions you may be asking about buying a franchise and tips on how to find more information:

QUESTION	WHERE TO FIND INFORMATION
How much can I earn?	Item 19 may give you information about outlet sales, costs, profits or losses. You should also try to obtain this information from others, like current and former franchisees. You can find their names and contact information in Item 20 or Exhibit H.
How much will I need to invest?	Items 5 and 6 list fees you will be paying to the franchisor or at the franchisor's direction. Item 7 lists the initial investment to open. Item 8 describes the suppliers you must use.
Does the franchisor have the financial ability to provide support to my business?	Item 21 or Exhibit B includes financial statements. Review these statements carefully.
Is the franchise system stable, growing, or shrinking?	Item 20 summarizes the recent history of the number of company-owned and franchised outlets.
Will my business be the only Del Taco business in my area?	Item 12 and the "territory" provisions in the franchise agreement describe whether the franchisor and other franchisees can compete with you.
Does the franchisor have a troubled legal history?	Items 3 and 4 tell you whether the franchisor or its management have been involved in material litigation or bankruptcy proceedings.
What's it like to be a Del Taco franchisee?	Item 20 or Exhibit H lists current and former franchisees. You can contact them to ask about their experiences.
What else should I know?	These questions are only a few things you should look for. Review all 23 Items and all Exhibits in this disclosure document to better understand this franchise opportunity. See the table of contents.

What You Need To Know About Franchising Generally

Continuing responsibility to pay fees. You may have to pay royalties and other fees even if you are losing money.

Business model can change. The franchise agreement may allow the franchisor to change its manuals and business model without your consent. These changes may require you to make additional investments in your franchise business or may harm your franchise business.

Supplier restrictions. You may have to buy or lease items from the franchisor or a limited group of suppliers the franchisor designates. These items may be more expensive than similar items you could buy on your own.

Operating restrictions. The franchise agreement may prohibit you from operating a similar business during the term of the franchise. There are usually other restrictions. Some examples may include controlling your location, your access to customers, what you sell, how you market, and your hours of operation.

Competition from franchisor. Even if the franchise agreement grants you a territory, the franchisor may have the right to compete with you in your territory.

Renewal. Your franchise agreement may not permit you to renew. Even if it does, you may have to sign a new agreement with different terms and conditions in order to continue to operate your franchise business.

When your franchise ends. The franchise agreement may prohibit you from operating a similar business after your franchise ends even if you still have obligations to your landlord or other creditors.

Some States Require Registration

Your state may have a franchise law, or other law, that requires franchisors to register before offering or selling franchises in the state. Registration does not mean that the state recommends the franchise or has verified the information in this document. To find out if your state has a registration requirement, or to contact your state, use the agency information in Exhibit A.

Your state also may have laws that require special disclosures or amendments be made to your franchise agreement. If so, you should check the State Specific Addenda. See the Table of Contents for the location of the State Specific Addenda.

Special Risks to Consider About *This* Franchise

Certain states require that the following risk(s) be highlighted:

1. **Out-of-State Dispute Resolution**. The franchise agreement requires you to resolve disputes with the franchisor by litigation or arbitration only in Orange County, California. Out-of-state arbitration or litigation may force you to accept a less favorable settlement for disputes. It may also cost you more to arbitrate or litigate with the franchisor in Orange County, California than in your home state.

2. **Financial Condition**. The franchisor's financial condition, as reflected in its financial statements (see Item 21), calls into question the franchisor's financial ability to provide services and support to you.

Certain states may require other risks to be highlighted. Check the "State Specific Addenda" (if any) to see whether your state requires other risks to be highlighted.

~~DISCLOSURES REQUIRED BY MICHIGAN LAW~~

~~To the extent the Michigan Franchise Investment Law, Mich. Comp. Laws §§445.1501 – 445.1546 applies, the terms of this Addendum apply.~~

~~THE STATE OF MICHIGAN PROHIBITS CERTAIN UNFAIR PROVISIONS THAT ARE SOMETIMES IN FRANCHISE DOCUMENTS. IF ANY OF THE FOLLOWING PROVISIONS ARE IN THESE FRANCHISE DOCUMENTS, THE PROVISIONS ARE VOID AND CANNOT BE ENFORCED AGAINST YOU.~~

~~(a) A prohibition on the right of a franchisee to join an association of franchisees.~~

~~(b) A requirement that a franchisee assent to a release, assignment, novation, waiver, or estoppel which deprives a franchisee of rights and protections provided in this act. This shall not preclude a franchisee, after entering into a franchise agreement, from settling any and all claims.~~

~~(c) A provision that permits a franchisor to terminate a franchise prior to the expiration of its term except for good cause. Good cause shall include the failure of the franchisee to comply with any lawful provision of the franchise agreement and to cure such failure after being given written notice thereof and a reasonable opportunity, which in no event need be more than 30 days, to cure such failure.~~

~~(d) A provision that permits a franchisor to refuse to renew a franchise without fairly compensating the franchisee by repurchase or other means for the fair market value at the time of expiration of the franchisee's inventory, supplies, equipment, fixtures, and furnishings. Personalized materials which have no value to the franchisor and inventory, supplies, equipment, fixtures, and furnishings not reasonably required in the conduct of the franchise business are not subject to compensation. This subsection applies only if: (i) the term of the franchise is less than 5 years, and (ii) the franchisee is prohibited by the franchise or other agreement from continuing to conduct substantially the same business under another trademark, service mark, trade name, logotype, advertising, or other commercial symbol in the same area subsequent to the expiration of the franchise or the franchisee does not receive at least 6 months advance notice of franchisor's intent not to renew the franchise.~~

~~(e) A provision that permits the franchisor to refuse to renew a franchise on terms generally available to other franchisees of the same class or type under similar circumstances. This section does not require a renewal provision.~~

~~(f) A provision requiring that arbitration or litigation be conducted outside this state. This shall not preclude the franchisee from entering into an agreement, at the time of arbitration, to conduct arbitration at a location outside this state.~~

~~(g) A provision which permits a franchisor to refuse to permit a transfer of ownership of a franchise, except for good cause. This subdivision does not prevent a franchisor from exercising a right of first refusal to purchase the franchise. Good cause shall include, but is not limited to:~~

~~(i) The failure of the proposed transferee to meet the franchisor's then current reasonable qualifications or standards.~~

~~(ii) The fact that the proposed transferee is a competitor of the franchisor or subfranchisor.~~

(iii) The unwillingness of the proposed transferee to agree in writing to comply with all lawful obligations.

(iv) The failure of the franchisee or proposed transferee to pay any sums owing to the franchisor or to cure any default in the franchise agreement existing at the time of the proposed transfer.

(h) A provision that requires the franchisee to resell to the franchisor items that are not uniquely identified with the franchisor. This subdivision does not prohibit a provision that grants to a franchisor a right of first refusal to purchase the assets of a franchise on the same terms and conditions as a bona fide third party willing and able to purchase those assets, nor does this subdivision prohibit a provision that grants the franchisor the right to acquire the assets of a franchise for the market or appraised value of such assets if the franchisee has breached the lawful provisions of the franchise agreement and has failed to cure the breach in the manner provided in subdivision (c).

(i) A provision which permits the franchisor to directly or indirectly convey, assign, or otherwise transfer its obligations to fulfill contractual obligations to the franchisee unless provision has been made for providing the required contractual services.

THE FACT THAT THERE IS A NOTICE OF THIS OFFERING ON FILE WITH THE ATTORNEY GENERAL DOES NOT CONSTITUTE APPROVAL, RECOMMENDATION, OR ENDORSEMENT BY THE ATTORNEY GENERAL.

If the franchisee has any questions regarding this notice, those questions should be directed to the Michigan Department of Attorney General, Consumer Protection Division, Attn.: Franchise, 670 Law Building, Lansing, Michigan 48913, telephone: (517) 373-7117.

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ITEM 1
THE FRANCHISOR AND ANY PARENTS, PREDECESSORS AND AFFILIATES

To simplify the language in this franchise disclosure document ("FDD" or "Disclosure Document"), we will use the words "we," "us," "our," and ~~"our"~~Del Taco when referring to Del Taco LLC and its subsidiaries. We will use the words "you" and "your" when referring to the individual or business entity which acquires a franchise to operate a Del Taco restaurant. The words "you" and "your" do not include any individual or business entity which owns an interest in you. We may require all individuals and business entities which own an interest in you to guarantee your obligations to us.

The Franchisor, Its Parent, Predecessors, and Affiliates

We originally formed as a California corporation on January 21, 1988, and converted to a California limited liability company on March 23, 2006. Under California law, a conversion constitutes a continuation of the converting entity, not the creation of a new one.

We presently do business under the names Del Taco LLC and Del Taco. We have our principal business address at 25521 Commercentre Drive, Suite ~~200~~150, Lake Forest, California. Our registered agents for service of process appear on Exhibit A to this Disclosure Document.

We have operated and franchised Del Taco restaurants since February 1990. We do not operate or offer franchises in any other line of business and have not operated or offered franchises in any other line of business. As of the end of our last fiscal year, we had a total of ~~290~~171 company-owned and ~~301~~421 franchised Del Taco restaurants operating in the United States and one territory (Guam).

We are a wholly-owned subsidiary of Del Taco Holdings, Inc. ("Del Taco Holdings") a Delaware corporation. Pursuant to an Agreement and Plan of Merger dated December 5, 2021 ("Merger Transaction"), Jack in the Box Inc., a Delaware corporation ("JIB"), acquired Del Taco Holdings on March 8, 2022. As a result of the Merger ~~Agreement~~Transaction, Del Taco Holdings is a wholly-owned subsidiary of JIB. Del Taco Holdings shares our principal business address. JIB's principal business address is 9357 Spectrum Center Blvd., San Diego, California 92123.

As a result of the Merger Transaction, we have the following affiliates that offer franchises:

Our affiliate, Different Rules, LLC ("Jack in the Box Franchisor"), is a Delaware limited liability company organized in November 2018 that offers and sells franchises for quick-service Jack in the Box® restaurants. As of the end of its last fiscal year, Jack in the Box Franchisor had a total of ~~2,034~~2,043 franchised restaurants and ~~146~~142 company-owned restaurants operating in the United States. The company-owned Jack in the Box® restaurants are operated by our affiliate Jack in the Box Properties, LLC ("JIB Properties"). JIB Properties is a Delaware limited liability company. Both Different Rules, LLC and JIB Properties, LLC maintain a principal business address at 9357 Spectrum Center Blvd, San Diego, California 92123.

We do not have any affiliates that provide goods or services to our franchisees.

Except as described above, we do not have any affiliates that currently offer or have offered franchises for restaurants or for any other line of business during the past 10 years. We have had no predecessors during the past 10 years.

The Franchised Business

We offer qualified, independent businesspersons the opportunity to operate Del Taco franchised businesses ("Del Taco Restaurants" or "Restaurants") in specific geographic areas. Del Taco Restaurants offer quick service, fast casual dining to the general public serving Del Taco food and beverage products

through a uniform menu featuring primarily Mexican-American foods like tacos and burritos, along with burgers, shakes, French fries, breakfast items, soft drinks, and similar food and beverage items.

The Del Taco Fresh Flex prototype is a flexible, scalable building designed to accommodate a variety of real estate possibilities. There are 3 primary options, a 2,300 sq ft layout with 50+ seats, a 2,000 sq ft layout with 40 seats and a 1,200 sq ft layout that is drive thru only with no dining room which can also flex up to add an additional 3rd party mobile pickup lane or an exterior patio environment. We can also adapt this building to address end cap or conversion locations, with seating and kitchen layout being flexible depending on the limitations/available space and configuration of the site.

A Del Taco Restaurant employs approximately 20 to 45 persons for a free-standing Restaurant or an end cap drive thru Restaurant.

Under our Development Agreement (see Exhibit D to this Disclosure Document), you will have the right and obligation to develop ~~one~~two or more Del Taco Restaurants within a defined geographic area. The Development Area will be described in the Development Agreement. Development Areas may be designated at Del Taco's discretion in such manner as we deem appropriate but, typically, we define Development Areas by market points as determined by us. You must enter into a separate Franchise Agreement (see Exhibit E to this Disclosure Document) on our then-current form of franchise agreement, the terms of which may differ from the current version of the Franchise Agreement attached to this Disclosure Document, for each Del Taco Restaurant you open.

We are currently implementing a reimage program for certain existing franchisees which will offer incentives for remodeling existing Del Taco Restaurants. Such incentives may include reimbursement of a portion of the reimage costs, franchise fee waivers, and allocation of certain tenant allowances received from master landlords.

From time to time, we may offer for sale certain of our company-owned Del Taco Restaurants to qualified individuals.

Market and Competition

~~You will have to compete with numerous national and local restaurants. You will compete with other fast food and full-service restaurants that offer similar menus and similar type businesses. The market for fast food restaurants is well developed.~~

The performance of a restaurant may be affected by seasonal sales fluctuations, severe weather and other natural disasters, changes in operating costs, competition, consumer acceptance of new menu items or price increases, the availability of qualified employees, advertising and marketing programs, commodity costs, supply interruptions, or other factors.

Among the key elements of competition in the industry are menu innovation, execution of operational strategies and initiatives, price, service, quality, location, personnel, advertising, brand identification, and attractiveness of facilities.

Each Del Taco restaurant competes directly and indirectly with a large number of national and regional restaurant chains, some of which have significantly greater financial resources than us, as well as with locally owned and/or independent restaurants in the quick-service and the fast-casual segments of the restaurant industry. Each restaurant also competes with other "food away from home" consumer options and with grocery store and similar offerings.

Industry Specific Laws and Regulations

You must comply with all local, state, and federal laws that apply to your Restaurant operations, including, for example, zoning, liquor, health, sanitation, no-smoking, EEOC, OSHA, discrimination, employment and sexual harassment laws. The Americans with Disability Act of 1990 requires readily accessible accommodation for disabled persons and therefore may affect your building construction, site elements, entrance ramps, doors, seating, bathrooms, drinking facilities, etc. You must obtain real estate permits (e.g., zoning), real estate licenses, and operational licenses. There also may be regulations that pertain to sanitation, labeling, food preparation, food handling, grease and other waste disposal, environmental compliance and food service. Other than the types of laws and regulations noted above, we are not aware of any regulations or laws directed solely to restaurants, quick-service restaurants, or fast casual restaurants, of the type that are described in this Disclosure Document. You should consult with your attorney concerning all federal, state, and local laws and ordinances that may affect your Restaurant's operation.

ITEM 2
BUSINESS EXPERIENCE

Unless otherwise specified, the location of the positions listed in this Item 2 is or has been Lake Forest, California as to Del Taco officers, directors, and employees, and San Diego, California as to JIB officers, directors, and employees. In this Item 2 we refer to Different Rules, LLC as "DRL," Jack in the Box SPV Guarantor, LLC as "SPV," and to Jack in the Box Funding, LLC as "JIB Funding."

~~Chad Gretzema~~Tom Rose Brand President	~~Mr. Gretzema is our Brand President and has served in that role since June 2022. Previously he served as our Chief Operating Officer and held that position from September of 2019 to June 2022. He served as Del Taco's Senior Vice President of Strategic Planning and Innovation from August 2017 to September 2019.~~Mr. Rose has been Del Taco's Brand President since August 2023. He was a Consultant for JIB in San Diego, California from February 2023 to August 2023. He was retired from November 2017 to January 2023. He served as Chief Operation Officer/Partner for North Star Foods, LLC in Round Rock, Texas from April 2006 to October 2017.
~~Tim Hackbardt~~ Sarah McAloon Senior Vice President, Chief ~~Marketing~~Administrator Officer	~~Mr. Hackbardt has served as Chief Marketing Officer since February 2020. Before joining us in February 2020, Mr. Hackbardt was Chief Executive Officer of BrandTrip Partners, an international restaurant chain consulting firm located in San Diego, California, from February 2015 to February 2020.~~ Ms. McAloon has been Senior Vice President, Chief Administrative Officer since November 2023. She was Transitioning President for CE Bistro in Dallas, Texas in October 2023. Ms. McAloon served as President of CE Acquisitions in Dallas, Texas from October 2019 to March 2021. She was self-employed as a Consultant in Dallas, Texas from March 2021 to October 2023 and September 2017 to October 2019.
Mark Bixler Senior Vice President ~~of~~, Franchise Operations	Mr. Bixler is our Senior Vice President of Franchise Operations and has held that position since April 2020. He served as our Senior Regional Director of Company Operations from March 2005 to April 2020.
Jack Tang Vice President, General	Mr. Tang has served as our Vice President, General Counsel since 2008 and in a similar role for JIB since March 2022.

Counsel	
Rebecca H. Yang Vice President, Corporate Controller	Ms. Yang has served as our Vice President, Corporate Controller since April 2015 and, prior to that, served as Corporate Controller since December 2013.
Zorah Hamedany Senior Director of Construction	Ms. Hamedany has served as our Senior Director of Construction since November 2017 and in the same role for JIB since March 2022.
Meghan Kelley Director of Operations Support	Ms. Kelley has served as our Director of Operations Support since June 2019. From March 2015 to June 2019, she served as our National Training Manager, Curriculum Design.
~~Steven L. Brake~~ ~~Executive Vice President and Chief Administrative Officer~~	~~Mr. Brake is our Executive Vice President and Chief Administrative Officer since June 2022. Previously he served as our Executive Vice President since 2012, and Chief Financial Officer since May 2010.~~
~~Gabe Hosler~~ ~~Vice President of Operations Support & Training~~	~~Mr. Hosler is our Vice President of Operations Support & Training and has held that position since January 2019. Before joining us, Mr. Hosler served as Vice President of Operations of Rubio's Coastal Grill in San Diego, California from December 1998 to January 2019.~~
~~David Snyder~~ ~~Senior Vice President and Chief Information Officer~~	~~Mr. Snyder has served as our Senior Vice President and Chief Information Officer since January 2019. Previously, he served as our Vice President of Information Technology from October 2008 to January 2019 and Director of Information Technology from February 2007 to October 2008.~~
~~Zorah Hamedany~~ ~~Senior Director of Construction~~	~~Ms. Hamedany has served as Senior Director of Construction since November 2017.~~
~~Rebecca H. Yang~~ ~~Vice President, Corporate Controller~~	~~Ms. Yang has served as our Vice President, Corporate Controller since April 2015 and, prior to that, served as Corporate Controller since December 2013.~~
~~Jack Tang~~ ~~Vice President, General Counsel~~	~~Mr. Tang has served as our Vice President, General Counsel since 2008.~~

JIB DIRECTORS

Darin Harris Director~~, Executive Vice President~~ and Chief Executive Officer	Mr. Harris has been Chief Executive Officer~~, Executive Vice President~~ for JIB, JIB Funding, SPV, and JIB Properties, and a JIB director ~~of JIB~~ since June 2020. He has been our Chief Executive Officer since March 2022. He was Chief Executive Officer of North America of IWG PLC, Regus, North America in Addison, Texas from April 2018 to May 2020. From August 2013 to January 2018, Mr. Harris served as Chief Executive Officer of CiCi's Enterprises LP in Coppell, Texas. Since October 2021, Mr. Harris has also served on the board of directors of Shipley Do-nut Flour & Supply Co., which is

headquartered in Houston, Texas.

David L. Goebel Non-Executive Chairman of the Board	Mr. Goebel has been the non-executive Chairman of the Board since June 2020. Mr. Goebel has been a JIB director since December 2008. He has been a partner and Faculty Member for The ExCo Group LLC (formerly Merryck & Co. Ltd) in New York, New York, since May 2008. He has served on the board of directors of Wingstop Inc. in Dallas, Texas, since November 2017 and Murphy USA Inc. in El Dorado, Arkansas since October 2021.
Guillermo Diaz, Jr. Director	Mr. Diaz has been a JIB director since September 2022. Mr. Diaz is the founder of Conectado Inc. in Pleasanton, California, and has served as its Chief Executive Officer since February 2022. From February 2020 to September 2021, Mr. Diaz was Chief Executive Officer for Kloudspot Inc. in Sunnyvale, California. From February 2000 to February 2020, Mr. Diaz served as Chief Information Officer for Cisco Systems, Inc. in San Jose, California.
Sharon P. John Director	Ms. John has been a JIB director since September 2014. She has been Chief Executive Officer, President and a member of the Board of Directors of Build-A-Bear Workshop, Inc. in St. Louis, Missouri, since June 2013.
Madeleine A. Kleiner Director	Ms. Kleiner has been a JIB director since September 2011. She also has served on the Board of Directors of Northrop Grumman Corporation in Falls Church, Virginia, since 2008.
Enrique Ramirez Mena Director	Mr. Mena has been a JIB director since January 2024. He has been President and Chief Financial Officer for Buff City Soap in Dallas, Texas since March 2022. Mr. Mena served as Global Chief Financial Officer for Yum Brands Inc. – Pizza Hut/ General Manager, Pizza Hut Latin America and Iberia from January 2010 to February 2022.
Michael W. Murphy Director	Mr. Murphy has been a JIB director since September 2002. Mr. Murphy served as President and Chief Executive Officer of Sharp Healthcare, a comprehensive healthcare delivery system in San Diego, California, from April 1996 until his retirement in February 2019 and as a member of the Sharp Healthcare Board from 2007 through his retirement.
James M. Myers Director	Mr. Myers has been a JIB director since December 2010. He has served as Chairman of the Board of Petco Animal Supplies, Inc. in San Diego, California from July 2015 until September 2018.
Vivien M. Yeung Director	Ms. Yeung has been a JIB director since April 2017. Ms. Yeung is currently serving as a strategic advisor to Bain & Company in Boston, Massachusetts since October 2023. From November 2019 until April 2023, Ms. Yeung served as the Executive Vice President & Chief Strategy Officer of Kohl's Corporation in Menomonee Falls, Wisconsin. Ms. Yeung served as General Manager, Venture at lululemon athletica inc., in Vancouver, British Columbia from January 2018 to November 2019. She previously served as that company's Chief Strategy Officer since May 2015 to January 2018.

JIB OFFICERS, EXECUTIVES AND OTHERS WITH MANAGEMENT RESPONSIBILITY

~~Tony Darden~~ ~~Chief Operations Officer~~	~~Mr. Darden has been Chief Operating Officer since June 2021. He has served in the same role for JIB Funding, SPV, JIB Properties, and JIB since June 2021. From April 2019 to June 2021, he served as President for Mooyah, LLC in Plano, Texas. From May 2017 to April 2019, Mr. Darden served as Chief Operating Officer of Taco Bueno Restaurants Inc./Sun Holdings, Inc. in Dallas, Texas.~~
~~Richard D. Cook~~ ~~Chief Technology Officer~~	~~Mr. Cook has been Chief Technology Officer since October 2021. He has served in the same role for JIB Funding, SPV, JIB Properties, and JIB since October 2021. He has been President and Principal Consultant for Elevated Methods, LLC in Edmond, Oklahoma since January 2021. From July 2019 to December 2020, Mr. Cook served as Chief Information officer for Pizza Hut, LLC in Plano, Texas. From May 1999 to June 2019, he served as Vice President, Brand Technology Leader for Sonic Corp. in Oklahoma City, Oklahoma.~~
Ryan Ostrom Executive Vice President, Chief Marketing Officer	Mr. Ostrom has been our Executive Vice President, Chief Marketing Officer since ~~January 2021. He has~~March 2022, and served in the same role for DRL, JIB Funding, SPV, JIB Properties, and JIB since January 2021. He was Chief Brand Officer for GNC Holdings, LLC in Pittsburgh, Pennsylvania from June 2019 until January 2021. He was Chief Digital Officer for Yum! Brands, Inc. in Dallas, Texas from June 2015 until June 2019.
Brian Scott Executive Vice President, Chief Financial Officer	Mr. Scott has been our Executive Vice President, Chief Financial Officer since August 2023, and has served in the same role for DRL, JIB Funding, SPV, and JIB Properties since August 2023. Mr. Scott served as Chief Financial Officer/Chief Strategy Officer from September 2022 to August 2023 for ShiftKey LLC in Dallas, Texas. He served as Chief Financial Officer from August 2021 to September 2022 for TheKey LLC in Delray Beach, Florida. Mr. Scott also served as Chief Financial Officer for AMN Healthcare in Dallas, Texas from December 2003 to August 2021.
Richard D. Cook Senior Vice President, Chief Technology Officer	Mr. Cook has been our Senior Vice President, Chief Technology Officer since March 2022, and served in the same role for DRL, JIB Funding, SPV, JIB Properties, and JIB since October 2021. Mr. Cook serviced as interim Chief Technology Officer for JIB from July 2021 to October 2021. He has been President and Principal Consultant for Elevated Methods, LLC in Edmond, Oklahoma since January 2021. From July 2019 to December 2020, Mr. Cook served as Chief Information officer for Pizza Hut, LLC in Plano, Texas. From May 1999 to June 2019, he served as Vice President, Brand Technology Leader for Sonic Corp. in Oklahoma City, Oklahoma.
Tony Darden Senior Vice President, Chief Operating Officer	Mr. Darden has been Senior Vice President, Chief Operating Officer for DRL, JIB Funding, SPV, JIB Properties, and JIB since June 2021. From April 2019 to June 2021, he served as President for Mooyah, LLC in Plano, Texas. From May 2017 to April 2019, Mr. Darden served as Chief Operating Officer of Taco Bueno Restaurants L.P./Sun Holdings,

	Inc. in Dallas, Texas.
Dean C. Gordon Senior Vice President, Chief Supply Chain Officer	Mr. Gordon has been our Senior Vice President, Chief Supply Chain Officer since March 2022, and served in the same role for DRL, JIB Funding, SPV, JIB Properties, and JIB since November 2018. He was Vice President and Chief Supply Chain Officer for DRL from July 2018 until November 2018. He served in the same roles for JIB Funding, SPV, and JIB Properties from July 2018 and for JIB from July 2017, both until November 2019. Prior to that, he was Vice President of Supply Chain Services for JIB from October 2012 to July 2017.
Tim Linderman Senior Vice President, Chief ~~Franchise and Corporate~~ Development Officer	Mr. Linderman has been our Senior Vice President, Chief ~~Franchise and Corporate~~ Development Officer since March 2022, and served in the same role for DRL, JIB Funding, SPV, and JIB Properties since December 2022, and for JIB since April 2022. He was Senior Vice President, Franchise and Corporate Development for DRL, JIB Funding, SPV, and JIB Properties from May 2022 to December 2022. He was Senior Vice President, Chief Franchise and Corporate Development Officer for DRL, JIB Funding, SPV, JIB, and JIB Properties from August 2021 to April 2022. He was Senior Vice President, Franchise and Corporate Development for DRL, JIB Funding, SPV, JIB, and JIB Properties from ~~October 2020. Mr. Linderman has served in the same roles for JIB Funding, SPV, JIB Properties, and JIB since~~ October 2020 ~~and August~~to July 2021~~, respectively~~. He was Chief Development Officer for Ascent Hospitality Management in Atlanta, Georgia from July 2019 to October 2020. Mr. Linderman was Chief Development Officer for Global Franchise Group, LLC in Atlanta, Georgia from January 2014 to July 2019.
Steven Piano Senior Vice President, Chief People Officer	Mr. Piano has been our Senior Vice President, Chief People Officer since March 2022, and served in the same role for DRL, JIB Funding, SPV, JIB Properties, and JIB since April 2021. He was the Chief Human Resources Officer of GNC Holdings, LLC in Pittsburgh, Pennsylvania from January 2018 until April 2021.
Sarah Super Senior Vice President, Chief Legal and Risk Officer	Ms. Super has been Senior Vice President, Chief Legal and Risk Officer ~~since March 2020, and has served in the same role~~ for DRL, JIB Funding, SPV, JIB Properties, and JIB since March 2020. She has been our Chief Legal Officer since March 2022. Ms. Super has held the title of Senior Vice President, General Counsel for DRL since November ~~2018~~2019, and has served in the same roles for JIB Funding, SPV, JIB Properties, and JIB since November 2018. ~~Prior to that~~Previously, Ms. Super held the following positions for JIB: Vice President and Associate General Counsel from May 2018 to November ~~2018,~~2019 and Director, Corporate Counsel from December 2013 to May of 2018.
~~Dean C. Gordon~~Dawn Hooper Senior Vice President, ~~Chief Supply Chain Officer~~Controller	~~Mr~~Ms. ~~Gordon~~Hooper has been our Senior Vice President, ~~Chief Supply Chain Officer since November 2018. He has~~Controller since March 2022, and served in the same ~~roles~~role for DRL, JIB Funding, SPV, JIB Properties, and JIB since ~~November 2018~~December 2022. ~~He~~Ms. Hooper was Interim Principal Financial Officer for DRL, JIB Funding, SPV, JIB Properties, and JIB from December 2022 to August 2023. Ms. Hooper was Vice President ~~and Chief Supply Chain Officer~~

	~~from July 2018 until November 2018. He~~, Controller for DRL, JIB Funding, SPV, JIB Properties, and JIB from May 2020 to December 2022. Ms. Hooper served as Vice President, Assistant Controller for DRL from January 2013 to May 2020. She served in the same ~~roles~~role for JIB Funding, SPV, ~~and~~ JIB Properties ~~from July 2018~~, and ~~for~~ JIB from ~~July 2017, both until~~ November ~~2019~~2018 to May 2020.
Michael J. Snider Assistant General Counsel, Vice President Legal Transactions; Assistant Secretary	Mr. Snider has been Assistant General Counsel, Vice President Legal Transactions; Assistant Secretary ~~since November 2018. Mr. Snider has served in the same roles~~ for DRL, JIB Funding, SPV, and JIB Properties~~, and JIB~~ since November 2018. He has been our Assistant Secretary since March 2022. Previously, Mr. Snider served in various roles for JIB since September 1997, including as Assistant General Counsel, Vice President Legal Transactions from July 2009 to ~~the present~~September 2022.
~~Ali Nemat Vice President, Operations Services~~	~~Mr. Nemat has been Vice President, Operation Services since March 2020. He has served in the same roles for JIB Funding, SPV, JIB Properties, and JIB since March 2020. From March 2015 to March 2020, Mr. Nemat served as Senior Manager of Brand Standards and Insight for YUM! Brands, Inc. for the Taco Bell brand in Irvine, California.~~
~~Dawn Hooper Senior Vice President, Controller, Interim Principal Financial Officer~~	~~Ms. Hooper has been Senior Vice President and Controller of JIB since October 2020. She has served as JIB's Interim Principal Financial Officer since December 12, 2022. Ms. Hooper was JIB's Vice President and Controller from May 2020 to December 2022. Ms. Hooper served as Vice President, Assistant Controller for JIB from January 2013 to May 2020.~~

~~JIB~~ EMPLOYEES WITH MANAGEMENT RESPONSIBILITY

~~Kevin N. Briscoe Vice President, Franchise Operations~~	~~Mr. Briscoe has been Vice President, Franchise Operations for JIB since August 2020. Prior to that, he was Director of Franchise Operation for JIB from August 2015 to August 2020.~~
~~Michael Wahrer Vice President, Design & Construction~~	~~Mr. Wahrer has been the Vice President of Design & Construction for JIB since July 2021. From Sept 2012 through July 2021, he served in various Director level leadership roles within JIB's Development Department. Prior to that, and beginning at his hire date of July 1998, he held various manager level roles within JIB's Construction Department.~~
~~Ronniann Silver Director of Franchise Development~~	~~Ms. Silver has been Director of Franchise Development for JIB since October 2021. Prior to that, she was Franchise Development Manager for JIB from December 2016 to October 2021.~~
~~Krstin Archer~~David Hull ~~Director of Architecture & Design~~ Vice President, Real Estate and Asset Management	~~Ms~~Mr. ~~Archer~~Hull has been ~~the Director of Architecture & Design~~our Vice President, Real Estate and Asset Management and for JIB since October ~~2021~~2023. From ~~May of 2018 through~~September 1989 to October ~~2021~~2023, ~~she~~he served as ~~the Sr. Manager for the Architecture & Design team. Prior to that, and beginning at her hire date of May 2006, she held various design, project management, and design manager roles within JIB's Architecture & Design Department~~Senior

	Vice President – Retail Corporate Services for Jones Lang LaSalle Americas, Inc. in Atlanta, Georgia.
Van Ingram Vice President, Franchise Development	Mr. Ingram has been our Vice President, Franchise Development since March 2022 and has served in the same role for JIB since February 2022. He was Vice President of Business Development for Launch Franchising, LLC in Warwick, Rhode Island from October 2021 to December 2021. Mr. Ingram was a Senior Director of Development for Wingstop Restaurants, Inc. in Dallas, Texas from December 2020 to October 2021 and Vice President of Franchise Development for Golden Corral Corporation in Raleigh, North Carolina from October 2018 to August 2020. ~~He was Vice President of Franchise Development for Taco John's International, Inc. in Cheyenne, Wyoming from June 2013 to October 2018.~~
Jeremy Korzen Vice President, Strategic Finance	Mr. Korzen has been our Vice President, Strategic Finance since March 2022, and served in the same role for DRL, JIB Funding, SPV, JIB Properties, and JIB since March 2021. From May 2019 to March 2021, he was Director of Strategy for Vasa Fitness, LLC in Denver, Colorado. From October 2018 to April 2019, Mr. Korzen was an Investment Banking Associate for SunTrust Robinson Humphrey, Inc. in Atlanta, Georgia.
Ali Nemat Vice President, Operations Services and Field Performance Support	Mr. Nemat has been our Vice President, Operation Services and Field Performance Support since March 2022 and has served in the same role for JIB since December 2021. From March 2020 to December 2021, Mr. Nemat served as Director of Operations Excellence and Insight for JIB. From March 2015 to March 2020, Mr. Nemat served as Senior Manager of Brand Standards and Insight for YUM! Brands, Inc. for the Taco Bell brand in Irvine, California.
~~Laurie Macaluso~~ ~~Senior Director of Real Estate and Business Development~~Michael L. Wahrer Vice President, Design and Construction	~~Ms~~Mr. ~~Macaluso~~Wahrer has been ~~Senior Director of Real Estate and Business Development~~our Vice President, Design and Construction since March 2022 and has served in the same role for JIB since ~~October~~July 2021. From January ~~2008~~2016 to ~~October~~July 2021 ~~she~~he served as National Director ~~of Real Estate and Franchise Business Development~~, Architecture, Design and Construction for JIB. Prior to that, he was National Director, Construction for JIB from September 2012 to January 2016.
Ronniann Silver Director of Franchise Development	Ms. Silver has been our Director of Franchise Development since March 2022 and has served in the same role for JIB since October 2021. Prior to that, she was Business Franchise Development Manager for JIB from December 2016 to October 2021.
Dustin Thompson Director of Franchise Marketing ~~&~~and Development	Mr. Thompson has been our Director of Franchise Marketing ~~&~~and Development and for JIB since May 2022. From April 2021 to May 2022 he was Franchise Recruitment Marketing Director for JIB. From March 2020 to March 2021, he served as Director of Franchise Marketing for Fyzical Therapy and Balance Centers in Sarasota, Florida,

	and from March 2014 to February 2020, Mr. Thompson served as Director of Franchise Marketing for Global Franchise Group, LLC in Atlanta, Georgia.
Kimberly Thompson Franchise Development Director	Ms. Thompson has been our Franchise Development Director and for JIB since May 2022. Prior to that, she was Director of Franchise Sales and Development for Dickey's Capital Group, Inc. in Dallas, Texas from October 2021 to May 2022. From July 2019 to July 2021, Ms. Thompson was Executive Director of Franchise Development for Mathnasium Center Licensing, LLC in Los Angeles, California. From April 2017 to July 2019, she was Franchise Development Manager for Soft Pretzel Franchise Systems, Inc. in Philadelphia, Pennsylvania.
~~Jeremy Korzen~~Michael Wootton Jr. ~~Vice President, Strategic Finance~~ Franchise Development Director	~~Mr. Korzen has been Vice President, Strategic Finance since March 2021. He has served in the same role for JIB Funding, SPV, JIB Properties, and JIB since March 2021. From May 2019 to March 2021, he was Director of Strategy for Vasa Fitness, LLC in Denver, Colorado. From October 2018 to April 2019, Mr. Korzen was an Investment Banking Associate for SunTrust Robinson Humphrey, Inc. in Atlanta, Georgia. From October 2017 to October 2018, he was an Investment Banking Associate for Hammond Hanlon Camp LLC in Atlanta, Georgia.~~ Mr. Wootton has been our Franchise Development Director and for JIB since June 2023. From September 2022 to June 2023, he was self-employed in Charlotte, North Carolina. From February 2022 to September 2022, Mr. Wootton was Vice President of Franchise Development for Walk On's Enterprises in Baton Rouge, Louisiana. Since March 2021 he has been owner and operator of JM Mint Build Company LLC in Denver, North Carolina. From April 2019 to February 2022, he was Vice President of Franchise Development for Now Optics, LLC in Delray Beach, Florida. From May 2012 to April 2022, Mr. Wootton was Southeast Regional Development Director for American Dairy Queen Corporation in Edina, Minnesota.

ITEM 3
LITIGATION

Pending Actions:

~~Torrez v. Del Taco LLC.~~

~~On July 16, 2014, Timothy Tafoya, a former hourly employee, filed a class action lawsuit in the Superior Court for the County of San Bernardino, California (Case No. CIVDS1410517), alleging violations of the wage provisions of California law. The venue for the class action was moved to the Superior Court for the County of Alameda as part of a coordinated proceeding (Case No. JCCP004904). Karolina Torrez was substituted for Mr. Tafoya as the new named plaintiff. The plaintiff seeks, among other things, damages in an unspecified amount. We have denied all of the claims in the lawsuit. On November 12, 2021, the Court granted class certification in this case and, thereafter, the parties reached a settlement of all claims, for a gross settlement amount of $50,000,000. This settlement requires Court approval. The Court preliminarily approved the settlement on December 21, 2022. A final approval hearing is currently set for June 14, 2023. After the court grants final approval to the settlement, the case will be dismissed with prejudice.~~

Foodmaker International Franchising Inc. and Foodmaker Inc. v. JNB Food Corporation and William Ang. (Philippines Regional Trial Court, Case No. 97-1823). In 1997, Foodmaker International Franchising Inc. and Foodmaker Inc. filed an action against a former Jack in the Box franchisee in the Republic of the Philippines to force the closure of certain units being operated unlawfully and without a license or franchise agreement. The defendants counterclaimed, asserting they suffered damages due to the franchise closures. The company won an initial ruling relating to the closure of the units, but defendants continued to pursue the action. Since then, the court has scheduled multiple hearings to ensure that the record is complete before issuing a final decision. However, no decision has been issued by the Court to date.

Marilyn Garner, Chapter 7 Trustee v. Jack in the Box Inc. (~~Case~~Cause No. 048-29134017, 48th Judicial District, Tarrant County, Texas). In April 2017, Jack in the Box Inc. ("JIB") and Jack in the Box Eastern Division L.P. (collectively the "JIB Parties") filed a case against J&D Restaurant Group, LLC ("J&D") and Bernard J. Morrissey ("BJM") after BJM defaulted under various franchise agreements ("State Court Action"). ~~In response to the State Court Action~~On May 19, 2017, J&D filed a Chapter 7 petition ~~on May 19, 2017~~ (Case No. 17-42099) in the United States Bankruptcy Court for the Northern District of Texas, Fort Worth Division ("Franchisee Bankruptcy Filing"). The State Court action was stayed and placed on inactive status by the state court as a result of the Franchisee Bankruptcy Filing. On April 17, 2019, Marilyn Garner, as Chapter 7 Trustee ("Trustee"), filed a petition in intervention in the State Court Case asserting claims against JIB Parties. The Trustee's complaint asserted claims for breach of franchise agreement relating to alleged mismanagement of the marketing fund, alleged failure to consent to a sale of the franchises and improper termination of the franchise agreements, breach of implied covenant of good faith and fair dealing, breach of lease agreements, violation of the Texas Uniform Fraudulent Transfer Act, and violation of the California Franchise Relations Act, and requests actual and exemplary damages alleged to be in excess of $1 million. ~~The Trustee also filed an adversary proceeding in the bankruptcy court with identical allegations (Adv. No. 19-04051). The Trustee filed a motion to reinstate the State Court Case and a motion to sever the claims of the Trustee to create a new action in the state court. The Trustee's motion to reinstate was denied on July 9, 2019. On July 23, 2019, the JIB Parties filed a notice of removal in the state court action, thereby creating a second bankruptcy adversary proceeding ("Removed Adversary Proceeding") (Adv. No. 1904078). On October 28, 2019, the bankruptcy judge consolidated the two adversary proceedings and then, by order dated November 18, 2019, both proceedings were remanded to state court. On June 9, 2020, the state court dismissed the Trustee's claims based on the California Franchise Relations Act. On October 9, 2020, the Trustee filed an amended complaint adding a claim under the Texas Deceptive Trade Practices Act. Dispositive~~After various dispositive motions ~~were filed~~, on ~~December 3, 2021 and a decision was issued on July 7, 2022. The~~January 9, 2023, trial commenced on the Trustee's remaining claims were for alleged breaches of the franchise agreements (improper termination and failure to approve buyers), breach of lease agreements by improper termination, breach of the implied covenant of good faith and fair dealing (improper termination and failure to approve buyers) and a claim for alleged violations of the California Unfair Practices Act ~~asserted on July 22, 2022. The jury trial began on January 9, 2023.~~. On February 8, 2023, the jury

returned a verdict finding that JIB had not breached any contracts in its termination of the franchise agreements or its withholding of consent to the proposed sale of the restaurants, had not violated California Unfair Practices Act, but awarded plaintiff $8 million in damages under the claim for breach of the implied covenant of good faith and fair dealing. ~~JIB contests the verdict and various prior rulings by the court and intends to fully pursue all post-verdict and appellate options/defenses. As of the date of this disclosure document,~~ On May 9, 2023, the court granted JIB's post-trial motion and ordered that plaintiff take nothing from the Company and awarded JIB all recoverable court costs and post-judgment interest. On August 4, 2023, the plaintiff filed a notice of appeal. The appeal is currently in the briefing stage and no hearing date has ~~not yet~~ been ~~entered by the court~~set.

Concluded Actions:

Castillo v. Del Taco LLC. On June 13, 2019, Miguel Castillo, an employee at one of our restaurants, filed a class action lawsuit in the Superior Court of Los Angeles County, California (Case No. 19STCV20629), alleging, among other things, that we committed unfair competition within the meaning of the California Business and Professions Code Section 17200, and breach of the covenant of good faith and fair dealing. The claims arose out of a purported data breach in which Mr. Castillo's personal information may have been compromised. ~~The plaintiff seeks, among other things, compensatory and restitutionary damages in unspecified amounts, costs and legal fees. The case is in the pre-trial stage~~In June 2023, the parties reached a settlement of Mr. Castillo's individual claims that was subsequently approved by the court. As a result of that settlement, the court dismissed the individual and class claims on November 30, 2023.

~~Concluded Actions:~~

Torrez v. Del Taco LLC. On July 16, 2014, Timothy Tafoya, a former hourly employee, filed a class action lawsuit in the Superior Court for the County of San Bernardino, California (Case No. CIVDS1410517), alleging violations of the wage provisions of California law. The venue for the class action was moved to the Superior Court for the County of Alameda as part of a coordinated proceeding (Case No. JCCP004904). Karolina Torrez was substituted for Mr. Tafoya as the new named plaintiff. On November 12, 2021, the Court granted class certification in this case and, thereafter, the parties reached a settlement of all claims, for a settlement amount of $50,000,000. The Court issued its final approval of the settlement on August 8, 2023. All payments for the settlement have been made by the Company to the claim administrator. A final accounting hearing is scheduled for August 23, 2024, at which point the Company anticipates the matter will be dismissed by the court.

Concluded Actions Involving Parent Company JIB

Lauren Rehkopf v. Jack in the Box Inc. (San Diego Superior Court, Case No. 37-2014-00033641-CU-BT-CTL). On October 3, 2014, a class action complaint was filed claiming JIB engaged in unfair business practices by failing to allow a customer to exchange the remaining balance on her gift card for cash once the card held less than $10 in value. The case was settled in July 2016. The settlement provided that JIB would pay plaintiffs' attorneys fees and costs in the amount of $60,000, pay the named plaintiff $2,500, provide training to company restaurant managers in California on the law relating to redeeming gift cards for cash, place a notice in company owned restaurants for one year stating the policy on redeeming gift cards with a balance under $10 for cash, and change language in our gift cards to reflect California law and our policy. All of the settlement terms have been completed. A release of all claims on behalf of the settlement class was executed and the plaintiff filed a satisfaction of judgment on July 3, 2017.

National JIB Franchisee Association, Inc. v. Jack in the Box Inc., San Diego Superior Court, Case No. 37-2019-00031267. On December 4, 2018, the National JIB Franchisee Association, Inc. ("NFA") filed suit against Jack in the Box Inc. ("JIB") in the Los Angeles Superior Court, Case No. 18STCV06066

asserting claims for breach of contract, breach of covenant of good faith and fair dealing, accounting and declaratory relief. The complaint did not request monetary damages. On November 26, 2018, the ~~Company~~company filed a motion to transfer venue to San Diego, which was granted. Ultimately the NFA filed a third amended complaint against JIB and its affiliate Different Rules, LLC (collectively, the "JIB Companies"), which was limited to seeking further access to budgets and reports associated with the JIB Companies' marketing fund and continued participation by JIB in one or more advisory committees partially comprised of franchisees. The case was settled November 10, 2020. The settlement provided that NFA and Company would dissolve the existing Franchisee Advisory Council and establish a Leadership Advisory Council with input from the NFA. The terms also provided that the NFA will form an audit committee to review income and expense reports and vendor contracts that relate to the marketing fund.

Jack in the Box Inc., et al. v. San-Tex Restaurant, Inc., et al. (U.S. District Court for the Western District of Texas, San Antonio Division, Case No. 20-cv-00328). On June 2, 2020, the company filed a complaint seeking to stop a franchisee from continuing to operate restaurants in the San Antonio market after the franchise and lease agreements for those locations had been terminated. On June 30, 2020, the franchisee filed a counterclaim against the company asserting, among other things, wrongful termination, breach of contract, breach of the covenant of good faith and fair dealing, and violation of California's Franchise Relations Act, California Unfair Practices Act, promissory estoppel, negligent misrepresentation, intentional misrepresentation, and civil conspiracy. The franchisee claimed JIB wrongfully terminated the lease and franchise agreements, made misrepresentations regarding and failed to fully perform under a roof repair and tenant improvement program offered to operators of certain style of restaurant buildings and induced the franchisee to invest additional funds before and after termination. The case was settled February 19, 2021. The settlement provided that the company would immediately reinstate 45 franchise agreements and franchise lease agreements in Texas (that were terminated in 2019) with the franchisee, and franchisee would complete certain repairs and restoration work on certain units by July 21, 2022. The settlement also required the parties to sign and file a Joint Stipulation of Dismissal of the lawsuit, which was signed and filed with the court on February 26, 2021.

Aslam Group, LLC, et al. v. Jack in the Box Inc., et al. (San Diego Superior Court, Case No. 37-2020-00015281). On May 26, 2020, a franchisee filed suit against JIB for breach of contract, breach of the implied covenant of good faith and fair dealing, and promissory estoppel. The franchisee generally alleged JIB made misrepresentations regarding a roof repair and tenant improvement program offered to operators of certain style of restaurant buildings. The franchisee claimed that JIB failed to fully perform under that program and that JIB's allege misrepresentations induced the franchisee to buy additional properties that it would not have otherwise purchased. The franchisee further sought damages associated with a third-party vendor that failed to provide credit card chip reader technology and royalties allegedly paid on sales that were ultimately charged back to the franchisee as a result of fraud claims by customers. The lawsuit was resolved through settlement in April 2021~~.~~ and the case was dismissed with prejudice on May 11, 2021. Under the settlement agreement, among other things, JIB agreed to pay the franchisee $5,550,000 and to reduce the royalty fee for certain restaurants, and the parties exchanged mutual releases.

Ibrahim Investment Corp., et al. v. Jack in the Box Inc., et al. (San Diego Superior Court, Case No. 37-2020-00019032). On June 5, 2020, a franchisee filed suit against JIB asserting claims for breach of contract, breach of implied covenant of good faith and fair dealing, promissory estoppel, and specific performance. The franchisee generally claimed JIB made misrepresentations regarding and failed to fully perform under a roof repair and tenant improvement program offered to operators of certain style of restaurant buildings. The franchisee sought modification to several franchise purchase, franchise and/or lease agreements, claiming the franchisee is entitled to relief based on representations by the company or mistaken facts on the part of the franchisee. The franchisee further sought damages associated with a third-party vendor that failed to provide credit card chip reader technology and royalties allegedly paid on sales that were ultimately charged back to the franchisee as a result of fraud claims by customers. The

lawsuit was resolved through settlement in April 2021. and the case was dismissed with prejudice on May 11, 2021. Under the settlement agreement, among other things, JIB paid the franchisee $25,000, JIB modified certain rent amounts for various leases, JIB provided the franchisee an early termination right and reduced royalty fee for a Jack in the Box restaurant, the franchisee agreed to purchase from JIB a Jack in the Box location for $600,000 and to build an additional Jack in the Box location, and the parties exchanged mutual release.

Currently Effective Injunctive or Restrictive Orders or Decrees Involving JIB

In May 1970 the Office of the Attorney General of the State of Missouri notified JIB of its intention to initiate proceedings alleging that JIB had engaged in deceptive advertising by selling or offering for sale "hamburgers" which contained soy grits as an extender. JIB executed a consent decree dated May 28, 1970 (No. 31899 Equity), filed in the Circuit Court of St. Louis County, Missouri, which prohibits JIB from selling, offering for sale or advertising any substance as "hamburger" that is not fresh chopped or ground beef, with or without the addition of beef fat or seasoning, containing not more than 30% of fat, in the State of Missouri.

In November 2017, the San Diego County District Attorney's office initiated an investigation into JIB's policies and practices regarding the redemption for cash of gift cards with balances less than ten dollars. As a result of that investigation, on October 10, 2018, JIB entered into a Stipulation for Entry of Final Judgment with the County. The judgment requires JIB to post notices of its gift card redemption policy in all company and franchised owned restaurants in California for a period of five (5) years. It also requires JIB to create an internal compliance program to ensure and monitor compliance with the applicable Civil Code sections that govern gift card redemptions for cash in California.

Other than thethese actions disclosed above, no litigation is required to be disclosed in this Item.

ITEM 4
BANKRUPTCY

GNC Holdings, Inc. Bankruptcy (United States Bankruptcy Court, District of Delaware, Case No. 20-11662). Prior to joining JIB, its Chief Brand Officerus and our affiliates, Ryan Ostrom, wasour Chief Brand Officer, was Chief Brand Officer and Steven Piano, our Chief People Officer, was Chief Human Resources Officer of GNC Holdings, LLC (formerly constituted as GNC Holdings, Inc.). While Mr. Ostrom wasand Mr. Piano were employed by GNC Holdings, Inc., that entity (and certain affiliated entities) filed for Chapter 11 bankruptcy protection on June 23, 2020. The plan of reorganization was confirmed on October 14, 2020. United States Bankruptcy Court, District of Delaware, Case No. 20-11662. GNC Holdings, Inc. was reorganized as Vitamin OldCo Holdings, Inc. with the principal business address of 300 Sixth Avenue, Pittsburgh, PA 15222, and was later converted to GNC Holdings, LLC. GNC Holdings, Inc., Vitamin OldCo Holdings, Inc., and GNC Holdings, LLC were not at the time of the bankruptcy filing, nor are they now, related in any way to either JIBus or Del Tacoour affiliates.

Other than the matter noted, no other bankruptcy information is required to be disclosed in this Item.

ITEM 5
INITIAL FEES

General

If you purchase the rights to develop and operate one Del Taco Restaurant under a Franchise Agreement, you must pay us a Franchise Fee of $35,000 and a Promotional Fee of $10,000 when you sign the Franchise Agreement.

If you sign a Development Agreement, upon signing, you must pay a development fee equal to the

Franchise Fee of $35,000 for the first Restaurant and a $10,000 deposit on the Franchise Fee for each subsequent Restaurant to be developed. These amounts will be applied toward the applicable initial franchise fees listed above if and when you sign a franchise agreement for a restaurant, and you will then pay the balance of the Franchise Fee (i.e., $25,000 for the second and subsequent Restaurants) for each Restaurant as it opens. We earn these fees when paid and have no obligation to refund them for any reason.

Before the opening of your Restaurant, we will provide technical support at your Restaurant through the first day of opening of your Restaurant. The date and time of the pre-opening support will be determined by us in our sole discretion. You must reimburse us for our travel, meals, lodging and expenses, which are estimated to range from $1,700 to $3,500.

You must spend the Promotional Fee, with the approval and coordination of our Marketing Department, for the purpose of promoting your Restaurant. You must submit invoices to us for promotional expenditures for our direct payment to the vendor or for reimbursement. We will not pay or reimburse you for food or paper costs. If you do not spend the Promotional Fee within one year after the opening date of your Restaurant, you will forfeit the unused portion of the fee and our current practice is to apply these funds toward our general advertising programs.

Except as otherwise identified in Item 5, initial fees are uniformly imposed.

Company-owned or Company-developed Restaurants

In the case of a conversion of a company-owned Restaurant to a franchised Restaurant, we will negotiate the purchase price, taking into account the value of the Restaurant's equipment, signs, cash flow, and leasehold or other real property interests, plus the Franchise Fee. The total purchase price is expected to range from $50,000 to $1,800,000.

Veterans Program

We participate in the International Franchise Association's Veterans Transition Franchise Initiative ("VetFran") to provide franchise opportunities to qualifying veterans. Our VetFran incentive is called the Del Taco Veterans Program ("Veterans Program"). Under the Veterans Program, we reduce the Initial Franchise Fee for a qualifying veteran's first new Restaurant by 25%, or $8,750. Accordingly, the Initial Franchise Fee paid to us under the Veterans Program is $26,250. This incentive may not be combined with any other incentive program. To qualify for the Veterans Program, a prospective franchisee must: request the Veterans Program at the time of application; meet our then-current qualifications for new franchisees; be at least 51% legally and beneficially owned by persons meeting our qualifying veteran status; not have previously received a similar incentive from us. We may discontinue or modify this Veterans Program at any time.

Computer Equipment Deposit

Prior to opening the Restaurant, all new Del Taco franchisees must purchase and install point-of-sale and back-office equipment and software from vendors that we may designate or approve. We estimate the total initial cost of your computer system to range from ~~$40,000~~59,000 to $~~80,000~~100,000, depending on the type and size of your restaurant. While you have the right to purchase such computer-related hardware and equipment directly from any approved or designated vendor, we are willing to purchase such hardware and equipment from approved third-party vendors and resell to franchisees at no markup. If you elect to purchase any computer-related hardware or equipment through us, we will purchase the hardware or equipment on your behalf from approved third-party vendors and we will resell such hardware or equipment to you at no markup; that is, you will reimburse us in full for our costs of such hardware or equipment. We will collect an equipment deposit from you in the amount of $50,000 before

your Restaurant opens at the time you request we purchase the hardware or equipment on your behalf. After your Restaurants opens, you and we will reconcile the amount of the deposit against our actual purchase price of the hardware or equipment we purchased on your behalf; that is, we will refund to you any unused portion of the equipment deposit or, alternatively, you will reimburse us for the amount of the purchase price in excess of the equipment deposit.

Extension of Development Schedule

If you have signed a Development Agreement and you will not be able to timely meet your development schedule, provided that you are in full compliance with all agreements with us, you may request to extend the development period for a particular Restaurant for one period of twelve (12) months, by: (i) providing us with six (6) months' advance written notice of such request, and (ii) paying a non-refundable $5,000 extension fee ("Extension Fee") at least ten (10) days prior to the expiration of the original development schedule associated with the Restaurant. We will approve or disapprove the request for extension at our sole option. Such Extension Fee(s) will be applied toward payment of the Franchise Fee for subject location upon execution of the applicable Franchise Agreement and, if the development period under a Development Agreement is not extended or otherwise lapses, we will retain any and all Extension Fees. You will be required to sign an amendment to the Development Agreement to reflect these terms and that amendment will include a general release in our favor.

Trade Area Survey Analysis

~~We have implemented a business impact policy. If you propose a site for your Restaurant that is~~If you are building a restaurant and would like to locate it within fifteen (15) miles of ~~one or more~~an existing Del Taco ~~restaurants, as a condition for our review of the proposed site, you~~restaurant, you (or the already existing franchisee) may be required to ~~reimburse us~~pay for ~~the cost of~~ a Trade Area Survey Analysis to be conducted with respect to each existing restaurant within that radius to estimate potential impact on sales at each such restaurant. ~~We estimate the~~The cost of a Trade Area Survey Analysis ~~may~~can range from $4,500 to $~~7,000~~7,500, plus ~~reimbursement for our~~all expenses, which may vary considerably ~~depending on the number of dayparts to be analyzed. Expenses could include airfare, mileage, meals, and lodging, with an estimated range of $1,000 to $3,500.~~. We collect this ~~amount~~fee to reimburse ~~us~~Del Taco for ~~our costs and expenses paid~~the cost it pays to the third-party company that conducts the Trade Area Survey Analysis. Depending on the ~~anticipated~~ level of sales transfer from the existing restaurants to the new restaurant ~~as~~ predicted by the Trade Area Survey Analysis, we may~~, at our option, either reject the proposed site or, alternatively, require you to compensate any impacted franchisees as a condition for our approval of the proposed site. The amount of any business impact payments you may owe to existing franchisees under our current business impact policy may vary considerably and will depend on the amount of predicted sales transfer. Under our current policy, which is~~ decline or permit (subject to ~~change, (1) if the projected impact on an existing restaurant with net sales of below $1,618,000 is between 3% to 8%, you will be required to make a business impact payment to the affected franchisee as a condition for site approval, and we will reject the proposed site if projected impact exceeds 8%; and (2) if the projected impact on an existing restaurant with net sales of $1,618,000 or more is between 5% to 10%, you will be required to make a business impact payment to the affected franchisee as a condition for site approval, and we will reject the proposed site if projected impact exceeds 10%. You will not be required to make any business impact payments to us, regardless of the projected impact of your proposed site (if approved) upon existing company-owned restaurants; however, we reserve the right to reduce any development incentives you otherwise may receive to offset impacts upon existing company-owned restaurants~~conditions) you to proceed with your request to develop the new restaurant.

ITEM 6
OTHER FEES

Type of Fee [1]	Amount	Due Date	Remarks
Royalty [2]	5% of net sales	Payable ~~weekly~~monthly by electronic funds transfer ~~on~~by the ~~third calendar~~fifteenth (15th) day ~~following~~of each ~~sales week in which~~month, based on the ~~sales occurred~~Net Sales for the preceding month	Net sales include all revenue from the Restaurant, except for refunds and sales or similar taxes.
Marketing	4% of net sales	Payable ~~weekly~~monthly by electronic funds transfer ~~on the third calendar day following~~by the fifteenth (15th) day of each month, based on the Net Sales for the ~~sales week in which the sales occurred~~preceding month	We may increase the fee to the then-current fee we charge new franchisees upon notice to you.
Computer Systems Support Services Fee [3]	$40 per week and $150 per hour for on-site installation of PCs and software, and for on-site troubleshooting, billed in 15-minute increments, plus any costs for materials	Payable monthly after opening in ~~weekly installments with your royalty fee payments.~~ advance on the first day of each month (or as we may specify in writing)	You must purchase and maintain the systems we require. See Items 8 and 11. Upon notice, we may increase the fee to the then-current fee we charge new franchisees.
Ceridian Dayforce	$~~21.92~~29.57 per week $225 per year annual $1,740 one-time payment for Ceridian clock We anticipate transitioning to a subscription service in fiscal year 2024, which we expect to be approximately $100 a month.	Fees are payable weekly, annually and once for the Ceridian clock. Once we transition to a subscription service, the fee will be payable monthly.	Employee workforce management system. The current fee amount increases periodically based on the consumer price index ("CPI") published by the Bureau of Labor Statistics.
Del U E-Learning	$5.00 per week	Payable after opening in ~~weekly~~monthly installments with your royalty fee payments	You must participate in our online learning management system, which provides training to all of our Restaurant employees. You

Type of Fee [1]	Amount	Due Date	Remarks
			must pay us ~~a weekly fee~~ for access to the online learning management system. Upon notice, we may increase the fee to then-current fee we charge to new franchisees.
Data Services Fee	None currently	Monthly	For restaurant menu management services.
Security	None currently	Monthly	Information security infrastructure services to mitigate risks from cyber threats and vulnerabilities.
Reporting	None currently	Monthly	Business Intelligence Data and Analytics, integrated sales, services and operational dashboards.
Digital Checklist	$17.99	Monthly Fee paid quarterly	This fee includes the use of the current digital checklist for completing daily food safety checklist. The fee is paid to our approved vendor. The use of digital checklist is a brand standard.
Store Audit Reinspection Fee	$500 per reinspection	Payable after a restaurant fails at least two consecutive store audits. The store audit reinspection fee will be assessed for each reinspection following the two consecutive failed audits.	Store audits to assess compliance with operational standards.
Transfer Fee	At least $5,000 per Restaurant and possibly more in order to cover our costs of review and approval, including attorney fees	Before consummation of the transfer	Payable when you sell your franchise or, if a legal entity, when a controlling interest in the entity transfers.
Interest	7 percentage points in excess of the prime rate per annum as published in *The Wall Street Journal*	As incurred	We may charge interest on past due amounts.
Renewal Fees	Greater of $35,000 or the then-current initial franchise fee for new franchisees, plus the then-current Promotional Fee (currently $10,000)	On execution of the successor franchise agreement	You must pay the Renewal Fee and Promotional Fee in addition to any remodel costs required.
Transfer Fee	$5,000	Due upon earlier of when	Payable when you transfer

Type of Fee [1]	Amount	Due Date	Remarks
		transferee signs its franchise agreement or begins training.	the Franchise Agreement or a controlling interest in you.
Audit Fees and Expenses	Will not exceed our actual out-of-pocket costs (currently about $1,000 to $2,000)	As incurred	You must pay all amounts shown as due. If you understated net sales by 1% or more, you also must pay all costs of the audit.
Indemnification Costs	Varies	As incurred	You must pay for the cost of defending us against any liability as a result of your operations.
New Product and Vendor Testing	Will not exceed our actual out-of-pocket costs (currently about $2,000 to $3,000)	As incurred	If you desire to purchase any items from an unapproved vendor, you must submit a written request to us for approval. We have the right to require, as a condition of our approval, that our representative inspect the vendor's facilities and take samples from the proposed vendor for testing.
Reimbursement of Insurance	Cost of obtaining coverage	On receipt of invoice	If you fail to procure the required insurance, we may secure that insurance and require you to reimburse us for the premiums and other expenses relating to obtaining that insurance.
~~Extension Fee (Development Agreement)~~ [4]	~~$5,000 per deadline to be executed~~	~~Upon invoice~~	~~Payable to us if you request an extension of a deadline under the Development Schedule set forth in the Development Agreement.~~

1. Unless otherwise noted, you must pay all fees to us and we have no obligation to refund them. The Development Agreement and Franchise Agreement give us the right to require that you make all payments owed us (other than the Development Fee, Franchisee Fee, and Promotional Fee) via automatic bank draft. We uniformly impose the fees described above.

2. The royalty fees will be reduced if you qualify for our Development Incentive Program. If you qualify for our Development Incentive Program and execute a Development Agreement and Development Incentive Program Addendum, the royalty fees will be reduced to 1% of net sales during the first year of operations, 2% of net sales during the second year of operations, 3% of net sales during the third year of operations, 4% of net sales during the fourth year of operations, and the standard royalty of 5% of net sales thereafter. Our Development Incentive Program is currently only available for multi-unit franchisees who agree to develop multiple restaurants pursuant to a Development Agreement in certain markets we have identified for further

development and that we deem, in our sole determination, to be undeveloped, underdeveloped, or emerging in terms of the Del Taco brand's market penetration; it is not available in markets we deem to be mature in terms of the Del Taco brand's market penetration, such as, for example, Orange County, California, Los Angeles County, California, and Phoenix, Arizona.

On termination of your Franchise Agreement for any of the reasons described in Section 15 of the agreement, we have the right to recover damages for our loss of royalty fees for the remaining term of the Franchise Agreement.

3. The fee schedule is tiered by the number of Restaurants you operate and decreases to $34.25 per week per Restaurant for your 6th through 10th Restaurants, and to $28.50 per week per Restaurant for the 11th Restaurant and beyond. In some instances, we may agree to provide you with point of sale support only. The weekly fee for point of sale support services equals $28.50 per week, $22.75 per week for the 6th through 10th Restaurants and to $17.00 per week for the 11th Restaurant and beyond. Each year, we have the right to increase that amount. Your annual equipment maintenance and repair costs will vary depending on your specific needs.

~~4. If you have signed a Development Agreement and you will not be able to timely meet your Development Schedule, provided that you are in full compliance with all agreements with us, you may, by providing us six months' advance written notice, request a twelve-month extension of one or more of the development deadlines in the development schedule. Each such development deadline under a Development Agreement may be extended one time only at our sole option, and for each deadline that is extended, you must pay us a fee calculated as follows: $5,000 times the number of development deadlines that you wish to extend for twelve months ("Extension Fee"). This fee is earned upon receipt and is non-refundable; provided, such Extension Fee will be applied toward payment of the Franchise Fee for subject location upon execution of the applicable Franchise Agreement and, if the development period under a Development Agreement is not extended or otherwise lapses, we will retain any and all Extension Fees. You will be required to sign an amendment to the Development Agreement to reflect these terms and that amendment will include a general release in our favor.~~

ITEM 7
ESTIMATED INITIAL INVESTMENT

~~**FRANCHISE AGREEMENT**~~

YOUR ESTIMATED INITIAL INVESTMENT[1]

Type of Expenditure	Amount	~~Fresh Flex~~	~~Conversion~~	~~End Cap with Drive Thru~~	Method of Payment	When Due	To Whom Paid
Franchise Fee[2]	$35,000	~~$35,000~~	$35,000	Lump Sum	(Note 2)	Us	
Promotional Fee[2]	$10,000	~~$10,000~~	$10,000	Lump Sum	(Note 2)	Us	
Land[3]	Not Included		Not Included	Not Included	Not Included	Not Included	
~~Professional Fees[3]~~	~~$0 to $55,000~~	~~$0 to $55,000~~	~~$0 to $55,000~~	~~As Agreed~~	~~As Agreed~~	~~Professionals~~	
~~Lease Payment[4]~~	~~$0 to $25,000~~	~~$0 to $25,000~~	~~$0 to $25,000~~	~~Monthly~~	~~As Agreed~~	~~Landlord~~	

Type of Expenditure	Amount	~~Fresh Flex~~	~~Conversion~~	~~End Cap with Drive Thru~~	Method of Payment	When Due	To Whom Paid
~~Building[4]~~	~~$400,000 to $800,000~~	~~$250,000 to $550,000~~	~~$200,000 to $550,000~~	~~As Agreed~~	~~As Agreed~~		~~Contractor or Owner~~
~~Site Work and Entitlement[4]~~	~~$50,000 to $450,000~~	~~$25,000 to $150,000~~	~~$25,000 to $150,000~~	~~As Agreed~~	~~As Agreed~~		~~Contractors or Third Parties~~
Fee for Architectural and Engineering ~~Fees and Costs~~ Services[4]	~~$25,000 to $200,000~~ $27,000	~~$25,000 to $200,000~~	~~$25,000 to $200,000~~ $124,000	As Agreed	As Agreed		~~Vendors or Third Parties~~Consultants
Environmental Assessment[5]	$2,500		$34,000	As Agreed	As Agreed		Consultants
On-site Improvements[6]	$186,000		$650,000	As Agreed	As Agreed		Contractors, Vendors, Suppliers, or Owner
Building Improvements[7]	$490,000		$1,200,000	As Agreed	As Agreed		Contractors, Vendors, Suppliers, or Owner
Furnishings, Fixtures and Equipment[5] ~~("Supplies")~~[8]	$400,000 ~~to $575,000~~	~~$375,000 to $575,000~~	~~$375,000 to $575,000~~ $750,000	As Agreed	As Agreed		Vendors & Suppliers
IT Equipment & Installation, Computer ~~Systems[5]~~-related Services & Licensing[9]	$59,000 ~~to $81,000~~	~~$41,000 to $63,000~~	~~$41,000 to $63,000~~ $100,000	As Agreed	As Agreed		Vendors and Us
Technical Support [9]	$1,700 ~~to $3,500~~	~~$1,700 to $3,500~~	~~$1,700 to~~ $3,500	Lump Sum	On Invoice		Us
~~Insurance[6]~~	~~$8,000 to $20,000~~	~~$8,000 to $20,000~~	~~$8,000 to $20,000~~	~~As Agreed~~	~~As Agreed~~		~~Vendors~~
Initial Training~~[7]~~[10]	$15,000 ~~to $25,000~~	~~$15,000 to $25,000~~	~~$15,000 to~~ $25,000	As Agreed	As Incurred		Third Parties
Crew Training~~[7]~~[10]	$48,000 ~~to $68,000~~	~~$48,000 to $68,000~~	~~$48,000 to~~ $68,000	As Agreed	As Incurred		Third Parties
Additional Funds – 3 Months~~[8]~~[11]	~~$20,000 to $45,000~~ $28,000	~~$20,000 to $45,000~~	~~$20,000 to $45,000~~ $65,000	As Agreed	As Incurred		Vendors
Inventory	$7,000	~~$7,000~~	$7,000	As Agreed	As Incurred		Third parties
Licenses, Fees and Deposits~~[9]~~[12]	$3,000 ~~to $6,000~~	~~$3,000 to $6,000~~	~~$3,000 to~~ $6,000	Lump Sum	As Incurred		Utilities and Agencies
~~Trade Area Survey~~	$0 ~~to~~	~~$0 to~~	~~$0 to~~	Lump	On Invoice		Us

Type of Expenditure	Amount	~~Fresh Flex~~	~~Conversion~~	~~End Cap with Drive Thru~~	Method of Payment	When Due	To Whom Paid
~~Analysis[10]~~Fee for trade area survey analysis [13]	~~$10,500~~	~~$10,500~~	~~$10,500~~ $7,500 (plus all expenses)	Sum			
TOTAL (excluding land, financing and certain other costs)[14]	**$1,312,200**		**$3,085,000**				
~~Business Impact Payment[10]~~	~~$0 to $52,500~~	~~$0 to $52,500~~	~~$0 to $52,500~~	~~Lump Sum~~	~~On Invoice~~	~~Existing Franchisee~~	
~~**TOTAL**[11]~~	~~**$1,081,700 to $2,468,500**~~	~~**$863,700 to $1,900,500**~~	~~**$813,700 to $1,900,500**~~				

~~**NOTES**~~

~~1. Refunds. We have no obligation to refund any costs paid to us. Whether any third party will refund any costs will depend on the third party involved.~~

~~2. Franchise Fee and Promotional Fee. See Item 5 of this Disclosure Document for information on when you must pay the Franchise Fee. You pay the Franchise Fee and Promotional Fee when you sign the Franchise Agreement; however, those fees for your first Restaurant become due when you sign a Development Agreement.~~

~~3. Professional Fees. We recommend that you consult an attorney of your own choosing to review this Disclosure Document, the Franchise Agreement, and the Development Agreement, as well as an independent accountant to review the attached financial statements, before signing the Franchise Agreement or the Development Agreement. For markets or areas not already subjected to a real estate market plan approved by us, we also recommend that you engage the services of a reputable market analysis company to perform a thorough market analysis. If you elect not to engage an attorney, accountant, market analysis company, or other professional advisors, you will not incur any such professional fees.~~

~~4. Real Estate and Improvements. We expect that you will either purchase or lease the real estate for your Restaurant. The rent will vary depending on the size and location of your Restaurant. Often, the first month's lease payment becomes due upon execution of the lease. We based the amounts on a build-to-suit or build-out lease from a third party, which includes land, building and construction costs. The lease you sign also may include percentage rent, contributions for taxes, common area maintenance fees, and payments for utilities, security deposits, and other items. We did not include those additional costs in the estimated amounts. If you own the property on which your Restaurant is located, you will not owe lease payments. Should you choose to purchase and pay separately for the construction of the building, you should adjust the total investment costs to cover the actual land and development costs. Land acquisition costs may range from an estimated low of $200,000 to an estimated high of $3,000,000. The range of the cost of construction of the Restaurant building and on-site and off-site work will vary depending on local conditions, the size and type of building that you select, and the real estate transaction that you structure. The costs of building permits and fees from any governmental agencies and utilities may vary greatly as well, depending on location. As noted above, we also offer a Restaurant with limited or no seating for non-traditional locations, like stadiums, shopping malls, food courts, and co-branded locations. If you are purchasing an existing Del Taco Restaurant~~

from us, our affiliate, or another franchisee, you will not incur the cost of a full build-out but may be required to perform such remodeling, repairs, replacements, and redecoration as necessary to bring the premises up to the then-current operational standards and image of Del Taco Restaurants.

Additionally, the lease you sign may include terms which may result in higher monthly payments, in addition to contributions for taxes, common area maintenance fees, security deposits, and other items.

5. Furnishings, Fixtures and Equipment. You must purchase certain items of furnishings, fixtures, kitchen display systems and equipment. The amount of furnishings, fixtures, kitchen display systems, credit card processing machines and equipment will depend to some extent on the size of your building. The total costs of the furnishings, fixtures, kitchen display systems, credit card processing machines and equipment will also depend on the vendors' pricing, circumstances at your location, your distance from vendors, shipping charges, reimbursement of costs to technicians for lodging, meals and travel expenses and similar variables, including point-of-sale equipment, ancillary small computer hardware and software items, small wares related to kitchen equipment, and the sign and awning package, all of which you must purchase or lease. If you elect to purchase any computer-related hardware or equipment through us, we will purchase the hardware or equipment on your behalf from approved third-party vendors and we will resell such hardware or equipment to you at no markup; that is, you will reimburse us in full for our costs of such hardware or equipment. We will collect an equipment deposit from you in the amount of $50,000 before your Restaurant opens at the time you request we purchase the hardware or equipment on your behalf. After your Restaurants opens, you and we will reconcile the amount of the deposit against our actual purchase price of the hardware or equipment we purchased on your behalf; that is, we will refund to you any unused portion of the equipment deposit or, alternatively, you will reimburse us for the amount of the purchase price in excess of the equipment deposit. The estimate includes your estimated first month's costs in connection with obtaining PCI compliance services, internet service, customer relationship management services and software, anti-virus and anti-malware software, a firewall, and loyalty program hardware from approved vendors.

6. Insurance. You must carry insurance for the types of coverages and in the amounts that we specify in the Franchise Agreement and the Manuals. The amount listed above represents our best estimate of the premiums required for liability, casualty and worker's compensation insurance during a Restaurant's first year of operation. You must have coverage for comprehensive general liability insurance in the amount of $2,000,000.

7. Training. We do not charge a training fee for your initial training, although you may have to pay for certain textbook and testing fees as further explained in Item 11. You must pay the costs of transportation, lodging and food for yourself and your employees during training. The costs of those expenses will depend on the distance you must travel, the type of accommodations used, and the number of employees attending the training and their wages. The amounts listed above assume six weeks of training for you, your Operating Principal and five managers. Also included are two weeks of in-Restaurant training for crew members if you are opening one of your first two Restaurants. The amount of crew training can vary, depending on whether you have a Certified Opening Trainer and a training Restaurant available in the territory where you are developing a new Restaurant. Any investors holding a twenty percent (20%) or more interest in your franchise business must attend our Two-Day Overview. One day will be spent in a Del Taco Restaurant and one day at Del Taco headquarters. You will also be responsible for the cost of your General Managers to participate in ServSafe training and obtain ServSafe certification.

8. Additional Funds. The amounts listed above represent an estimate of your operating expenses for the initial three months of business. We have based them on our own experience in operating Del Taco Restaurants, mainly in the western United States, as well as the experiences of our franchisees. We based the estimates for our Fresh Flex Restaurant prototype on a Fresh Flex Restaurant under development in Orlando, Florida and the other Restaurant prototypes. The cost estimates are based on our internal data and not actual invoice costs since we do not yet have Fresh Flex Restaurant company-owned store data. These estimates include costs for payroll, taxes, food, paper, supplies, utilities, licenses, permits, bank charges, and repair and maintenance. They do not include advertising or royalty payments made to us. The amounts represent estimates, and we cannot guarantee that you will not have additional expenses starting the business. Your costs will depend on factors like the size of your Restaurant; how closely you follow our methods and procedures; your management skill, expenses and business acumen; your financing costs; local economic conditions; the local market for Restaurants; the prevailing wage rate; competition; and the sales level reached during the initial period.

9. Licenses, Fees and Deposits. The range given provides our best estimate of the costs you will incur for business permits and miscellaneous deposits, including initial utility deposits, but not a lease deposit (listed separately above).

10. Trade Area Survey Analysis Reimbursement and Business Impact Payments. See Item 5 of this Disclosure Document for additional information regarding reimbursements for Trade Area Survey Analysis and business impact payments that may be owed to existing franchisees. If a business impact payment is determined to be owed to another franchisee as a condition for approval of your proposed site, we estimate such payment will range from $0 to $52,500.

11. Totals. The estimate is for a period of 3 months. You should review the amounts listed above carefully with a business advisor before making any decision to purchase the franchise. This is an estimate only and the actual cost can vary largely depending on the site-specific conditions and requirements for each location.

We do not offer any financing directly or indirectly for any part of the initial investment.

Your Estimated Initial Investment – Sale of Company-owned Restaurants

~~Occasionally, we may sell one or more existing company-owned Restaurants to a franchisee. If you purchase an existing company-owned Restaurant from us, your cost will depend on a variety of factors, including (without limitation) the sales history and trend of the Restaurant, the assets being purchased, and the nature of the Restaurant's trade area. Generally, your cost (excluding the cost to purchase or lease the Restaurant's real estate) should not exceed the range of total costs for the development of a new Restaurant as described above.~~

~~DEVELOPMENT AGREEMENT~~

YOUR ESTIMATED INITIAL INVESTMENT
DEVELOPMENT AGREEMENT
Assumes Development Agreement for Minimum of Two (2) Restaurants

Type of Expenditure	Amount		Method of payment	When Due	To Whom ~~Payments Is to be Made~~Paid
Development Fee	$45,000	~~$35,000 for first Restaurant and $10,000 for each additional Restaurant to be developed~~ $45,000	Lump Sum	Due when you sign the Development Agreement	Us
Professional Fee[15]	$1,000	$5,000	As incurred	As incurred	Third Parties
Total Estimated Initial Investment for Two (2) Del Taco Restaurants (Based Upon High / Low Ranges from Table Above Minus Franchise Fee)	$2,554,400	$6,100,000	See Table Above for Each Expenditure	See Table Above for Each Expenditure	See Table Above for Each Expenditure
Remaining Franchise Fee	$25,000	$25,000	Lump sum	At signing of Franchise Agreement	Us
Total Estimated Initial Investment for a Development Agreement[16]	**$2,625,400**	**$6,175,000**			

~~NOTES~~

NOTES

1. ~~See Item 5 of this Disclosure Document for additional information about the Development Fee and its application towards Franchise Fees. This fee is not refundable. For each Restaurant developed pursuant a Development Agreement, you will incur the estimated costs disclosed above in the Franchise Agreement table of Item 7.~~These initial investment figures are based on new restaurant development costs to open Fresh Flex prototypical buildings in fiscal years 2022 to 2023. Del Taco has one (1) prototypical building portfolio available consisting of three (3)

different prototypical building types that are available for site-adaptation and use by franchise operators that have been designed to support varying site conditions such as property size, property shape, and preferred building orientation. The Fresh Flex portfolio building types range from 1,152 square feet to 2,304 square feet. All portions of the initial investment paid to Del Taco are fully earned by Del Taco when paid and are not refundable. Whether any third party will refund any costs will depend on the third party involved. Your financing cost may affect your total investment significantly. You may, or may not, incur all the costs identified, and you may incur other costs that are specific to your project. You should review the amounts listed above carefully with a business advisor before making any decision to purchase the franchise. This is an estimate only and the actual cost can vary largely depending on the site-specific conditions and requirements for each location.

2. See Item 5 of this Disclosure Document for information on when you must pay the Franchise Fee. You pay the Franchise Fee and Promotional Fee when you sign the Franchise Agreement.
3. The cost of land will vary widely, depending on size and location of the property and whether you purchase or own the land or enter into a lease arrangement. The size of the property necessary to develop a new Del Taco restaurant can vary greatly depending upon, but not limited to, the size of the building constructed, desired drive-thru lane configuration, appliable development code requirements and zoning restrictions, as well as other influences such as access and parking agreements with adjoining properties, landlord or other third-party requirements. Typical physical site criteria would include approximately 25,000 to 40,000 square feet, minimum of approximately 130 feet of frontage depending on building orientation, adequate access into and out of the property, ability to accept deliveries from an approximately 75' tractor-trailer truck, and a dedicated parking area to accommodate 14 to 32 parking spaces depending on site requirements.
4. Consulting costs will vary upon the documentation necessary to obtain all of the project's development-related approvals which may include, but are not limited to, landlord, third party, zoning, planning commission, building/municipal, signage, health, fire, and other agency approvals. Consultants typically hired by you may include, architects, permit expediters, zoning consultants, landscape architects, structural engineers, utility designers, fire sprinkler engineers, land surveyors, geotechnical engineers, mechanical, electrical, and plumbing engineers, outside project managers, and construction testing consultants. Consulting costs do not include the actual fees paid for permits and approvals to municipal and other governmental agencies.
5. Environmental assessment costs tend to be site-specific in nature and can vary based on where the property is located, a property's former use(s), the use(s) of neighboring properties, and a property's existing conditions. A "Phase One" assessment involves title research and can cost approximately $2,500 to $4,000. The cost of a "Phase Two" assessment typically varies because some amount of borings, well sampling, and invasive testing may need to be completed on the property and will typically range from $10,000 to $34,000. "Phase Three" assessments involve the development of a clean-up mitigation plan to address on-site contamination. By their site-specific nature, the costs for a Phase Three will vary significantly, and these costs have been excluded.
6. On-site improvements are those work scope items that occur within the bounds of the property or lease lines and an include excavation, grading, sub-surface stabilization, paving, sidewalks, landscaping, trash enclosure structures, fences, retaining walls, drainage structures, utility work, and outdoor lighting, among other things. On-site costs can vary significantly depending on the size of the property, the improvements that may already exist, the requirements placed upon the project by the municipal or other governing agencies, and agreements made with the landlord, seller, or developer as part of securing the property. Construction costs can vary significantly based upon the size of the property, materials and methods specified in the construction documents, as well as other geographical, regional, and municipal influences. Offsite development costs, if any, are by nature site-specific and have been excluded.
7. Building improvements are those work scope items that are necessary to develop the entire building structure (new build) including designated finish-out materials as required and will

typically include, but are not limited to, foundation, framing, mechanical, electrical, plumbing, masonry, and other exterior finishes, metalwork, roofing, insulation, glazing, and all interior floor, wall, and ceiling finishes, lighting, and painting. We compiled these estimates based on our experience developing prototypical buildings where there were no unusual conditions such as special architecture or finishes. This estimate does not include the costs for building permits, on0site or offsite or off-site improvements which have been discussed in (7) above. Construction costs can vary significantly based upon the size of the building, materials and methods specified in the construction documents, as well as other geographical, regional, and municipal influences. New restaurant development projects that will include the conversion and remodel of an existing building will likely have their own site-specific scope of work and cost structure necessary to successfully adapt the existing building designs so they conform the brand image and operational standards, and as such, are not included.

8. You must purchase certain items of furnishings, fixtures, kitchen display systems and equipment. The cost of furnishings, fixtures, and equipment are affected by the sign package, dining room size, and the use of digital menuboards. Excludes security equipment. The total cost of the furnishings, fixtures, and equipment will also depend on the vendors' pricing, circumstances at your location, your distance from vendors, shipping charges, reimbursement of costs to technicians for lodging, meals and travel expenses and similar variables.
9. Includes purchase or lease of point-of-sale equipment, ancillary small computer hardware and software items. If you elect to purchase any computer-related hardware or equipment through us, we will purchase the hardware or equipment on your behalf from approved third-party vendors and we will resell such hardware or equipment to you at no markup; that is, you will reimburse us in full for our costs of such hardware or equipment. We will collect an equipment deposit from you in the amount of $50,000 before your Restaurant opens at the time you request we purchase the hardware or equipment on your behalf. After your Restaurants opens, you and we will reconcile the amount of the deposit against our actual purchase price of the hardware or equipment we purchased on your behalf; that is, we will refund to you any unused portion of the equipment deposit or, alternatively, you will reimburse us for the amount of the purchase price in excess of the equipment deposit. The estimate includes your estimated first month's costs in connection with obtaining PCI compliance services, internet service, customer relationship management services and software, anti-virus and anti-malware software, a firewall, and loyalty program hardware from approved vendors.
10. We do not charge a training fee for your initial training, however as explained in Item 11, you must pay for all costs and expenses related to training such as, salaries, wages, supplies, transportation, lodging and food for yourself and your employees during training. The costs of those expenses will depend on the distance you must travel, the type of accommodations used, and the number of employees attending the training and their wages.
11. These amounts represent an estimate of your operating expenses for the initial three months of business. We have based them on our own experience in operating Del Taco Restaurants, mainly in the western United States, as well as the experiences of our franchisees. These estimates include costs for payroll, taxes, food, paper, supplies, utilities, licenses, permits, bank charges, repair and maintenance, and insurance (annual premium). They do not include advertising or royalty payments made to us. The amounts represent estimates, and we cannot guarantee that you will not have additional expenses starting the business. Your costs will depend on factors like the size of your Restaurant; how closely you follow our methods and procedures; your management skill, expenses and business acumen; your financing costs; local economic conditions; the local market for Restaurants; the prevailing wage rate; competition; and the sales level reached during the initial period.
12. The range given provides our best estimate of the costs you will incur for business permits and miscellaneous deposits, including initial utility deposits, but not a lease deposit (listed separately above).
13. We describe a trade area survey analyses in Item 5. Amount listed is for a single site survey.

14. Financing rates, lease rates, cash injection, loan or lease fees, creditworthiness, lender selection and interest rates, closing costs and factors may vary greatly, and will significantly affect your initial investment. We do not offer any financing directly or indirectly for any part of the initial investment.
15. We recommend that you consult an attorney of your own choosing to review this Disclosure Document, the Franchise Agreement, and the Development Agreement, as well as an independent accountant to review the attached financial statements, before signing the Franchise Agreement or the Development Agreement. For markets or areas not already subjected to a real estate market plan approved by us, we also recommend that you engage the services of a reputable market analysis company to perform a thorough market analysis.
16. Your estimated initial investment under the Development Agreement will vary depending on the number of Del Taco Restaurants you develop. The estimated initial investment chart reflects the minimum number of two (2) development commitments for new franchisees. No part of this initial investment is refundable.

If you are developing a non-traditional restaurant or conversion restaurant, certain categories of the identified costs may vary significantly from those disclosed above. We anticipate that at least the following expenditures will vary from those previously stated: On-site Improvements are likely to range from $0 to $400,000. On-site Improvement costs will vary depending on whether exterior site area improvements will be part of your development. Building or space improvement costs will vary depending on the size of the space being leased, type of finishes specified, how much back-of-house infrastructure may be shared with other tenants, if there is a dining room area included in your development, as well as other site-specific development costs based upon landlord, regional, local, municipal influences, and are likely to range from $370,000 to $700,000 and up. Like the building or space improvements cost noted above, furnishings, fixtures, and equipment costs will vary and are likely to range from $250,000 to $425,000, and up. All other costs disclosed above are expected to be approximately the same for both traditional and non-traditional restaurants. Accordingly, we anticipate that the overall cost for a non-traditional restaurant will likely range from $856,200 to $2,010,000.

Sale of Company-owned Restaurants. Occasionally, we may sell one or more existing company-owned Restaurants to a franchisee. If you purchase an existing company-owned Restaurant from us or our affiliate, your cost will depend on a variety of factors, including (without limitation) the sales history and trend of the Restaurant, the assets being purchased, and the nature of the Restaurant's trade area. Generally, your cost (excluding the cost to purchase or lease the Restaurant's real estate) should not exceed the range of total costs for the development of a new Restaurant as described above.

ITEM 8
RESTRICTIONS ON SOURCES OF PRODUCTS AND SERVICES

You have no obligation to purchase or lease goods or services from us or from others designated by us, except as stated below.

You must develop your Restaurant premises and acquire furniture, fixtures and equipment and all necessary signs for your Restaurant according to standards and specifications we establish. We expressly reserve the right to modify our standards and specifications from time to time. We will notify you promptly of any modifications. We formulate and modify our specifications and standards based on research, industry trends, and our general business plan.

Generally, you must purchase all goods, products, menu items, foodstuffs, beverages, packaging materials, signage, furniture, fixtures, equipment, computer hardware and software, and small wares ("Supplies") used to operate or furnish your Del Taco Restaurant from vendors who demonstrate the ability to meet our standards and specifications and whom we have approved in writing. We do not provide franchises with our standards and specifications for foodstuffs, menu items, beverages, or other items that must be purchased solely from an approved or designated supplier. We will provide our

current standards and specifications for such items to approved suppliers. We may modify such standards and specifications by providing written notification to the applicable suppliers. You must implement and maintain an approved Payment Card Industry (PCI) compliance program for the Restaurant that complies with the specifications set forth in the Manuals. You must engage the services of PCI compliance vendors to provide the services that we designate. We have the right, but are not obligated, to engage a vendor to provide some or all of the PCI compliance services for your benefit at your expense. We have engaged NuArx to provide PCI compliance services to Del Taco System Restaurants. You must submit PCI compliance reports to us or our designee in the manner and frequency we set in the Manuals. You must use such related computer hardware and/or software that we may designate or approve in the manner that we designate or approve. You must also use an Internet service provider of whom we have approved. Under the Franchise Agreement, you must also purchase customer relationship management services and software, for which we or our affiliates may be the only approved supplier. These requirements help to establish quality control standards for the items used in the operation of your Restaurant and to protect, maintain and promote the product consistency, reputation, goodwill, and public acceptance of our service marks, trademarks and products. We also require the purchase of certain brand name products. We may derive revenue from those vendors in the form of marketing allowances as explained below.

We currently have ~~one~~ approved ~~vendor~~vendors for food ~~and~~, packaging ~~materials, one approved vendor for~~equipment, and small wares~~,~~ materials; and one approved vendor for PCI compliance~~, and multiple vendors for Restaurant equipment~~. You do not receive any material benefits from us, other than prices that we may have negotiated, as a result of your use of our designated or approved sources.

We reserve the right to designate more vendors in the future. If you desire to purchase any Supplies from a vendor not already approved, you must obtain our prior written approval, which may take up to ~~90 days~~three to six months after our receipt of all requested information, although that time frame can vary depending on the circumstances. As a condition to granting approval, we may require you to submit samples of the proposed vendor's products and to arrange for us to visit the vendor's facilities. If we elect to test the samples or inspect the proposed vendor's facilities, you will have to pay a fee not to exceed the actual cost of the inspection or test. The criteria we use in approving suppliers are available to franchisees upon written request.

You also must obtain and maintain at your own expense insurance policies with insurers reasonably satisfactory to us covering the items specified in the Franchise Agreement, including comprehensive general liability, fire and extended coverage, business interruption, business automobile liability, workers' compensation, and property insurance. If you do not provide proof of insurance to us as required under the Franchise Agreement, we may secure insurance for you and charge the cost to you.

If you decide to lease the land on which you operate your Restaurant, we have the right to require that certain provisions are included in the lease relating to use, default, notices, lien waivers, length of term, assignment, remodeling, personal property rights, the right for authorized Del Taco employees to enter your Restaurant, the right for Del Taco to protect its proprietary marks located on your premises and non-competition by the landlord and its affiliates. Those provisions are contained in the Addendum to Lease, which is attached to the Franchise Agreement as Exhibit G. We make no representations or warranties as to the legal validity of any of those provisions. Before you begin construction of your Restaurant, you must demonstrate to our reasonable satisfaction that your lease contains the required provisions described in the Addendum to Lease, and you must deliver to us a definitive copy of your lease before its execution for our review and approval of the terms related to the Addendum to Lease.

The amount of your purchases from designated vendors or in accordance with our specifications will represent approximately 77% to 83% of your total purchases in establishing your Restaurant and approximately ~~28~~30% to ~~38~~40% of your total purchases in connection with the operation of your Restaurant.

During our fiscal year ended October ~~2~~3, ~~2022~~2023, we occasionally purchased computer-related hardware and equipment from third-party vendors on behalf of franchisees and resold such hardware and equipment to franchisees at no markup; that is, we received reimbursements for the cost of computer-related hardware or equipment purchased on behalf of franchisees. Except for such reimbursements, neither we nor our affiliates received any payments from our franchisees as a result of any required purchases or leases covered by this Item 8. During our fiscal year ended October ~~2~~3, ~~2022~~2023, ~~we received~~two suppliers provided rebates ~~from one supplier~~back to us and to franchisees quarterly in arrears based on our respective purchases ~~by our franchisees~~ totaling approximately ~~11.3~~10.8% of the purchases involved. Although we are not required ~~by the Franchise Agreement~~ to do so, we used ~~those~~the funds we received to help pay for system-wide promotions (directly or through the advertising fund) ~~to help pay for system-wide promotions~~. Except for the ~~one vendor~~two vendors noted above, we do not currently receive any revenue, rebates, or other payments from designated suppliers based on franchisee purchases, though we reserve the right to do so in the future.

We do not have any purchasing or distribution cooperatives. However, we do require that you purchase most of your Supplies through McLane Corporation. Except for the Supplies you purchase through McLane Corporation and under an existing beverage marketing agreement with the Coca-Cola Company and Keurig Dr. Pepper Company, we do not negotiate purchase arrangements with vendors, including price terms, for the benefit of our franchisees. We reserve the right to develop negotiated purchase arrangements with additional vendors in the future. These may include signage, equipment, furniture, fixtures, and others as identified. You do not receive any material benefits from us, other than prices that we may have negotiated, as a result of your use of our designated or approved sources.

None of our officers own any interest in any required or approved vendor, with the potential exception of a less than 1% ownership interest in one or more of publicly-traded vendors.

ITEM 9
FRANCHISEE'S OBLIGATIONS

The following table lists your principal obligations under the Franchise Agreement and Development Agreement. It will help you find more detailed information about your obligations in those agreements and in other items of this Disclosure Document.

Obligation	Section in Franchise Agreement (FA) or Development Agreement (DA)	Item(s) in Disclosure Document
a. Location selection and acquisition/lease	FA – 1.1 and 1.2 DA – 7, 9 and 10	7 and 11
b. Pre-opening purchases/leases	FA – 5.1 and 5.2 DA – 9	7, 8 and 11
c. Location development and other pre-opening requirements	FA – 51 and 5.2 DA - 7, 8, 9, 10 and ~~10~~11	5, 6, 7, 8 and 11
d. Initial and ongoing training	FA – 5.4 DA – Not Applicable	7 and 11
e. Opening	FA – 5.3 DA – Not Applicable	7 and 11
f. Fees	FA - 3 DA – 5	5, 6 and 7
g. Compliance with standards, policies and manuals	FA – 5 and 9 DA - Not Applicable	8 and 11
h. Trademarks and proprietary information	FA – 8, 9 and 10 DA – ~~Not Applicable~~13	13 and 14
i. Restrictions on products and services offered	FA – 5.12 and 5.13 DA – 10	16

Obligation	Section in Franchise Agreement (FA) or Development Agreement (DA)	Item(s) in Disclosure Document
j. Warranty and customer service requirements	FA – 5.4 DA – Not Applicable	Not Applicable
k. Territorial development and sales quotas	FA – 1 and Exhibit B DA – 2 and Exhibit A	12
l. Ongoing product and service purchases	FA – 4 and 5.13 DA – Not Applicable	8
m. Maintenance, appearance and remodeling requirements	FA – 5.7 – 5.9 and 5.11 DA – Not Applicable	11
n. Insurance	FA – 11 DA – Not Applicable	6, 7 and 8
o. Advertising	FA – 5.21, 5.26, 6 and 8 DA – Not Applicable	5, 6, 7 and 11
p. Indemnification	FA – 16 DA – 12 and 28	6
q. Owner's participation, management and staffing	FA – 5.4, 5.6 and 5.27 DA – ~~11~~12	11 and 15
r. Records and reports	FA – 7 and 7.6 DA – Not Applicable	Not Applicable
s. Inspections and audits	FA – 5.14, 7.1 and 7.4 DA – Not Applicable	6
t. Transfers	FA – 12 DA – ~~11~~12 and 16	6 and 17
u. Renewal	FA – 2 DA – None	6, 11 and 17
v. Post-termination obligations	FA – 14 DA – ~~14~~15	17
w. Non-competition covenants	FA – 10 DA – ~~16~~17	17
x. Dispute resolution	FA – 17 DA – ~~17~~18	17

ITEM 10
FINANCING

Neither we nor any of our affiliates offer, directly or indirectly, any financing arrangements to our franchisees. We do not guarantee your notes, leases or other obligations.

ITEM 11
FRANCHISOR'S ASSISTANCE, ADVERTISING, COMPUTER SYSTEMS AND TRAINING

Except as listed below, we need not provide any assistance to you.

Pre-opening Obligations

Before you open your business, we will provide the following assistance:

1. Provide a copy of the standard construction package, including plans and specifications, site criteria, and sample site plans. We will also provide you a copy of our specifications for the furniture, fixtures, furnishings, kitchen display systems, equipment, signs and all other property

that we may specify for use in the Restaurant. You must adapt those plans and specifications, at your expense, for use at the location selected by you. (Development Agreement, Sections 6 and 7; Franchise Agreement, Section 4.1)

2. We will provide pre-opening training in the Del Taco System, including standards, methods, procedures and techniques, at the times and places we designate for our training programs, together with any additional training and assistance we determine necessary in connection with the opening of your Restaurant, including assistance by our personnel. (Franchise Agreement, Section 4.2). A description of that training appears later in this item. We currently charge no additional fees for those services.

3. We will provide you pre-opening assistance, including assisting you to formulate your initial opening orders for inventory and supplies. (Franchise Agreement, Section 4.3).

4. We will loan to you or otherwise provide you access to our confidential Standard Operating Procedures Manual and other manuals (the "Manuals"), which we may revise from time to time. (Franchise Agreement, Section 4.4).

5. We will provide you with merchandising, marketing and other related advice as we deem advisable and as we may develop from time to time. (Franchise Agreement, Section 4.5).

6. We will provide you with periodic individual or group advice, consultation and assistance, by personal visit, telephone, mail or e-mail as we may deem advisable. (Franchise Agreement, Section 4.6).

7. We will provide you with bulletins, brochures and reports that we may publish from time to time. (Franchise Agreement, Section 4.7).

8. We will have the right to specify or require certain brands, types, makes, and/or models of communications, computer systems, and hardware for use in the Restaurant. (Franchise Agreement, Section 4.8).

9. We will inspect the Restaurant prior to opening. (Franchise Agreement, Section 4.9).

Post-opening Obligations

During the operation of the franchised business, we will provide the following assistance:

1. Monitor the level of training and assist you in the maintenance of the proper training of management and crew to promote Restaurant profitability through the proper use of the Del Taco System. We will make training available to all of your future management employees during the term of the Franchise Agreement. (Franchise Agreement, Section 4.2)

2. Provide you electronic access to a copy of our Manuals and training aids as revised from time to time. (Franchise Agreement, Section 4.4)

3. Provide merchandising, marketing and other data and advice we periodically develop. (Franchise Agreement, Section 4.5) An explanation of the advertising program appears in more detail later in this item.

4. Provide periodic individual or group advice, consultation and assistance, rendered by personal visit, telephone or bulletins made available as we deem necessary. (Franchise Agreement, Section 4.6)

5. Provide bulletins, intranet information, brochures and reports we periodically publish regarding our plans, policies, research, developments, and activities. (Franchise Agreement, Section 4.7)

6. Provide other resources and assistance we may develop in the future. (Franchise Agreement, Section 4)

Location Selection and Opening

We grant each franchise for a specific location. You select the proposed location for your Restaurant. We generally do not own the real estate for your location and lease it to you. You must submit the proposed location to us for our acceptance, together with all information we request relating to the location. After our receipt of the complete package, we will visit the proposed location. Although we are under no obligation to conduct an on-site visit, we may visit a proposed location with you prior to our receipt of the complete package; however, no site will be considered for acceptance or rejection until a complete package has been submitted and reviewed. We will send you written acceptance or rejection of the location within 45 days after our receipt of all relevant information. If we do not receive all relevant information within a maximum of 60 days after your initial submission of the location for our acceptance, you should consider the location rejected. The failure to submit an acceptable location in a timely fashion will result in the termination of the Development Agreement and, in the absence of an acceptable location, we cannot issue a Franchise Agreement.

The review process largely depends on the time it takes you to submit a complete package. It generally takes 45 to 60 days but may take longer in certain instances. The factors that we consider in approving your location include the property's location, the general character and population density of the neighborhood, demographic characteristics, traffic patterns, lot size and configuration, parking accommodations and ratios established by local zoning ordinances, competition from other businesses and access and visibility of the property from adjoining roads or highways.

We have implemented a business impact policy, under which you may be required to reimburse us for a Trade Area Survey Analysis and make a business impact payment to an existing franchisee as a condition for our approval of your proposed location if your proposed location is within a specified proximity of the existing restaurant (even if outside its Protected Area) and is anticipated to have a specified business impact upon the existing restaurant. Any business impact policy we implement may be modified, suspended, discontinued, or waived by us at any time.

Typically, 3 to 12 months elapse from the time a franchisee signs a franchise agreement or first pays any consideration for the franchise, and the opening of the Restaurant for business. The factors affecting that length of time usually include financing arrangements, time for obtaining permits, construction time for the building and related improvements, local ordinance compliance, and delivery and installation of furniture, fixtures, equipment and signs. If we have approved a site at the time you sign your Franchise Agreement, the Franchise Agreement requires that you open a Restaurant for business to the public within 6 months after the date you sign the Franchise Agreement. If you have not obtained a location for the Restaurant at the time you sign the Franchise Agreement, you must obtain an approved location within 6 months after the date you sign the Franchise Agreement (which search period we may extend for 2 additional months) and you must then open the Restaurant with 6 months from the later of our approval of the location for the Restaurant or your access to the leased premises as permitted by your landlord under the lease. Your failure to open will constitute an event of default under the Franchise Agreement, for which we may terminate your franchise.

Advertising Program

We maintain and administer an advertising program in which you must participate and to which you must contribute by paying a ~~weekly~~monthly marketing fee. As described in Item 6, the current marketing fee

equals 4% of your net sales. We may increase the fee to the then-current marketing fee we charge new franchisees upon prior written notice to you. Except for ~~one~~a few non-traditional franchised ~~Restaurant~~Restaurants that ~~pays~~pay a lower rate, all franchisees contribute at the same rate. While not required to do so, all Del Taco Restaurants operated by us contribute on the same basis as franchisees: 4% of the Restaurant's net sales.

We oversee all advertising and promotional programs, with sole discretion to approve or disapprove the creative concepts, materials and media use in the programs and their placement and allocation. We generally work with an advertising agency in developing advertising for print, radio or television. Media coverage may be local, regional, or national. You may develop advertising materials for your own use, at your cost and according to our standards and requirements. We must approve any advertising materials in writing in advance of their use, including, without limitation, any website, home page, or other cyberspace content that you propose to place on the World Wide Web or other computer network, including without limitation, the use of our trademarks or trade names in any electronic media. If you do not receive written approval within 15 days after we receive the materials, you must consider us to have disapproved the materials. You may not use any advertising or promotional materials that we have disapproved.

We maintain a Social Media and Social Networking Policy which is more specifically contained in our Manuals. Del Taco franchisees should consider the terms of this policy prior to engaging in any online activity.

In all cases, we will have sole discretion and control over any profile(s) using or relating to the Marks, or that display the Marks, that are maintained on social media outlets, including without limitation Instagram, MySpace, Facebook, TikTok and Twitter or other similar outlets, that may exist in the future. We may use part of the marketing fee monies we collect under the Franchise Agreement to pay or reimburse the costs associated with the development, maintenance and update of the profile(s). We may (but are under no obligation to) establish guidelines under which you may establish profiles or otherwise establish a presence on the social media outlets. In that event, you must comply with the standards, protocols and restrictions that we impose on that use.

We will use the marketing fees for any and all costs of maintaining, administering, directing, conducting, creating and/or otherwise preparing advertising, marketing, public relations and/or promotional programs and materials, and any other activities which we believe will enhance the image of the Del Taco System, including, for example, the costs of preparing and/or conducting: media advertising campaigns; social media campaigns; direct mail advertising; marketing surveys and other public relations activities; employing advertising and/or public relations agencies to assist therein; brand research and development; developing and hosting marketing, brand development and enhancement, and customer engagement seminars for franchisees; purchasing promotional items; creating menu boards; developing new or modified trade dress and marks; point-of-purchase (POP) materials; design and photographs; conducting and administering visual merchandising, and other merchandising programs; purchasing media space or time (including all associated fees and expenses); administering regional and multi-regional marketing and advertising programs; market research and customer satisfaction surveys; developing and implementing customer loyalty and gift card programs; customer retention programs; the creative development of, and actual production associated with, premium items, giveaways, promotions, contests, public relation events, and charitable or non-profit events; developing, implementing and maintaining an electronic commerce website and/or related strategies; maintaining and developing one or more websites devoted to the Del Taco System and/or the "Del Taco" brand; providing promotional and other marketing materials and services to the Del Taco Restaurants operated under the Del Taco System; the salaries of Del Taco's employees to the extent such employees provide services in conjunction with Del Taco System marketing activities; and all administrative and internal costs and expenses incurred in connection with the above. We or our designee have the right to direct all advertising programs.

Although we intend to use the monies to develop advertising and marketing materials and programs and to place advertising that will benefit the entire Del Taco System, we have no obligation to use the contributions made from your Restaurant or from the Restaurants in your area for advertising in the area in which your Restaurant operates. We cannot assure you that your Restaurant will benefit directly or in proportion to your contribution.

During our last fiscal year, we spent the total marketing fees as follows: ~~8.64~~14.3% for the production of advertisements and other promotional materials; ~~11.83~~13.3% for general and administrative expenses; ~~11.83~~13.7% for other expenses, including public relations and research; and ~~67.70~~58.7% for media placement. A surplus of $399,590 was rolled over to the 2024 marketing funds budget.

We do not have any marketing funds audited. However, you have the right to review the financial statements for the marketing funds once a year on reasonable request. If any funds remain at the end of the tax year in which we received them, we will make all expenditures in the following year first out of the accumulated earnings from the prior years. We do not use any of the marketing fees to pay for the solicitation of new franchisees.

As mentioned in Item 8 above, vendors pay us marketing allowances based on your purchases, which we currently choose to apply to our advertising programs. We do not currently have any local or regional advertising cooperatives.

As a part of our marketing program, we may require that you participate in customer surveys and use a computer software program (see Item 8) to compile the requested information, at your expense.

Del Taco Franchise Marketing Advisory Team

We have established a Franchise Marketing Advisory Team ("FMAT") comprised of ~~six~~five franchisee representatives selected by us. The FMAT serves in an advisory capacity, and we have the right to change, dissolve and reform the team.

Computer Systems

All new Del Taco franchisees must purchase their point-of-sale and back-office equipment and software from vendors that we may designate or approve and must enter into the Hardware and Software License and Support Agreement attached as Exhibit G-1 to this Disclosure Document. The Franchise Agreement and the Development Agreement require that you obtain and install in your Restaurant the data processing equipment, computer hardware, kitchen display systems, credit card processing machines, required dedicated telephone and power lines, modems, printers, and other computer-related accessory and peripheral equipment, as well as point-of-sale equipment and timers, compatible with our electronic collection and retrieval systems. You must implement high-speed internet service and a secure network with both anti-virus and anti-malware software, and a professionally managed firewall in your Restaurant. You must use only the software programs, network services, and Internet service providers we have approved. We also have the right to require proprietary operating systems and processes relative to point-of-sale, bookkeeping, operations, customer relationship management, financial information, inventory, workforce management, timeclocks, loyalty program hardware, compliant credit card processing machines, kitchen display systems and speed of service processes in connection with the operation of your Restaurant. Additionally, we have the right to require that you input and maintain in your computer the software programs, data and information that we may prescribe. Your estimated costs to purchase or lease the computer system will range from $~~58,000~~59,000 to $~~80,000~~100,000. If you elect to purchase any such computer-related hardware or equipment through us, we will purchase the hardware or equipment on your behalf from approved third-party vendors and we will resell such hardware or equipment to you at no markup; that is, you will reimburse us in full for our costs of such hardware or equipment. We will collect an equipment deposit from you in the amount of $50,000 before your

Restaurant opens at the time you request we purchase the hardware or equipment on your behalf. After your Restaurants opens, you and we will reconcile the amount of the deposit against our actual purchase price of the hardware or equipment we purchased on your behalf; that is, we will refund to you any unused portion of the equipment deposit or, alternatively, you will reimburse us for the amount of the purchase price in excess of the equipment deposit.

We may require that you pay the subscription costs or other fees for this optional software, and any other software programs we may designate in the future.

Before the opening of your Restaurant, if you are not able to schedule a qualified third-party vendor, we will provide technical support at your Restaurant through the first day of opening of your Restaurant. The date and time of the pre-opening support will be determined by us in our sole discretion. You must reimburse us for our travel, meals, lodging and expenses~~, which are estimated to range from $1,700 to $3,500~~.

You will use the point-of-sale and back office systems to collect, fill and account for your customer orders; collect and monitor a variety of sales data, including gross sales, net sales, discounts, ticket averages, traffic and other sales data; place electronic orders for your inventory and supply items; prepare and distribute your employee work schedules; collect and monitor your food costs, labor costs, and other expenses; and perform sales forecasting, food preparation projections, ideal food cost analyses, menu mix analyses, cash management and other activities.

You must implement all modifications, upgrades and updates that we require with regard to the equipment, software and systems described above at your sole cost and expense. The Franchise Agreement and the Hardware and Software License and Support Agreement do not contain any contractual limitations on the frequency or cost of that obligation.

We provide support services for your required computer systems. The cost of our support services is currently $40 per week per Restaurant for your 1st through 5th Restaurants, $34.25 per week per Restaurant for your 6th through 10th Restaurants, and to $28.50 per week per Restaurant for the 11th Restaurant and beyond. That amount includes all necessary maintenance, repair, upgrades and updates to our proprietary software. You must pay the costs of maintaining and repairing your computer equipment. The weekly fee for point of sale support services equals $28.50 per week, $22.75 per week for the 6th through 10th Restaurants and to $17.00 per week for the 11th Restaurant and beyond. Each year, we have the right to increase that amount to the then-current amount being charged new franchisees. Your annual equipment maintenance and repair costs will vary depending on your specific needs. In addition, you must pay a fee of $150 per hour for on-site software or hardware installation and troubleshooting you request.

You must participate in our electronic guest experience measurement program, which provides data regarding customer satisfaction with your Restaurant, among other information. No fee is charged, currently. This ~~weekly~~ cost is currently covered by Marketing Fees, but we reserve the right to charge you in the future. See Item 6.

We may independently access your computer system at any time to retrieve and use any data and information from your computer system. There are no contractual limitations on our right to access such information.

Del Taco Operations Manuals

On request, we will permit you to view our Manuals and other manuals at our headquarters or elsewhere as mutually arranged before you purchase a Del Taco franchise.

We will notify our franchisees of our current specifications, standards, and approved vendors in writing, by letter or by email, and through the publication of operating manuals, including the Manuals. The Manuals and communications regarding System standards and specifications are incorporated by reference into and are part of the Franchise Agreement and have the same force and effect as other provisions of the Franchise Agreement.

Training

Before opening your Restaurant, we offer a Franchise Management Training Program (the "FMTP") to qualify you, your Operating Principal and your Restaurant's managers to operate the Restaurant in accordance with our standards and procedures. Included in the FMTP is pre-opening training to enable you, your Operating Principal, one full-time restaurant manager ("Restaurant Manager") and at least 5 additional shift managers to learn the proper preparation and presentation of our food products. We require that each of these personnel spend 240 hours before the Restaurant's opening in this pre-opening training portion of the FMTP and receive certification from us. We issue that certification based on completion of the FMTP to our satisfaction. We require the completion of all FMTP training generally at least 3 weeks before the opening of your Restaurant. The ~~general manager~~Restaurant Manager of each Restaurant must have a minimum of one year of quick service ~~Restaurant~~restaurant management experience, spend 240 hours before the Restaurant's opening in this pre-opening job training session, satisfactorily complete the training program, and receive our certification. Any subsequent ~~general manager~~Restaurant Manager that you may hire also must have the minimum one year of quick service Restaurant management experience, satisfactorily complete the training program, and receive our certification. Restaurants with 24-hour operations must always have a minimum of one ~~general manager~~certified Restaurant Manager and 5 shift managers. Restaurants without 24-hour operations must have a minimum of one ~~general manager~~Restaurant Manager and 4 shift managers. An assistant manager is not required but may take the place of one shift manager in any Restaurant. You and/or your Operating Principal may serve as one or more of the required number of trained managers for your first Restaurant.

~~For~~If the Restaurant is one of your first two Del Taco Restaurants, we require the following staffing: Restaurants with 24-hour operations must always have a minimum of one ~~general~~restaurant manager and ~~5~~9 shift managers. Restaurants without 24-hour operations must have a minimum of one ~~general manager~~Restaurant Manager and ~~8~~7 shift managers. An assistant manager is not required but may take the place of one shift manager in any Restaurant. Prior to the approval of start of construction for each additional Restaurant, a written plan for shift manager candidates must be identified or starting training in another Restaurant. This includes candidates for any managers (shift managers and ~~general managers~~Restaurant Managers) who will be moving from an existing Restaurant to a new Restaurant. Prior to opening the next store, all of the managers who will remain in your existing stores must be certified.

The 5-week in-Restaurant training program takes place in a certified training Restaurant as and when needed. In addition to the 5 weeks of in-Restaurant training, we require completion of our virtual management training courses for shift managers and above. Assistant managers must attend a one-day in-person class to obtain assistant manager certification. Starting in fiscal year 2024 Restaurant Managers must attend a two-day in-person class to obtain Restaurant Manager certification.

We require a 2-week training program for your crew, the Franchise Pre-Opening Crew Training ("FPCT"). You must designate a minimum of 50 crew candidates (40 if no Breakfast or Late Night) to participate in the FPCT for 2 weeks before the opening of your Restaurants. We will lead the crew training of your first restaurant as well as certifying the identified new restaurant trainer or ~~general manager~~Restaurant Manager from your organization who will participate in the 2-week training program. For your second restaurant, we will assist the certified trainer from your organization as we deem appropriate throughout the 2-week crew training. Initial trainings are held as needed prior to the opening

of your Restaurant. Additional training may be needed in the territory where you are developing a new Restaurant.

We maintain a formal training staff. Our training managers have served in many capacities in the Restaurant industry, including management in Del Taco Restaurants. Our senior training management has received formal training and certifications in hospitality training. ~~Gabe Hosler~~Meghan Kelley, our ~~V.P.~~Director of Operations Support ~~& Training~~, oversees our training programs. ~~Mr~~Ms. ~~Hosler~~Kelley has served in this position since ~~January~~June 2019, and has over ~~25~~19 years of experience in restaurant operations. Our training materials consist of a Manager-in-training Manual, e-learning content and the Del Taco Products & Procedures Manual.

After your first Restaurant opens and you train new employees, we will monitor the level of training and assist you in the maintenance of proper training of your management and crew to promote the proper use of the Del Taco System. We will make instore training available to all of your future management employees for the term of the Franchise Agreement. We do not charge a training fee payable for the above-described training, ~~except to reimburse Del Taco for texts and testing fees relating to certain food safety courses. However~~however, you must pay for all costs and expenses, like salaries, wages, supplies, rooms, meals and transportation for you, your managers, and each of your employees participating in the training program. Franchisees are responsible for costs and expenses related to any required food safety (Serv Safe Certification) and food handler certifications.

The following chart summarizes the subjects taught during the training:

TRAINING PROGRAM

Subject	Hours of Training	Hours of On-the-job Training	Location
Team Member 5-Week Orientation: (policies and procedures, safety), Grill, Taco Bar and Service Prep Station Training	0	200	Nearest Certified Training Restaurant
*Management Training: Includes operations, supervision, administrative training, Shift Management, Guest Services, Interpersonal Skills	~~32~~40	200	Nearest Certified Training Restaurant**
Food Safety: One Week of Training	8	0	Nearest Certified Training Restaurant
Totals	~~40~~48	400	

* All Del Taco ~~General~~Restaurant Managers are required to have a current valid Serv Safe Certification. This certification is the franchisee's responsibility but is required to be a certified Del Taco ~~General~~Restaurant Manager.

* ~~There are~~* Certified Training Restaurants~~, which~~ may be franchised or company-owned Restaurants~~,~~ and are located in various states. You may attend training at the Certified Training Restaurant nearest to you.

ITEM 12
TERRITORY

Franchise Agreement

The Franchise Agreement grants you the right to operate a Del Taco restaurant at a single location selected by you and approved by us. If an approved location has not been identified when you execute the Franchise Agreement, a Site Selection Addendum to the Franchise Agreement will identify ~~the geographic area in which you may search for a site (the "Site Selection Area"). The exact size of the Site Selection Area within which you will search for a site~~market points as determined by us (the "Site Selection Area") which will be ~~determined by us based our evaluation of several factors, including without limitation, designated market area; daytime and/or residential population; density of population; growth trends of population; apparent degree of affluence of population;~~within an approximate one-mile radius in which you may search for a site. When establishing market points, we consider various information, such as the ~~density~~locations of ~~residential and business entities; traffic generators, driving times; major topographical features which clearly define contiguous areas, like rivers, mountains, major freeways, and underdeveloped land areas~~other restaurants, direct and indirect competition, store characteristics, historical consumer source surveys, sales history, mobile customer data, demographics, and psychographics, among others. Once approved by us, we will list the Restaurant's approved location on Exhibit A of the Franchise Agreement.

Except as described below, we will grant you a protected area around the approved location of the Restaurant (the "Protected Area"). The Protected Area ~~will all of the~~is a circular area within a one-mile radius from the front door of your Del Taco Restaurant, excluding Alternative Points of Distribution (described below).

You are required to operate the Restaurant only at the location we approve. You may not operate the Restaurant or offer or sell any products or services at or from any location other than the approved location identified in Exhibit A of the Franchise Agreement. We do not restrict you from soliciting or accepting food or beverage orders from consumers outside your Protected Area, including the internet, catalog sales, telemarketing, or direct marketing. However, we have the right to approve all advertising and marketing media and materials you wish to use. No restrictions exist that prevent us from soliciting or accepting orders from consumers inside your Protected Area in the same manner, and we will owe you no compensation if we do so. You may not relocate the Restaurant without our prior written consent. You must comply with our then-current site selection and construction standards.

You will not receive an exclusive territory. You may face competition from other franchisees, from outlets that we own, or from other channels of distribution or competitive brands that we control.

We will not operate or license others the right to operate any a Del Taco Restaurant at a physical premises located within the Protected Area (subject to the reservations and limitations described below) during the term of your Franchise Agreement. Except as expressly limited by the previous sentence, we and our affiliates retain all rights with respect to Del Taco restaurants, other branded, co-branded, or multi-branded restaurants, the Proprietary Marks, the sale of similar or dissimilar products and services, and any other activities we deem appropriate whenever and wherever we desire. Specifically, we and our affiliates retain the following rights to:

1. Advertise and promote the System within and outside the Protected Area.

2. Develop, construct, operate, merchandise, sell, license, and/or franchise others to sell Del Taco menu items, foods, and other products and services to the public within Protected Area, including the immediate area surrounding any Del Taco Restaurant, through restaurant outlets (whether mobile or fixed, permanent, or temporary) located on military bases, institutional outlets

(including, for example, college campuses, hospitals, and school lunch programs), fairs, athletic contests, or other special events, casinos, airports, and larger retail outlets, including (without limitation) Wal-Mart and Home Depot, toll roads, limited access highways, schools, universities, enclosed shopping malls, hotels, industrial or government facilities, amusement or theme park complexes, train stations, bus stations, or transportation facilities, and other locations owned or operated by major institutions with sites throughout the country or a particular state (collectively referred to as "Alternative Points of Distribution") and to use the Del Taco System in connection with those Alternative Points of Distribution.

3. Offer and sell any products or services (including those offered by the Restaurant), under any marks (including the Proprietary Marks) outside of the Protected Area, and through any means (including through a Del Taco Restaurant).

4. Construct and operate other Del Taco Restaurants and to use the Del Taco System or any part of the Del Taco System at any location outside the Protected Area and to license others to do the same.

5. Establish, operate, and license others to establish and operate, businesses other than Del Taco Restaurants within and outside of the Protected Area.

6. Establish, operate, and license others to establish and operate, any co-branded or multi-branded restaurant or food-related business, within or outside the Protected Area, which uses the Proprietary Marks and the trademark(s) of one or more other related or unrelated brands and which may offer or sell same or similar menu items as Del Taco restaurants.

7. Offer and sell, and authorize others to offer and sell, approved collateral products and services, including those offered and sold at the Restaurant (such as pre-packaged food products, clothing, and other branded merchandise and memorabilia), under the Proprietary Marks or other marks at or from any location or through any channel of distribution (including, but not limited to, grocery stores, catalogs, the Internet, other retail or restaurant locations and other food service facilities such as kiosks, concessions, food trucks, or multi-brand facilities) and provide a limited number or representative sample of the products and services normally offered by the Restaurant.

8. Establish and operate, and license others to establish and operate, any restaurants or other businesses that Del Taco or its affiliates may operate or license as a result of any acquisition, consolidation, or merger, whether or not located within the Protected Area and despite the proximity of such restaurants to the Protected Area or the Restaurant or their actual or threatened impact on sales at the Restaurant, whether or not such other restaurants or businesses operate under the Proprietary Marks or under other marks.

9. Engage in any other activity, action, or undertaking that Del Taco or its affiliates are not expressly prohibited from taking under this Agreement.

The restrictions on our right to operate in your Protected Area do not apply to any Del Taco Restaurant existing or under development on the date the Franchise Agreement is signed. We are not required to pay you if we or our affiliates exercise any of the rights specified above inside or outside your Protected Area.

Development Agreement

If you sign a Development Agreement, you will have the right and obligation to develop an agreed-upon number of Del Taco restaurants within a defined geographic area (the "Development Area") during the term of, and subject to a prescribed schedule ("Development Schedule) and other conditions set forth in, the Development Agreement.

The size and scope of the Development Area, which will be set forth in Exhibit A to the Development Agreement when you execute your Development Agreement~~, may range from a portion of a city or an unincorporated area to a single or multi-county or single state area~~. The Development Area ~~generally~~ will be defined by market points as determined by us~~ based our evaluation of relevant "market points" based on several factors, including without limitation, designated market area; daytime and/or residential population; density of population; growth trends of population; apparent degree of affluence of population;~~. When establishing market points, we consider various information, such as the ~~density~~locations of ~~residential and business entities; co-tenants of your Restaurant at the Selected Site, traffic generators, driving times; major topographical features which clearly define contiguous areas, like rivers, mountains, major freeways, and underdeveloped land areas; whether an area is a "mature market" that is, whether or not, in our determination, there is already a dense concentration of Del Taco restaurants; and proximity and potential business impact upon existing Del Taco restaurants, franchisees, and developers (even if outside their Protected Area or Development Area). We may describe in Exhibit A to~~other restaurants, direct and indirect competition, store characteristics, historical consumer source surveys, sales history, mobile customer data, demographics, and psychographics, among others. In most cases, the Development Agreement ~~the Development Agreement by reference to all or part of a specific city, county, or state lines, trade areas, to a description, an area marked on a map, streets or highways, political jurisdiction boundaries, by an area encompassed within a radius of a specific distance (or a range of distances) or of a distance sufficient to encompass a specified population (or range of populations), or by such other method of delineation as we may prescribe. We reserve the right to grant development rights for a specific term and according to a schedule that expedites~~gives you no option or right to increase, reduce or otherwise change your Development Area, the ~~development~~number of restaurants you must open, or the time period in which you must open the ~~area~~restaurants.

You will not receive an exclusive territory. You may face competition from other franchisees, from outlets that we own, or from other channels of distribution or competitive brands that we control.

Subject to your full compliance with the Development Agreement and any Franchise Agreements or other contracts with us or our affiliates, we will grant you the exclusive rights to develop Del Taco Restaurants in the Development Area during the term of the Development Agreement. Subject to the reservations and limitations described below, we will not establish, or grant franchises for others to establish, Del Taco Restaurants in the Development Area during the term of the Development Agreement. Except as expressly limited by the previous sentence, we and our affiliates retain all rights with respect to Del Taco restaurants, other branded, co-branded, or multi-branded restaurants, the Proprietary Marks, the sale of similar or dissimilar products and services, and any other activities we deem appropriate whenever and wherever we desire. Specifically, we and our affiliates retain the following rights:

Under the Development Agreement and the Franchise Agreement, we retain the following rights:

1. The right to construct and operate other Del Taco Restaurants and to use the Del Taco System or any part of the Del Taco System at any location outside the Development Area and to license others to do the same.

2. The right to develop, use, and franchise the rights to any trade names, trademarks, service marks, trade symbols, emblems, signs, slogans, logos, or copyrights designated by us for use with the Del Taco System for use with the same, similar, or different franchise systems for the sale of the same, similar, or different products or services as those used in connection with the Del Taco System at any location outside the Development Area on any terms and conditions we may deem advisable and without granting you any rights in them.

3. The right to develop, construct, operate, merchandise, sell, license, and/or franchise others to sell

Del Taco foods and other products to the public within the Development Area, including the immediate area surrounding any Del Taco Restaurant location you submit to us for approval, or any Del Taco Restaurant you establish, irrespective of any boundaries otherwise referenced in the Development Agreement, through Restaurant outlets (whether mobile or fixed, permanent, or temporary) located on military bases, institutional outlets (including, for example, college campuses, hospitals, and school lunch programs), fairs, athletic contests, or other special events, casinos, airports, and larger retail outlets, including (without limitation) Wal-Mart and Home Depot, toll roads, limited access highways, schools, universities, enclosed shopping malls, hotels, industrial or government facilities, amusement or theme park complexes, train stations, bus stations, or transportation facilities, and other locations owned or operated by major institutions with sites throughout the country or a particular state (collectively referred to as "Alternative Points of Distribution") and to use the Del Taco System in connection with those Alternative Points of Distribution.

4. The right to establish, operate, and license others to establish and operate, any co-branded or multi-branded restaurant or food-related business, within or outside the Development Area, which uses Del Taco's trademarks and the trademark(s) of one or more other related or unrelated brands and which may offer or sell same or similar menu items as Del Taco restaurants.

5. After the expiration or earlier termination of the Development Agreement, to continue to construct and operate other Restaurants and to use the Del Taco System at any location within the Development Area and to license others to do the same.

6. Offer and sell, and authorize others to offer and sell, approved collateral products and services, including those offered and sold at Del Taco Restaurants (such as pre-packaged food products, clothing, and other branded merchandise and memorabilia), under the Del Taco's trademarks or other marks at or from any location or through any channel of distribution (including, but not limited to, grocery stores, catalogs, the Internet, other retail or restaurant locations and other food service facilities such as kiosks, concessions, food trucks, or multi-brand facilities) and provide a limited number or representative sample of the products and services normally offered by the Del Taco Restaurants.

7. Establish and operate, and license others to establish and operate, any restaurants or other businesses that Del Taco or its Affiliates may operate or license as a result of any acquisition, consolidation, or merger, whether or not located within the Development Area and despite the proximity of such restaurants to the Development Area or their actual or threatened impact on sales at any Del Taco Restaurant, whether or not such other restaurants or businesses operate under Del Taco's trademarks or under other marks.

8. Engage in any other activity, action, or undertaking that Del Taco or its Affiliates are not expressly prohibited from taking under this Agreement.

The continuation of your rights within the Development Area under the Development Agreement does not depend on the achievement of a certain sales volume, market penetration beyond that described in the Development Schedule, or any other contingency. The Development Agreement gives you no option or right to increase, reduce, or otherwise change your Development Area, the number of restaurants you must open, or the Development Schedule during which you must open the restaurants. The restrictions on our right to operate in your Development Area do not apply to any Del Taco Restaurant existing or under development on the date the Development Agreement is signed. We are not required to pay you if we or our affiliates exercise any of the rights specified above inside or outside your Development Area.

As a condition to exercising your development rights under your Development Agreement, you must remain in full compliance with all provisions of your Development Agreement and any other agreements

(including any Franchise Agreements) between you and your affiliates and us and our affiliates. You must execute a separate Franchise Agreement, on our then-current form of franchise agreement, for each Restaurant. Each proposed site must satisfy our then-current site selection criteria, and you must submit to us in a timely manner all information and documents requested by us in connection with the Development Agreement or any other agreements to be executed between you and any of your affiliates and us or any of our affiliates, and you must have taken such additional actions in connection therewith as may be requested by us.

~~Under a Development Agreement, you may request to extend the development period for a particular Restaurant for one period of twelve (12) months, by: (i) providing us with six (6) months' advance written notice of such request, and (ii) paying a non-refundable $5,000 extension fee ("Extension Fee") at least ten (10) days prior to the expiration of the original development schedule associated with the Restaurant. We will approve or disapprove the request for extension at our sole option. Such Extension Fee(s) will be applied toward payment of the Franchise Fee for subject location upon execution of the applicable Franchise Agreement and, if the development period under a Development Agreement is not extended or otherwise lapses, we will retain any and all Extension Fees.~~

Your Options or Rights of First Refusal

We will notify you in writing of our or another franchisee's intent to develop one or more Del Taco Restaurants at the specific Alternative Point of Distribution within the Development Area or Protected Area, as applicable. If you can demonstrate to our satisfaction, within 30 days of your receipt of such notification, that you have the ability to enter into an agreement under the same terms and conditions offered to us or another franchisee, as well as the financial and operational resources available for the development of the Del Taco Restaurant at the specific Alternative Point of Distribution, then we will offer the opportunity to you under the same terms and conditions offered to us or another franchisee. Except as described above regarding a proposed Del Taco Restaurant at an Alternative Point of Distribution within your Protected Area or Development Agreement, the Franchise Agreement and Development Agreement does not give you any options, rights of first refusal, or similar rights to acquire additional franchises, but you may apply for the right to operate additional Del Taco Restaurants under separate Franchise Agreements. Each additional franchise agreement will dictate the terms and conditions under which you may own and operate any additional Restaurant.

Operations of Our Affiliate Under Different Trademarks

Our affiliate, Different Rules, LLC ("Jack in the Box Franchisor"), franchises quick-service restaurants that operate under the "Jack in the Box" trademark and offer a variety of foods, including hamburgers, specialty sandwiches, French fries, tacos, salads, bowls, drinks, and side items. Our affiliate, Jack in the Box Properties, LLC ("JIB Properties") operates company-owned Jack in the Box restaurants. The principal business address for Jack in the Box Franchisor and JIB Properties is 9357 Spectrum Center Blvd., San Diego, California 92123. Jack in the Box restaurants may be located near your Del Taco restaurant's location, and may solicit and accept orders from customers near your Del Taco restaurant's location or within your Protected Area (under a Franchise Agreement), or Development Area (under a Development Agreement). These Jack in the Box restaurants may be located within your Protected Area or Development Area, or open there at any time. Though we have no current plans to do so, we and our affiliates (including those identified in Item 1) may operate or franchise co-branded or multi-branded Restaurants within your specified area that use our trade name, trademarks, and service marks together with the trade name, trademarks and service marks of one or more related or unrelated companies. We do not anticipate conflicts with, or between, Del Taco franchisees and Jack in the Box franchisees, or between Del Taco franchisees and the operators of co-branded or multi-branded restaurants, regarding territory, customers, or franchisor support because we only grant Del Taco franchises and the restaurant concepts offer different food products and dining experiences. If a conflict does arise, we will analyze the

conflict and take actions (if any) that we deem appropriate, which may include participating in nonbinding mediation.

ITEM 13
TRADEMARKS

We grant you the right to operate a Restaurant under the name "Del Taco" and to use those other current or future marks that we designate for the operation of your Restaurant. By "Marks," we mean trade names, trademarks, service marks, and logos used to identify your Restaurant.

In addition to other registered Marks, we have registered the following principal Marks with the United States Patent and Trademark Office on the Principal Register, and we have filed all required affidavits of continued use regarding the following Marks:

Mark	Registration Number	Registration Date
Del Taco	~~3,578,966~~3578966	February 24, 2009
Del Taco (with 3-D Sunrise)	~~2,492,285~~2492285	September 25, 2001
Del Taco (with sunrise logo)	~~1,830,903~~1830903	April 12, 1994
Del Taco (with sunrise logo)	~~1,793,268~~1793268	September 14, 1993
~~Del Taco Express~~	~~1,458,796~~	~~September 22, 1987~~
~~Del Taco Mexican Café~~	~~1,392,800~~	~~May 6, 1986~~

You must follow our rules when you use the above Marks. You cannot use the Marks as part of a corporate, limited liability company, or partnership name or with modifying words, designs or symbols. You may not use the Marks in connection with the sale of any unauthorized products or services or in any manner not authorized by us.

The Franchise Agreement requires that we protect any or all rights that you have to use our principal Marks and to protect you against claims of infringement or unfair competition with respect to the same. You must inform us promptly in writing of any infringement of the Marks by another party and of any litigation instituted against Del Taco relating to the Marks. We have the right, but not the obligation, to take action as we deem advisable to prevent any infringement and to join you as a party, if necessary. You must assist us, as our counsel decides appropriate, in protecting our interest in the Marks.

If we decide, in our sole discretion, to modify or discontinue use of any name or Mark and/or use one or more additional or substitute names or Marks, you must do so and we do not have to reimburse you for any costs associated with complying with that obligation.

We do not have to indemnify you against, or reimburse you for, any damages that you suffer in any proceeding arising out of the use of any name or Mark or for any costs incurred by you in the defense of any of those claims.

We know of no effective determinations of the Patent and Trademark Office, Trademark Trial and Appeal Board, the trademark administrator of any state or any court; any pending infringement, opposition or cancellation proceedings; or any pending material litigation involving our Marks relevant to their use in any state. We have no agreements which significantly limit our rights to use or license the use of our Marks. We know of no prior rights or infringing uses that would have a material effect on your use of our Marks.

ITEM 14
PATENTS, COPYRIGHTS AND PROPRIETARY INFORMATION

We hold no patents material to the Del Taco franchise.

We claim copyright protection in our Manuals and related materials, although we have not registered those copyrights with the United State Copyright Office. We consider the Manuals and related materials confidential, proprietary and our property. You may use them only in the operation of your Restaurant as provided in the Franchise Agreement. You may not use our confidential and proprietary information in any unauthorized manner and must take reasonable steps to prevent its disclosure to others. Your right to use those materials continues as long as the Franchise Agreement remains in effect.

Neither the United States Copyright Office nor any court has made any currently effective determinations regarding any of our copyrighted materials. We have no agreements in effect that significantly limit our right to use or license the use of our copyrighted materials. Finally, we know of no infringing uses that could materially affect your use of our copyrighted materials in any state. We have no obligation to protect or defend our copyrights or confidential information, although we intend to do so when in the best interest of our system.

ITEM 15
OBLIGATION TO PARTICIPATE IN THE ACTUAL OPERATION OF THE FRANCHISE BUSINESS

We require you to participate personally in the direct operation of the franchise. If you operate as a legal entity, someone affiliated with your organization and approved by us must participate personally in the operations. Your designated Operating Principal and you must attend and satisfactorily complete the initial training program conducted by us as described in Item 11. To ensure a consistent brand experience, we require that the person responsible for the direct operation of the franchise have at least two years of experience (for a single unit franchisee) as a manager of a quick service Restaurant or at least five years of experience (for a multi-unit franchisee) as a manager of a quick service Restaurant, and an equity interest of at least 10% in the business.

You will control and be solely responsible for the day-to-day operation of the Restaurant and the terms and conditions and employment of your personnel, including the soliciting, hiring, firing, disciplining, paying, scheduling, and managing of your employees.

We may require that you and each person who is actively involved in the operation of the franchise, including the manager, execute an agreement in the form provided by us, under which each of you agree not to divulge any of our trade secrets or confidential or proprietary information, including the contents of any of our manuals, or to participate in or have any interest in any competitive business.

If you operate as a legal entity, we will require all of your owners to execute the personal guaranty of your obligations attached to the Franchise Agreement and Development Agreement.

ITEM 16
RESTRICTIONS ON WHAT THE FRANCHISEE MAY SELL

You must offer for sale and sell only those products and services that we have approved. You may not offer for sale any products or perform any services that we have not authorized previously in writing. See Items 8 and 9, above. We have the right to change the types of authorized products and services, without limitation.

We do not restrict whom you may serve. You generally must keep your Del Taco Restaurant open to the public 24 hours each day, every day of the year, except Christmas. Any changes to these opening hours must be expressly approved in writing by Del Taco.

ITEM 17
RENEWAL, TERMINATION, TRANSFER AND DISPUTE RESOLUTION

The following table lists certain important provisions of the Franchise Agreement pertaining to renewals, terminations, transfers and dispute resolutions. You should read those provisions in the Franchise Agreement attached as Exhibit E to this Disclosure Document.

THE FRANCHISE RELATIONSHIP

Provision	Section in the Agreement	Summary
a. Term of the franchise	2.1	The initial term expires 20 years after the date the Restaurant opens.
b. Renewal or extension of the term	2.2	We offer 1 additional term, which shall be the lesser of (a) twenty (20) years or (b) the remaining term of the lease for the Restaurant premises.
c. Requirements for you to renew or extend	2.2.1 – 3	No default may exist under the existing agreement. Provide notice of renewal at least 12 months in advance. We will require that you sign a new Franchise Agreement (which may contain materially different terms and conditions than your original franchise agreement and which may increase the fees payable by you), sign a general release (see Exhibit I), all monetary obligations have been met, and pay a Renewal Fee and Promotional Fee. We also may require that you remodel your Restaurant and complete additional training. The expenditure required to remodel the Restaurant will be capped at $250,000 indexed pursuant to the Consumer Price Index (CPI).
d. Termination by you	Not Applicable	Not Applicable, subject to state law.
e. Termination by us without cause	Not Applicable	Not Applicable
f. Termination by us with cause	13	We may terminate upon default.
g. "Cause" defined-defaults which can be cured	13.3	You have 30 days to cure operational defaults and 5 days for monetary defaults.
h. "Cause" defined defaults which cannot be cured	13.2	The term "cause" includes danger to health or safety, bankruptcy, assignment for the benefit of creditors, felony conviction, repeated violations, execution of levy not discharged within five days, attachment of property, and unsatisfied final judgments of $10,000 or more for 30 days or longer, and default under any other agreement between you and us or our affiliates.
i. Your obligations on termination and non-renewal	14	You must pay amounts due, cease the use of our Marks, return our manuals, and de-identify the Restaurant.

Provision	Section in the Agreement	Summary
j. Assignment of contract by us	12.1	The agreement has no restriction on our right to assign.
k. "Transfer" by you – definition	12.3	The term "transfer" includes the transfer of the agreement, the Restaurant's assets, or any interest in you.
l. Our approval of transfer by you	12.4	We have the right to approve all transfers; we will not withhold our consent unreasonably.
m. Conditions for our approval of transfer	12.4	No default may exist and you pay all amounts due and sign a general release; the transferee must complete our training and meet all of our other requirements, sign our then-current form of franchise agreement, and pay a transfer fee.
n. Our right of first refusal to acquire your business	12.6	We have an option for 30 days to purchase upon same terms and conditions offered to the third party.
o. Our option to purchase your business	12.6	We have an option to purchase your business upon the termination or expiration of your Franchise Agreement.
p. Your death or disability	12.7 and 12.8	We will not withhold consent unreasonably to a transfer to a third party within 6 months, provided the transferee meets our general conditions of transfer.
q. Non-competition covenants during the term of the franchise	10.5	You cannot use the Del Taco System or any other names, marks, systems, logotypes, symbols or foodstuffs provided by us or an approved supplier in connection with another Restaurant; you cannot operate any "competitive business", which means a Restaurant or food service business that offers one or more Mexican or similar style menu items, and is operated in a quick service, fast food, or fast casual format, within two miles of your original location or any other existing Del Taco Restaurant.
r. Non-competition covenants after the franchise terminates or expires	10.6	For a period of two years, you cannot operate a competitive business within two miles of your original location or any other existing Del Taco Restaurant.
s. Modification of the agreement	23	No changes can take place unless mutually agreed to in writing.
t. Integration/ merger clause	23	Only the written terms of the agreement and exhibits bind the parties. Notwithstanding the foregoing, nothing in this or any related agreement is intended to disclaim the express representations made in the Franchise Disclosure Document, its exhibits and amendments. Any representations or promises outside of the Franchise Disclosure Document and other agreements may not be enforceable.
u. Dispute resolution by arbitration or mediation	17	The parties must arbitrate any controversy or claim, except that either party may file for preliminary injunctive relief, a restraining order, or

Provision	Section in the Agreement	Summary
		order of specific performance, including, without limitation, injunctive relief pertaining to the use of the Del Taco System and Marks.
v. Choice of forum	17.2 and 17.3	All litigation and arbitration must take place in Orange County, California, subject to applicable state law. See Exhibit F.
w. Choice of law	17.1 and 17.3	California law applies, subject to applicable state law. See Exhibit F.

The following table lists certain important provisions of the Development Agreement pertaining to renewals, terminations, transfers and dispute resolutions. You should read those provisions in the Development Agreement attached as Exhibit D to this Disclosure Document.

THE DEVELOPER RELATIONSHIP

Provision	Section in the Agreement	Summary
a. Term of the franchise	3	The term runs from date of execution to the earlier of the opening date of the last Restaurant required or the actual opening date of the last Restaurant required.
b. Renewal or extension of the term	Not Applicable	Not Applicable
c. Requirements for you to renew or extend	Not Applicable	Not Applicable
d. Termination by you	Not Applicable	Not Applicable
e. Termination by us without cause	Not Applicable	Not Applicable
f. Termination by us with cause	15	We can terminate only if you commit any one of several listed violations.
g. "Cause" defined-defaults which can be cured	14	You have 5 days to cure any monetary defaults and 30 days to cure any other defaults listed in the Development Agreement.
h. "Cause" defined-defaults which cannot be cured	14	Grounds for immediate termination include your failure to comply with your Development Schedule, insolvency, having a receiver appointed, having an unsatisfied final judgment of $10,000 or more for 30 days or longer, having your property attached and the proceedings not dismissed within 30 days, having repeated violations, a suffering a felony conviction, or defaulting under any Franchise Agreement or other agreement with us. Termination of your Development Agreement will not affect your rights to operate Restaurants under a Franchise Agreement unless and until such Franchise Agreement expires or is terminated.
i. Your obligations on termination and non-renewal	15	You must cease to select or develop sites for Del Taco Restaurants.
j. Assignment of contract by	None	The agreement does not restrict our right to assign.

Provision	Section in the Agreement	Summary
us		
k. "Transfer" by you – definition	12	The term "transfer" includes a transfer of the agreement or any ownership interest in you.
l. Our approval of transfer by you	12	You do not have any right to transfer the agreement.
m. Conditions for our approval of transfer	12	You do not have any right to transfer the agreement.
n. Our right of first refusal to acquire your business	Not applicable	Not applicable.
o. Our option to purchase your business	Not applicable	Not applicable
p. Your death or disability	Not applicable	Not applicable
q. Non-competition covenants during the term of the franchise	17(e)	You cannot have any interest in a competitive business within the protected area of any Restaurant operated under a franchise agreement executed pursuant to the Development Agreement or any other existing Del Taco restaurant.
r. Non-competition covenants after the franchise terminates or expires	17(e)	You cannot have any interest in a competitive business for two years after expiration or termination, within the protected area of any Restaurant operated under a franchise agreement executed pursuant to the Development Agreement or any other existing Del Taco restaurant.
s. Modification of the agreement	23	All changes require mutual agreement in writing.
t. Integration/ merger clause	23	Only the written terms of agreement and the exhibits bind the parties. Notwithstanding the foregoing, nothing in this or any related agreement is intended to disclaim the express representations made in the Franchise Disclosure Document, its exhibits and amendments. Any representations or promises outside of the Franchise Disclosure Document and other agreements may not be enforceable.
u. Dispute resolution by arbitration or mediation	18	The parties must arbitrate any controversy or claim, except that either party may file for preliminary injunctive relief, a restraining order, or order of specific performance, including, without limitation, injunctive relief pertaining to the use of the Del Taco System and Marks.
v. Choice of forum	18 and 20	All litigation and arbitration must take place in Orange County, California, subject to applicable state law. See Exhibit F.
w. Choice of law	20	California law applies, subject to applicable state law. See Exhibit F.

ITEM 18
PUBLIC FIGURES

We do not use any public figure to promote the Del Taco franchise.

ITEM 19
FINANCIAL PERFORMANCE REPRESENTATIONS

The Federal Trade Commission's Franchise Rule permits us to provide information about the actual or potential financial performance of our franchised and/or company-owned Restaurants, if a reasonable basis for the information exists and we include the information in this Disclosure Document. We may give financial performance information that differs from the information included in this Item 19 only if (1) we provide the actual records of an existing Restaurant that you are buying or (2) we supplement the information provided in this item 19, for example, by providing information about possible performance at a particular location or under particular circumstances.

This Item 19 provides certain historic data regarding the past performance of existing franchised and company-owned Del Taco Restaurants. Presented below are certain average sales figures of all freestanding franchised Del Taco Restaurants, and certain average sales figures and operating figures of all freestanding company-operated Del Taco Restaurants for the ~~2019~~2020 to ~~2022~~2023 fiscal years. Please carefully read all of the information in this Item 19, and all of the notes following the charts, in connection with your review of the historical data.

Table 19-1

Presented below are the average sales figures for the freestanding franchised Del Taco restaurants that had been operating for at least 12 months, as of the end of the ~~2019~~2020 to ~~2022~~2023 fiscal years. During the fiscal years surveyed, no freestanding franchised restaurants closed after being open less than 12 months. At the end of our most recent fiscal year ended October ~~2~~3, ~~2022~~2023, we had a total of ~~301~~421 franchised restaurants. Of those, ~~284~~397 constitute freestanding franchised restaurants, and ~~278~~275 of them have operated for more than one year. These freestanding franchised Del Taco restaurants operate in Alabama (1), Arizona (~~33~~34), California (~~125~~123), Colorado (20), Florida (3), Georgia (10), Idaho (10), Michigan (~~6~~5), Nevada (9), New Mexico (~~11~~10), Ohio (3), Oregon (8), ~~South Carolina (0),~~ Utah (34), and Washington (5). In our experience, the characteristics of the included freestanding restaurants do not differ materially from those of a freestanding restaurant that may be offered to a prospective franchisee.

Franchised Restaurant Sales

Fiscal Year	2023	2022 Annualized *	2021	2020	~~2019~~
Number of Restaurants (open at least 12 months)	275	278	277	267	~~232~~
Average Sales	$1,630,406	$1,618,863	$1,536,948	$1,407,877	~~$1,414,604~~
Number/ Percenta	120/44%	122/44%	~~118 / 43%~~118/43%	~~112 / 42%~~112/42%	~~99 / 43%~~

Franchised Restaurant Sales					
Fiscal Year	**2023**	**2022 Annualized ***	**2021**	**2020**	**~~2019~~**
ge of Restaurants Greater than Average					
Median Sales	$1,515,241	$1,524,836	$1,464,398	$1,345,341	~~$1,335,895~~
Highest Sales	$6,100,496	$5,717,244	$5,328,021	$4,832,632	~~$4,755,509~~
Lowest Sales	$485,805	$512,068	$526,215	$388,472	~~$446,806~~

* In 2022, we changed our fiscal year. As a result, unlike prior years, the 2022 fiscal year was not a 52-week period. Our reduced 2022 fiscal year was the 40-week period from December 30, 2021 through October ~~2~~4, 2022. During that reduced period, the 278 freestanding franchised restaurants described in Table 19-1: had average sales of $1,245,279 (122 (44%) restaurants met or exceeded that average); had median sales of $1,172,951; the highest sales were $4,397,880; and the lowest sales were $393,898. These numbers have been annualized in the above table (by dividing the amount for the reduced 40-week 2022 fiscal year by 40 to get a weekly amount and then multiplying that weekly amount by 52) to reflect a 52-week period.

Table 19-2

Presented below are the (i) average sales and (ii) average operating figures before rent and real estate taxes, for the freestanding company-owned Del Taco restaurants that had been operating for at least 12 months, as of the end of each of the ~~2019~~2020 to ~~2022~~2023 fiscal years. During the fiscal years surveyed, one company-owned restaurant closed after being open less than 12 months. At the end of our most recent fiscal year ended October ~~2~~3, ~~2022~~2023, we had a total of ~~290~~171 company-owned restaurants. Of those, ~~284~~167 constitute freestanding restaurants, and ~~284~~167 of them have operated for more than one year. These freestanding company-owned Del Taco restaurants operate in California (~~223~~144), Florida (1), Georgia (~~14~~12), ~~Nevada (36)~~ and Oklahoma (10). A significant number of the freestanding company-owned Del Taco restaurants included in Table 19-2 and 19-2-A are located in geographic areas where the Del Taco brand is well known and established—for example, ~~223~~144 of ~~284~~167 (or ~~78.5~~86.2%) company-owned restaurants included in Table ~~19-1~~19-2 are located in California. Company-owned restaurants do not pay royalties but, like franchisees, do pay a marketing fee equal to 4% of net sales. Company-owned Del Taco restaurants offer and sell the same or substantially the same products and services as offered and sold by franchised Del Taco restaurants. Except as otherwise noted, in our experience, there are not material differences, whether from economies of scale or otherwise, in the costs or expenses incurred or paid by company-owned Del Taco restaurants as compared to franchised Del Taco restaurants.

Company-Owned Restaurant Sales and Operating Profit					
Fiscal Year	2023	2022 Annualized*	2021	2020	~~2019~~
Number of Restaurants (open at least 12 months)	167	284	282	283	~~273~~
Average Sales	$1,745,657	$1,677,032	$1,622,531	$1,522,177	~~$1,553,546~~
Number/percentage of Restaurants Greater than average Sales	79/47%	~~130 / 46%~~130/46%	~~133 / 47%~~133/47%	~~136 / 48%~~136/48%	~~132 / 48%~~
Median Sales	$1,711,439	$1,636,080	$1,598,285	$1,493,871	~~$1,524,780~~
Highest Sales	$3,321,599	$3,356,173	$3,139,139	$3,009,450	~~$2,953,915~~
Lowest Sales	$642,131	$579,226	$654,480	$692,705	~~$713,557~~
Average Operating Profit (before rent and real estate taxes)	$371,604	$372,631	$411,258	$380,720	~~$408,809~~
Number/percentage of Restaurants Greater than Average Operating Profit	83/50%	~~134 / 47%~~134/47%	~~134 / 48%~~134/48%	~~131 / 46%~~131/46%	~~140 / 51%~~
Median Operating Profit	$364,203	$360,937	$394,183	$364,837	~~$414,481~~
Highest Operating Profit	$982,412	$1,027,071	$1,064,332	$1,047,097	~~$1,063,633~~
Lowest Operating Profit	($49,077)	($24,782)	($11,347)	$41,265	~~$15,211~~

* During our reduced 2022 fiscal year (December 30, 2021 through October ~~2~~4, 2022), the 284 freestanding company-owned restaurants described in Table 19-2: had average sales of $1,290,025 (130 (46%) restaurants met or exceeded that average); had median sales of $1,258,523; the highest sales were $2,581,671; the lowest sales were $445,559; average operating profit was $286,639 (134 (47%) restaurants met or exceeded that average); median operating profit was $277,644; the highest operating profit was $790,054; and the lowest operating profit was ($19,063). These numbers have been annualized

in the above table to reflect a 52-week period.

Table 19-2-A

Presented below is a chart reflecting average operating results (before rent and real estate taxes) from the freestanding company-owned Del Taco Restaurants covered in Table 19-2. This chart shows the average sales and certain other operating costs and expenses of the freestanding company-owned Restaurants as of the end of the 2023 and 2022 annualized ~~and 2021~~ fiscal years.

Table 19-2-A
Freestanding Company-Owned Restaurant Average Operating Results
(Fiscal Years ~~2022~~2023 and ~~2021~~2022)

	2023		Annualized 2022		~~2021~~	
	Dollars	**Percent of Sales**	**Dollars**	**Percent of Sales**	**~~Dollars~~**	**~~Percent of Sales~~**
Sales (2)	$1,745,657	100.0%	~~$1,677,033~~$1,677,032	100.0%	~~$1,622,531~~	~~100.0%~~
Food & Paper (5)	$484,701	27.8%	$477,201	28.5%	~~$423,483~~	~~26.1%~~
Labor (6)	$514,786	29.5%	$481,439	28.7%	~~$467,546~~	~~28.8%~~
Benefits (7)	$97,130	5.6%	$86,965	5.2%	~~$87,406~~	~~5.4%~~
Utilities (8)	$66,791	3.8%	$63,916	3.8%	~~$52,709~~	~~3.2%~~
Repairs & Supplies	$61,195	3.5%	$58,117	3.5%	~~$52,477~~	~~3.2%~~
Miscellaneous (9)	$69,769	4.0%	$63,994	3.8%	~~$57,260~~	~~3.5%~~
Controllable Expenses	$1,294,373	74.2%	$1,231,632	73.4%	~~$1,140,881~~	~~70.3%~~
Controllable Profit (10)	$451,283	25.8%	$445,401	26.6%	~~$481,650~~	~~29.7%~~
Advertising (11)	$69,826	4.0%	$67,081	4.0%	~~$64,901~~	~~4.0%~~
Local Advertising	$0	0.0%	$0	0.0%	~~$3~~	~~0.0%~~
Insurance (12)	$9,854	0.6%	$5,689	0.3%	~~$5,488~~	~~0.3%~~
Operating Profit Before Rent and Real Estate Taxes (13)	$371,604	21.2%	$372,631	22.2%	~~$411,258~~	~~25.3%~~
Imputed Royalty (5%)	$87,283		$83,852		~~$81,127~~	

* During our reduced 2022 fiscal year (December 30, 2021 through October ~~2~~4, 2022), the freestanding company-owned restaurants described in Table 19-2-A had: average sales of $1,290,025; food and paper costs of $367,078; labor costs of $370,338; benefits costs of $66,896; utilities costs of $49,166; repairs and supplies costs of $44,705; miscellaneous costs of $49,226; controllable expenses of $947,409;

Controllable Profit of $342,616; advertising costs of $51,601; local advertising costs of $0; insurance costs of $4,376; average operating profit of $286,639; and imputed royalties of $64,501. These numbers have been annualized in the above table to reflect a 52-week period.

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Table 19-2-B

Presented below is a chart reflecting the high and low range operating results and median operating results before rent and real estate taxes from the freestanding company-owned Del Taco Restaurants covered in Table 19-2. This chart shows the operating results for the high, low and median freestanding company-owned Restaurants based on the operating profit (loss) before rent and real estate taxes as of the end of the 2023 and 2022 annualized fiscal years.

	2023 High		2023 Median		2023 Low		2022 Annualized High		2022 Annualized Median		2022 Annualized Low	
	Dollars	Percent of Sales	Dollars	Percent of Sales	Dollars	Percent of Sales	Dollars	Percent of Sales	Dollars	Percent of Sales	Dollars	Percent of Sales
Sales	$3,321,599	100.0%	$1,894,784	100.0%	$642,131	100.0%	$3,356,173	100.0%	$1,566,058	100.0%	$579,226	100.0%
Food & Paper	$845,264	25.4%	$543,049	28.7%	$201,657	31.4%	$892,356	26.6%	$433,171	27.7%	$178,433	30.8%
Labor	$881,145	26.5%	$594,317	31.4%	$281,499	43.8%	$880,575	26.2%	$440,931	28.2%	$218,432	37.7%
Benefits	$144,914	4.4%	$118,506	6.3%	$65,528	10.2%	$132,086	3.9%	$85,158	5.4%	$52,569	9.1%
Utilities	$73,118	2.2%	$59,466	3.1%	$36,081	5.6%	$74,864	2.2%	$60,940	3.9%	$52,927	9.1%
Repairs & Supplies	$76,679	2.3%	$59,254	3.1%	$42,004	6.5%	$68,316	2.0%	$61,211	3.9%	$46,142	8.0%
Miscellaneous	$166,472	5.0%	$69,352	3.7%	$35,164	5.5%	$130,845	3.9%	$53,689	3.4%	$29,625	5.1%
Controllable Expenses	$2,187,591	65.9%	$1,443,943	76.2%	$661,933	103.1%	$2,179,043	64.9%	$1,135,099	72.5%	$578,128	99.8%
Controllable Profit	$1,134,008	34.1%	$450,841	23.8%	($19,802)	(3.1%)	$1,177,130	35.1%	$430,958	27.5%	$1,098	0.2%
Advertising	$132,864	4.0%	$75,791	4.0%	$25,685	4.0%	$134,247	4.0%	$62,642	4.0%	$23,169	4.0%
Local Advertising	$0	0.0%	$0	0.0%	$0	0.0%	$0	0.0%	$0	0.0%	$0	0.0%
Insurance	$18,733	0.6%	$10,847	0.6%	$3,590	0.6%	$15,812	0.5%	$7,378	0.5%	$2,711	0.5%
Operating Profit Before Rent & Real Estate Taxes	$982,412	29.6%	$364,203	19.2%	($49,077)	(7.6%)	$1,027,071	30.6%	$360,937	23.0%	($24,782)	(4.3%)
Imputed Royalty (5%)	$166,080		$94,739		$32,107		$167,809		$78,303		$28,961	

Table 19-3

Presented below are the same store sales growth/contraction for all franchised Del Taco restaurants that had been operating for at least 18 months, as of the end of each of the ~~2013~~2014 to ~~2022 annualized~~2023 fiscal years. The figures compare the same store sales of all franchised Del Taco restaurants reported for the fiscal year against that reported by all franchised Del Taco restaurants for the immediately preceding fiscal year. During the fiscal years surveyed, no freestanding franchised restaurants closed after being open less than 12 months.

Table 19-3
Franchised Restaurant Same Store Sales
(Fiscal Year ~~2013~~2014 – ~~2022)~~2023)

Fiscal Year	2023	~~Annualized~~ 2022	2021	2020	2019	2018	2017	2016	2015	2014	~~2013~~
Number of Restaurants	410	301	296	286	278	250	242	238	237	235	~~238~~
Same Store Sales Increase	1.4%	4.8%	8.9%	1.4%	1.3%	3.8%	4.6%	4.9%	6.2%	5.2%	~~0.2%~~
Number/% of Restaurants Greater than Average	184/45 %	146/49 %	162/55 %	138/47 %	134/48 %	117/47 %	125/52 %	123/52 %	133/56 %	119/51 %	~~124/52 %~~
Median Same Store Sales	0.4%	4.3%	9.8%	0.6%	1.1%	3.6%	5.0%	5.1%	7.2%	5.2%	~~0.6%~~
Highest Same Store Sales	49.5%	52.8%	86.9%	43.5%	19.0%	43.2%	24.4%	29.8%	26.1%	30.7%	~~18.0%~~
Lowest Same Store Sales	-41.8%	-33.1%	-44.7%	-32.3%	-21.7%	-31.1%	-26.2%	-21.0%	-26.1%	-35.1%	~~-48.6%~~

~~Table 19-4~~

~~Presented below are the same store sales growth/contraction for all franchised Del Taco restaurants that had been operating for at least 18 months, as of the end of fiscal years 2022 & 2021. The figures compare the same store sales of all franchised Del Taco restaurants reported for the fiscal year against that reported by all franchised Del Taco restaurants for the immediately preceding fiscal year.~~

~~At the end of our fiscal year ended October 2, 2022, we had a total of 135 franchised restaurants that have operated for more than eighteen months in the state of California; 24 franchised restaurants that have operated for more than eighteen months in Pacific Northwest region consisting of Oregon (9), Washington (5) and Idaho (10); 113 franchised restaurants that have operated for more than eighteen months in Southwest region consisting of Nevada (9), Arizona (38), New Mexico (12), Utah (34) and Colorado (20); and 23 franchised restaurants that have operated for more than eighteen months in Emerging region consisting of Michigan (9), Georgia (9), Florida (2), Ohio (2) and Alabama (1).~~

~~At the end of our fiscal year ended December 28, 2021, we had a total of 134 franchised restaurants that have operated for more than eighteen months in the state of California; 24 franchised restaurants that have operated for more than eighteen months in Pacific Northwest region consisting of Oregon (9), Washington (5) and Idaho (10); 113 franchised restaurants that have operated for more than eighteen months in Southwest region consisting of Nevada (9), Arizona (39), New Mexico (11), Utah (33) and Colorado (21); and 21 franchised restaurants that have operated for more than eighteen months in Emerging region consisting of Michigan (9), South Carolina (1), Georgia (8), Florida (2) and Alabama (1).~~

~~Table 19-4 Franchised Restaurant Same Store Sales (Fiscal Year 2022 & 2021)~~		
	~~Annualized 2022~~	~~2021~~
~~Total Franchise~~	~~4.8%~~	~~8.9%~~
~~Number/percentage of restaurants greater than average~~	~~146/49%~~	~~162/55%~~
~~Median Same Store Sales~~	~~4.3%~~	~~9.8%~~
~~Highest Same Store Sales~~	~~52.8%~~	~~86.9%~~
~~Lowest Same Store Sales~~	~~-33.1%~~	~~-44.7%~~

	~~Annualized 2022~~	~~2021~~
~~California Region~~	~~3.3%~~	~~8.5%~~
~~Number/percentage of restaurants greater than average~~	~~57/42%~~	~~72/53%~~
~~Median Same Store Sales~~	~~3.2%~~	~~9.2%~~

~~Highest Same Store Sales~~	~~22.2%~~	~~26.9%~~
~~Lowest Same Store Sales~~	~~-19.5%~~	~~-44.7%~~

	~~Annualized 2022~~	~~2021~~
~~Pacific Northwest Region~~	~~3.6%~~	~~13.2%~~
~~Number/percentage of restaurants greater than average~~	~~10/42%~~	~~17/71%~~
~~Median Same Store Sales~~	~~2.8%~~	~~14.5%~~
~~Highest Same Store Sales~~	~~42.6%~~	~~86.9%~~
~~Lowest Same Store Sales~~	~~-17.1%~~	~~-17.1%~~

	~~Annualized 2022~~	~~2021~~
~~Southwest Region~~	~~8.1%~~	~~10.5%~~
~~Number/percentage of restaurants greater than average~~	~~71/61%~~	~~68/60%~~
~~Median Same Store Sales~~	~~8.1%~~	~~10.7%~~
~~Highest Same Store Sales~~	~~51.5%~~	~~39.0%~~
~~Lowest Same Store Sales~~	~~-33.1%~~	~~-23.1%~~

	~~Annualized 2022~~	~~2021~~
~~Emerging Region~~	~~-1.9%~~	~~-2.1%~~
~~Number/percentage of restaurants greater than average~~	~~8/33%~~	~~4/19%~~
~~Median Same Store Sales~~	~~-2.3%~~	~~-3.0%~~
~~Highest Same Store Sales~~	~~52.8%~~	~~32.1%~~
~~Lowest Same Store Sales~~	~~-31.0%~~	~~-28.0%~~

NOTES

(1) We changed our fiscal year in 2022. Our 2022 fiscal year was the period from December 30, 2021 through October ~~2~~4, 2022. Our 2021 fiscal year was a 52-week period ended December 29, 2020.

(2) "Sales" for purposes of this Item 19 means the total net cash sales for all of the Restaurants in each category, and includes the sales of all food, beverages and promotional items net of sales taxes. The Franchise Agreement requires franchisees to pay a 5% royalty on Sales. Unlike franchisees, company-owned restaurants do not pay any royalties.

(3) "Average Sales" means the total Sales figure for all of the surveyed Restaurants in each category, divided by the total number of Restaurants surveyed.

(4) "Operating Profit" means all ordinary and recurring operating expenses minus interest, income taxes, depreciation and amortization.

(5) Food and paper costs can vary depending on the prevailing costs in the area of the country in which your Restaurant operates and the specific shipping costs involved in getting the products to your Restaurant.

(6) Labor includes wages paid to all hourly and management employees working in the Restaurant. Your cost could vary depending on the prevailing wage rates of the area of the country in which your Restaurant operates and the specific labor laws. This item does not include owners' wages, draws, or other compensation.

(7) Benefits include all employer and payroll taxes, including worker's compensation, plus amounts for vacation, health insurance and Restaurant manager bonuses. Factors which could make your costs differ from our costs include the amount of vacation time granted, the amount and type of insurance coverage provided to employees, and your specific workers' compensation program.

(8) Utilities and repair and maintenance costs vary somewhat with the sales volume. Variables which could impact your total utilities and maintenance include the region of the country in which your Restaurant operates.

(9) Miscellaneous costs include local marketing fees, card processing fees and daily cash over or short expenses for the Restaurant.

(10) Sales minus the six line items above, inclusive, comprise "Controllable Profit."

(11) Advertising costs include the cost of developing and executing various marketing programs for our Restaurants. That includes production and placement of media and print advertising, as well as the cost of in-Restaurant, placards, and similar items. Please consult the Franchise Agreement for provisions regarding the level of advertising expenditures that you must make. Like franchisees, company-owned restaurants pay a marketing fee equal to 4% of Sales.

(12) The insurance costs include comprehensive general liability, property and casualty insurance. The amount does not include the 5% royalty fee that you must pay under the Franchise Agreement.

(13) Rent and real estate taxes include base and percentage rent, if any, as well as annual property taxes. Rent and taxes will vary based on the location and size of the property. You also may have to pay other occupancy costs like common area maintenance fees, equipment lease fees, and various taxes and license fees. Those costs will vary depending upon the specifically negotiated common area provisions, lease terms, and local taxes, assessments and license fees.

The data in Table 19-1 does not reflect the costs of sales, operating expenses or other costs or expenses that must be deducted from the gross sales figures to obtain the net cash sales figures. The data in Table 19-1 was prepared from internal records provided to us by the franchisees of those Restaurants. Franchisees are not required to report this cost and expense data to us, and we do not have these operating costs for franchisees. We did not verify that the records were prepared in accordance with generally accepted accounting principles.

The information presented in this Item 19 has not been audited. You should conduct an independent investigation of the costs and expenses you will incur in operating your Del Taco Restaurant. Franchisees and former franchisees listed in this Disclosure Document may be one source of information.

Your sales and operating expenses may differ from ours because of several factors, like the royalty payment, trade area of your Restaurant, the quality and experience of your management, the extent to which you exceed our specifications and standards, the amount of land, building and equipment leased or purchased, and certain economies of scale that we have because we operate many Restaurants. In addition, the amounts presented exclude all overhead costs, such as above Restaurant level supervision and legal and professional fees. You will incur additional costs not described above, including, for example, royalty payments, legal and professional fees and other overhead costs. We have presented pre-tax estimated profits. The analysis does not include any estimates of federal, state, or local taxes that you may have to pay.

Some outlets have earned this amount. Your individual results may differ. There is no assurance you will earn as much.

Written substantiation for the financial performance representation will be made available to the prospective franchisee upon reasonable request.

Other than the preceding financial performance representation, Del Taco LLC does not make any financial performance representations. We also do not authorize our employees or representatives to make any such representations either orally or in writing. If you are purchasing an existing outlet, however, we may provide you with the actual records of that outlet. If you receive any other financial performance information or projections of your future income, you should report it to our management by contacting our Vice President, General Counsel, Mr. Jack Tang, Del Taco LLC, 25521 Commercentre Drive, Suite ~~200~~150, Lake Forest, California 92630, (949) 462-9300, the Federal Trade Commission, and the appropriate state regulatory agencies.

ITEM 20
OUTLETS AND FRANCHISEE INFORMATION

TABLE NO. 1
SYSTEM-WIDE OUTLET SUMMARY
FOR FISCAL YEARS ~~2020~~2021 TO ~~2022~~2023

Outlet Type	Year	Outlets at Start of Year	Outlets at End of Year	Net Change
Franchised	~~2020~~ 2021	~~296~~ 301	~~301~~ 306	~~+5~~ +5
	2022	306	301	-5
	2023	301	421	+120

Company-Owned	~~2020~~ 2021	~~300~~ 295	~~295~~ 294	~~-5~~ -1
	2022	294	290	- 4
	2023	290	171	-119
Total Outlets	~~**2020**~~ **2021**	~~**596**~~ **596**	~~**596**~~ **600**	~~**+0**~~ **+4**
	2022	**600**	**591**	**-9**
	2023	**591**	**592**	**+1**

TABLE NO. 2
TRANSFERS OF OUTLETS FROM FRANCHISEES TO NEW OWNERS
(OTHER THAN FRANCHISOR)
FOR FISCAL YEARS ~~2020~~2021 TO ~~2022~~2023

State	Year	Number of Transfers
Arizona	~~2020~~ 2021	~~0~~ 0
	2022	2
	2023	0
California	~~2020~~ 2021	~~7~~ 18
	2022	2
	2023	9
Georgia	~~2020~~ 2021	~~0~~ 1
	2022	0
	2023	0
~~**Totals**~~	~~**2020**~~	~~**7**~~
Total	**2021**	**19**
	2022	**4**
	2023	**9**

TABLE NO. 3
FRANCHISED OUTLETS STATUS SUMMARY
FOR FISCAL YEARS ~~2020~~2021 TO ~~2022~~2023

State	Year	Outlets at Start of Year	Outlets Opened	~~Outlets Sold to Franchisee~~	Terminations	Non-Renewals	Outlets Reacquired by Franchisor	Outlet Ceased Operations for Other Reasons	Outlets at End of the Year
Alabama	~~2020~~ 2021	~~1~~ 1	~~0~~ 0	~~0~~ ~~0~~	~~0~~ 0	~~0~~ 0	~~0~~ 0	~~0~~ 0	~~1~~ 1
	2022	1	0	~~0~~	0	0	0	0	1

State	Year	Outlets at Start of Year	Outlets Opened	~~Outlets Sold to Franchisee~~	Terminations	Non-Renewals	Outlets Reacquired by Franchisor	Outlet Ceased Operations for Other Reasons	Outlets at End of the Year
	2023	1	0		0	0	0	0	1
Arizona	~~2020~~ 2021	~~35~~ 41	~~3~~ 0	~~3~~ ~~0~~	~~0~~ 0	~~0~~ 0	~~0~~ 0	~~0~~ 1	~~41~~ 40
	2022	40	1	~~0~~	0	0	0	2	39
	2023	39	0		0	0	0	0	39
California	~~2020~~ 2021	~~139~~ 138	~~1~~ 2	~~2~~ ~~0~~	~~0~~ 0	~~0~~ 0	~~0~~ 0	~~4~~ 3	~~138~~ 137
	2022	137	0	~~0~~	0	0	0	2	135
	2023	135	77		0	0	0	2	210
Colorado	~~2020~~ 2021	~~23~~ 21	~~0~~ 0	~~0~~ ~~0~~	~~0~~ 0	~~0~~ 0	~~0~~ 0	~~2~~ 0	~~21~~ 21
	2022	21	0	~~0~~	0	0	0	1	20
	2023	20	0		0	0	0	0	20
Florida	~~2020~~ 2021	~~2~~ 2	~~0~~ 1	~~0~~ ~~0~~	~~0~~ 0	~~0~~ 0	~~0~~ 0	~~0~~ 0	~~2~~ 3
	2022	3	0	~~0~~	0	0	0	0	3
	2023	3	3		0	0	0	0	6
~~Georgia~~	~~2020~~	~~6~~	~~2~~	~~1~~	~~0~~	~~0~~	~~0~~	~~0~~	~~9~~
Georgia	2021	9	1	~~0~~	0	0	0	0	10
	2022	10	0	~~0~~	0	0	0	0	10
	2023	10	1		0	0	0	0	11
~~Guam~~	~~2020~~	~~1~~	~~0~~	~~0~~	~~0~~	~~0~~	~~0~~	~~0~~	~~1~~
Guam	2021	1	0	~~0~~	0	0	0	0	1
	2022	1	0	~~0~~	0	0	0	0	1
	2023	1	0		0	0	0	1	0
Idaho	~~2020~~ 2021	~~10~~ 10	~~0~~ 0	~~0~~ ~~0~~	~~0~~ 0	~~0~~ 0	~~0~~ 0	~~0~~ 0	~~10~~ 10
	2022	10	0	~~0~~	0	0	0	0	10
	2023	10	1		0	0	0	0	11
Michigan	~~2020~~ 2021	~~10~~ 9	~~0~~ 1	~~0~~ ~~0~~	~~0~~ 0	~~0~~ 0	~~0~~ 0	~~1~~ 0	~~9~~ 10
	2022	10	0	~~0~~	0	0	0	0	10
	2023	10	0		0	0	0	0	10
Mississippi	2021	0	0		0	0	0	0	0
	2022	0	0		0	0	0	0	0
	2023	0	1		0	0	0	0	1
Nevada	~~2020~~ 2021	~~9~~ 9	~~0~~ 0	~~0~~ ~~0~~	~~0~~ 0	~~0~~ 0	~~0~~ 0	~~0~~ 0	~~9~~ 9

State	Year	Outlets at Start of Year	Outlets Opened	~~Outlets Sold to Franchisee~~	Terminations	Non-Renewals	Outlets Reacquired by Franchisor	Outlet Ceased Operations for Other Reasons	Outlets at End of the Year
	2022	9	0	~~0~~	0	0	0	0	9
	2023	9	37		0	0	0	1	45
New Mexico	~~2020~~ 2021	~~11~~ 11	~~0~~ 1	~~0~~ 0	~~0~~ 0	~~0~~ 0	~~0 00~~ 0	~~0 0~~	~~11~~ 012
	~~2021~~ 2022	12	0	~~0~~	0	0	0	012	
	2023	12	2		0	0	0	1	13
~~Ohio~~	~~2020~~	~~0~~	~~1~~	~~0~~	~~0~~	~~0~~	~~0~~	~~0~~	~~1~~
Ohio	2021	1	2	~~0~~	0	0	0	0	3
	2022	3	0	~~0~~	0	0	0	0	3
	2023	3	1		0	0	0	0	4
Oregon	~~2020~~ 2021	~~9~~ 9	~~0~~ 0	~~0~~ ~~0~~	~~0~~ 0	~~0~~ 0	~~0~~ 0	~~0~~ 0	~~9~~ 9
	2022	9	0	~~0~~	0	0	0	0	9
	2023	9	0		0	0	0	0	9
South Carolina	~~2020~~ 2021	~~1~~ 1	~~0~~ 0	~~0~~ ~~0~~	~~0~~ 0	~~0~~ 0	~~0~~ 0	~~0~~ 0	~~1~~ 1
	2022	1	0	~~0~~	0	0	0	1	0
	2023	0	0		0	0	0	0	0
~~Utah~~	~~2020~~	~~34~~	~~0~~	~~0~~	~~0~~	~~0~~	~~0~~	~~1~~	~~33~~
Utah	2021	33	1	~~0~~	0	0	0	034	
	2022	34	0	~~0~~	0	0	0	0	34
	2023	34	1		0	0	0	0	35
Washington	~~2020~~ 2021	~~5~~ 5	~~0~~ 0	~~0~~ ~~0~~	~~0~~ 0	~~0~~ 0	~~0~~ 0	~~0~~ 0	~~5~~ 5
	2022	5	0	~~0~~	0	0	0	0	5
	2023	5	1		0	0	0	0	6
~~Totals~~	~~2022~~	~~296~~	~~7~~	~~6~~	~~0~~	~~0~~	~~0~~	~~8~~	~~301~~
	2021	**301**	**9**	~~0~~	**0**	**0**	**0**	~~4~~	**4306**
Totals	**2022**	**306**	**1**	~~0~~	**0**	**0**	**0**	**6**	**301**
	2023	**301**	**125**		**0**	**0**	**0**	**5**	**421**

TABLE NO. 4
COMPANY-OWNED OUTLETS STATUS SUMMARY
FOR FISCAL YEARS ~~2020~~2021 TO ~~2022~~2023

State	Year	Outlets at Start of Year	Outlets Opened	Outlets Reacquired From Franchisee	Outlets Closed	Outlets Sold to Franchisee	Outlets At End of Year

~~Arizona~~	~~2020~~	~~3~~	~~0~~	~~0~~	~~0~~	~~3~~	~~0~~
	~~2021~~	~~0~~	~~0~~	~~0~~	~~0~~	~~0~~	~~0~~
	~~2022~~	~~0~~	~~0~~	~~0~~	~~0~~	~~0~~	~~0~~
California	~~2020~~ 2021	~~233~~ 232	~~1~~ 2	~~0~~ 0	~~0~~ 3	~~2~~ 0	~~232~~ 231
	2022	231	0	0	3	0	228
	2023	228	0	0	4	76	148
Florida	~~2020~~ 2021	~~0~~ 0	~~0~~ 1	~~0~~ 0	~~0~~ 0	~~0~~ 0	~~0~~ 1
	2022	1	0	0	0	0	1
	2023	1	0	0	0	0	1
Georgia	~~2020~~ 2021	~~15~~ 14	~~1~~ 0	~~0~~ 0	~~1~~ 0	~~1~~ 0	~~14~~ 14
	2022	14	0	0	0	0	14
	2023	14	0	0	2	0	12
~~Nevada~~	~~2020~~	~~40~~	~~0~~	~~0~~	~~1~~	~~0~~	~~39~~
Nevada	2021	39	0	0	2	0	37
	2022	37	0	0	0	0	37
	2023	37	0	0	2	35	0
Oklahoma	~~2020~~ 2021	~~9~~ 10	~~1~~ 1	~~0~~ 0	~~0~~ 0	~~0~~ 0	~~10~~ 11
	2022	11	0	0	1	0	10
	2023	10	0	0	0	0	10
~~Totals~~	~~2020~~	~~300~~	~~3~~	~~0~~	~~2~~	~~6~~	~~295~~
Totals	**2021**	**295**	**4**	**0**	**5**	**0**	**294**
	2022	**294**	**0**	**0**	**4**	**0**	**290**
	2023	**290**	**0**	**0**	**8**	**111**	**171**

TABLE NO. 5
PROJECTED OPENINGS
AS OF OCTOBER ~~2~~3, ~~2022~~2023

State	Franchise ~~Agreement~~Agreements Signed ~~But Outlet~~but Outlets Not Opened	Projected New Franchised Outlets in the ~~Next~~Current Fiscal Year 2024	Projected New Company- Owned Outlets in the ~~Next~~Current Fiscal Year 2024
Alabama	0	1	0
Arizona	0	3	~~1~~ 0
California	~~3~~2	2	~~1~~0
Florida	1	5	2	~~3~~	~~0~~
Georgia	~~1~~0	~~1~~0	0
Idaho	~~2~~0	~~2~~	~~0~~1	0
~~Mississippi~~	~~1~~	~~1~~	~~0~~

State	Franchise ~~Agreement~~Agreements Signed ~~But Outlet~~but Outlets Not Opened	Projected New Franchised Outlets in the ~~Next~~Current Fiscal Year 2024	Projected New Company- Owned Outlets in the ~~Next~~Current Fiscal Year 2024
~~Nevada~~	~~3~~	~~2~~	~~0~~
~~New Mexico~~	~~2~~	~~2~~	~~0~~
North Carolina	0	1	0
Virginia	0	1	0
~~Ohio~~	~~0~~	~~1~~	~~0~~
Utah	0	1	0
Total	**3**	**15**	**2**
~~**Totals**~~	~~**19**~~	~~**16**~~	~~**1**~~

List of Current Franchisees

The name, business address, and business telephone number of each current franchisee as of October ~~2~~3, ~~2022~~2023 appears on Exhibit H to this Disclosure Document.

List of Former Franchisees

The name, last known home address and telephone number of every franchisee who has had a Franchise Agreement terminated, cancelled, not renewed, or otherwise voluntarily or involuntarily ceased to do business under a Franchise Agreement during the most recently completed fiscal year or has not communicated with us within 10 weeks of the date of this Disclosure Document, appears on Exhibit H to this Disclosure Document. If you buy this franchise, your contact information may be disclosed to other buyers when you leave the franchise system.

~~Purchase of Previously-Owned Franchise~~

~~If you are purchasing a previously-owned franchised outlet, we will provide you additional information on the previously-owned franchised outlet in an addendum to this Disclosure Document.~~

Confidentiality Clauses

In some instances, current and former franchisees sign provisions restricting their ability to speak only about their experience with Del Taco. You may wish to speak with current and former franchisees but be aware that not all such franchisees will be able to communicate with you.

Trademark-Specific Franchisee Organizations

We know of no active franchisee organization associated with the Del Taco system.

ITEM 21
FINANCIAL STATEMENTS

Exhibit B to this Disclosure Document contains the audited consolidated balance sheets of our parent company, Jack in the Box Inc. and subsidiaries ("JIB") as of October 1, 2023 and October 2, 2022, and ~~October 3, 2021,~~ the related consolidated statements of earnings, comprehensive income, stockholders' deficit, and cash flows for each of the fifty-two week ~~period~~periods ended October 1, 2023 and October 2,

2022, ~~for~~and the fifty-three week period ended October 3, 2021~~, and for~~. Under the ~~fifty-two week period ended September 27, 2020. In addition, we have included JIB's unaudited consolidated balance sheets as of January 22, 2023 and October 2, 2022 and its unaudited consolidated statements of earnings, comprehensive income and cash flows for the sixteen weeks ended January 22, 2023 and January 23, 2022.~~ Guaranty of Performance (included in Exhibit C), JIB has absolutely and unconditionally guaranteed ~~all of~~ our duties and obligations under the ~~terms of any Development Agreement,~~ Franchise Agreement~~, or related agreement issued under this Disclosure Document. A copy of that guarantee agreement appears as Exhibit C to this Disclosure Document.~~ .

ITEM 22
CONTRACTS

The following agreements are attached as exhibits to this Disclosure Document:

Exhibit D	Development Agreement
Exhibit D-1	Development Growth Incentive Program Addendum to Development Agreement
Exhibit E	Franchise Agreement
Exhibit E-1	Development Growth Incentive Program Addendum to Franchise Agreement
Exhibit F	State Specific Addenda
Exhibit G	Hardware and Software License and Support Agreement
Exhibit H	Franchisee Information ~~(Including Supplemental Information)~~
Exhibit I	Form of General Release
Exhibit J	Agreement for Gift Card Processing
Exhibit K	Agreement to Participate in the Ceridian Platform
Exhibit L	Non-Disclosure Agreement
Exhibit M	Form of Asset Purchase Agreement
Exhibit N	Form of Sublease

ITEM 23
RECEIPTS

Two copies of a receipt of this Disclosure Document appear as the last two pages of this document. Please sign and return one copy to us and keep the other copy for your records.

EXHIBIT A

STATE AGENCIES AND REGISTERED AGENTS

LIST OF STATE ADMINISTRATORS

We intend to register this disclosure document as a "franchise" in some or all of the following states, if required by the applicable state laws. If and when we pursue franchise registration (or otherwise comply with the franchise investment laws) in these states, the following are the state administrators responsible for the review, registration, and oversight of franchises in these states:

~~State Agencies~~

~~State~~	~~Agency~~
~~California~~	**CALIFORNIA** Commissioner of Financial Protection and Innovation ~~California~~ Department of Financial Protection and Innovation 320 West ~~4th~~Fourth Street, Suite 750 Los Angeles, California ~~90013~~90013-2344 (213) 576-7500 / Toll Free: (866) 275-2677 Email: ASK.DFPI@dfpi.ca.gov Website: http://www.dfpi.ca.gov
	NEW YORK NYS Department of Law Investor Protection Bureau 28 Liberty St. 21st Fl New York, NY 10005 (212) 416-8222
~~Florida~~	~~State of Florida~~ ~~FDACS – Division of Consumer Services~~ ~~P.O. Box 6700~~ ~~Tallahassee, Florida 32399-6700~~
	HAWAII Commissioner of Securities Department of Commerce & Consumer Affairs Business Registration Division Securities Compliance Branch 335 Merchant Street, Room 203 Honolulu, Hawaii 96813 (808) 586-2722
	NORTH DAKOTA North Dakota Securities Department State Capitol Department 414 600 East Boulevard Avenue, Fourteenth Floor Bismarck, North Dakota 58505-0510 (701) 328-4712
~~Hawaii~~	~~State of Hawaii~~ ~~Department of Commerce and Consumer Affairs~~ ~~Business Registration Division~~ ~~335 Merchant Street, Room 203~~ ~~Honolulu, Hawaii 96813~~ ~~(808) 586-2744~~
~~Illinois~~	~~Illinois Attorney General~~ ~~500 South Second Street~~ ~~Springfield, Illinois 62706~~ ~~(217) 782-4465~~
~~Indiana~~	~~Indiana Securities Commissioner~~ ~~Securities Division~~ ~~302 West Washington Street, Room E111~~ ~~Indianapolis, Indiana 46204~~ ~~(317) 232-6681~~

~~Maryland~~	~~Office of the Attorney General~~ ~~Division of Securities~~ ~~200 St. Paul Place~~ ~~Baltimore, Maryland 21202-2020~~ ~~(410) 576-6360~~
~~Michigan~~	~~Michigan Department of Attorney General~~ ~~Consumer Protection Division~~ ~~G. Mennen Williams Building, 1st Floor~~ ~~525 West Ottawa Street~~ ~~Lansing, Michigan 48913~~ ~~(517) 373-1110~~
~~Minnesota~~	~~Commissioner of Commerce~~ ~~Minnesota Department of Commerce~~ ~~85 7th Place East, Suite 280~~ ~~St. Paul, Minnesota 55101-2198~~ ~~(612) 296-6328~~
~~New York~~	~~Office of the New York State Attorney General~~ ~~Investor Protection Bureau, Franchise Section~~ ~~28 Liberty Street, 21st Floor~~ ~~New York, New York 10005~~ ~~(212) 416-8236 Phone~~ ~~(212) 416-6042 Fax~~
~~North Dakota~~	~~Securities Commissioner~~ ~~North Dakota Securities Department~~ ~~600 East Boulevard Avenue~~ ~~State Capitol, Fourteenth Floor, Dept. 414~~ ~~Bismarck, North Dakota 58505-0510~~ ~~(701) 328-4712~~

ILLINOIS Illinois Office of the Attorney General Franchise Bureau 500 South Second Street Springfield, Illinois 62706 (217) 782-4465	~~Rhode Island~~	**RHODE ISLAND** ~~Director,~~ Department of Business Regulation~~,~~ Securities Division, Building 69, First Floor John O. Pastore Center 1511 Pontiac Avenue ~~John O. Pastore Complex – Building 69-1~~ Cranston, Rhode Island ~~02920-4407~~02920 (401) 462-9527
INDIANA Secretary of State Franchise Section 302 West Washington, Room E-111 Indianapolis, Indiana 46204	~~South Dakota~~	~~Department of Labor and Regulation~~**SOUTH DAKOTA** Division of Insurance~~–~~ Securities Regulation

(317) 232-6681

124 S.South Euclid Avenue, Suite 1042nd Floor
Pierre, South Dakota 57501
(605) 773-3563

Utah

Consumer Protection Division
160 East 300 South
P.O. Box 146704
Salt Lake City, Utah 84114
(801) 530-6601

MARYLAND
Office of the Attorney General
Securities Division
200 St. Paul Place
Baltimore, Maryland 21202-2020
(410) 576-6360

Virginia

VIRGINIA
State Corporation Commission
Division of Securities and Retail Franchising
1300 E.East Main Street, 9th Floor
Richmond, Virginia 23219
(804) 371-9051

Washington

Department of Financial Institutions
Securities Division
150 Israel Road SW
Tumwater, Washington 98501
(360) 902-8760

Wisconsin

Commissioner of Securities
Department of Financial Institutions
Securities Division
4822 Madison Yards Way, North Tower
Madison, Wisconsin 53705
(608) 266-2801

Registered Agents

Arizona

Registered Agent Solutions, Inc.
300 W. Clarendon Avenue Suite #230
Phoenix, Arizona 85013

California

Commissioner of Financial Protection and Innovation
California Department of Financial Protection and Innovation
320 West 4th Street, Suite 750
Los Angeles, California 90013
AND
Jack Tang
25521 Commercentre Drive, Suite 200
Lake Forest, California 92630

Colorado

Registered Agent Solutions, Inc.
36 South 18th Avenue, Suite D
Brighton, Colorado 80601

~~Delaware~~	~~Registered Agent Solutions, Inc. 838 Walker Road, Suite 21-2 Dover, DE 19904~~
~~Florida~~	~~Registered Agent Solutions, Inc. 155 Office Plaza Dr., Suite A Tallahassee, Florida 32301~~
~~Georgia~~	~~Registered Agent Solutions, Inc. 900 Old Roswell Lake Pkwy, Suite 310 Roswell, Georgia 30076~~
~~Hawaii~~	~~Commissioner of Securities Department of Commerce and Consumer Affairs Business Registration Division Securities Compliance Branch 335 Merchant Street, Room 203 Honolulu, Hawaii 96813~~
~~Illinois~~	~~Illinois Attorney General 500 South Second Street Springfield, Illinois 62706~~
~~Indiana~~	~~Indiana Secretary of State 302 West Washington Street, Room E018 Indianapolis, Indiana 46204~~
~~Maryland~~	~~Maryland Securities Commissioner 200 St. Paul Place Baltimore, Maryland 21202-2020~~
~~Michigan~~	~~Michigan Department of Attorney General Consumer Protection Division G. Mennen Williams Building, 1st Floor 525 West Ottawa Street Lansing, Michigan 48909 AND Registered Agent Solutions, Inc. 2285 South Michigan Road Eaton Rapids, Michigan 48827~~
~~Minnesota~~	~~Commissioner of Commerce Minnesota Department of Commerce 85 7th Place East, Suite 280 St. Paul, Minnesota 55101-2198~~
~~Nevada~~	~~Registered Agent Solutions, Inc. 187 E Warm Springs Road, Suite B Las Vegas, NV 89119~~
~~New York~~	~~New York Department of State~~

	One Commerce Plaza 99 Washington Avenue, 6th Floor Albany, New York 12231-0001 (518) 473-2492
North Dakota	Securities Commissioner North Dakota Securities Department 600 East Boulevard Avenue State Capitol, Fourteenth Floor, Dept. 414 Bismarck, North Dakota 58505-0510
Oklahoma	Registered Agent Solutions, Inc. 1406 Terrace Drive Tulsa, OK 74104-4626
Rhode Island	Director, Department of Business Regulation, Securities Division 1511 Pontiac Avenue John O. Pastore Complex – Building 69-1 Cranston, Rhode Island 02920-4407
South Dakota	Department of Labor and Regulation Division of Insurance – Securities Regulation 124 S. Euclid, Suite 104 Pierre, South Dakota 57501
Texas	Registered Agent Solutions, Inc. Corporate Center One 5301 Southwest Parkway, Suite 400 Austin, TX 78735
Utah	Consumer Protection Division 160 East 300 South P.O. Box 146704 Salt Lake City, Utah 84114
Virginia	Clerk of the State Corporation Commission 1300 E. Main Street, 1st Floor Richmond, Virginia 23219
MICHIGAN Michigan Attorney General's Office Corporate Oversight Division, Franchise Section 525 West Ottawa Street G. Mennen Williams Building, 1st Floor Lansing, Michigan 48913 (517) 335-7567	Washington	**WASHINGTON** Department of Financial Institutions Securities Division 150 Israel Road SW Tumwater P.O. Box 41200 Olympia, Washington 98501 98504-1200 (360) 902-8760 AND Registered Agent Solutions, Inc. 3400 Capitol Blvd S, Suite 101 Olympia, WA 98501

MINNESOTA Minnesota Department of Commerce 85 7th Place East, Suite 280 St. Paul, Minnesota 55101 (651) 539-1600	~~Wisconsin~~	~~Commissioner of Securities~~**WISCONSIN** ~~Department of Financial Institutions~~ Division of Securities ~~Division~~ 4822 Madison Yards Way, North Tower Madison, Wisconsin 53705 (608) ~~266-2801~~266-2139

AGENTS FOR SERVICE OF PROCESS

We intend to register this disclosure document as a "franchise" in some or all of the following states, if required by the applicable state law. If and when we pursue franchise registration (or otherwise comply with the franchise investment laws) in these states, we will designate the following state offices or officials as our agents for service of process in these states. There may be states in addition to those listed below in which we have appointed an agent for service of process. There may also be additional agents in some of the states listed.

CALIFORNIA Commissioner of Financial Protection and Innovation Department of Financial Protection and Innovation 320 West Fourth Street, Suite 750 Los Angeles, California 90013-2344 (213) 576-7500 / Toll Free: (866) 275-2677 Email: ASK.DFPI@dfpi.ca.gov Website: http://www.dfpi.ca.gov	**NEW YORK** New York Secretary of State One Commerce Plaza 99 Washington Avenue Albany, NY 12231 (518) 473-2492
HAWAII Commissioner of Securities Department of Commerce & Consumer Affairs Business Registration Division Securities Compliance Branch 335 Merchant Street, Room 203 Honolulu, Hawaii 96813 (808) 586-2722	**NORTH DAKOTA** North Dakota Securities Commissioner State Capitol Department 414 600 East Boulevard Avenue, Fourteenth Floor Bismarck, North Dakota 58505-0510 (701) 328-4712
ILLINOIS Illinois Attorney General 500 South Second Street Springfield, Illinois 62706 (217) 782-4465	**RHODE ISLAND** Director of Department of Business Regulation Department of Business Regulation Securities Division, Building 69, First Floor John O. Pastore Center 1511 Pontiac Avenue Cranston, Rhode Island 02920 (401) 462-9527
INDIANA Secretary of State Franchise Section 302 West Washington, Room E-111 Indianapolis, Indiana 46204 (317) 232-6681	**SOUTH DAKOTA** Division of Insurance Director of the Securities Regulation 124 South Euclid Avenue, 2nd Floor Pierre, South Dakota 57501 (605) 773-3563
MARYLAND Maryland Securities Commissioner 200 St. Paul Place Baltimore, Maryland 21202-2020 (410) 576-6360	**VIRGINIA** Clerk of the State Corporation Commission 1300 East Main Street, 1st Floor Richmond, Virginia 23219 (804) 371-9733
MICHIGAN Michigan Attorney General's Office Corporate Oversight Division, Franchise Section 525 West Ottawa Street G. Mennen Williams Building, 1st Floor Lansing, Michigan 48913 (517) 335-7567	**WASHINGTON** Director of Department of Financial Institutions Securities Division – 3rd Floor 150 Israel Road, Southwest Tumwater, Washington 98501 (360) 902-8760
MINNESOTA Commissioner of Commerce Minnesota Department of Commerce 85 7th Place East, Suite 280 St. Paul, Minnesota 55101 (651) 539-1600	**WISCONSIN** Division of Securities 4822 Madison Yards Way, North Tower Madison, Wisconsin 53705 (608) 266-2139

EXHIBIT B

FINANCIAL STATEMENTS

INDEX TO CONSOLIDATED FINANCIAL STATEMENTS

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Report of Independent Registered Public Accounting Firm (KPMG LLP, San Diego, CA, Auditor Firm ID: 185)	F-2
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Schedules not filed: All schedules have been omitted as the required information is inapplicable, immaterial, or the information is presented in the consolidated financial statements or related notes.

KPMG LLP
Suite 1100
4655 Executive Drive
San Diego, CA 92121-3132

Report of Independent Registered Public Accounting Firm

To the Stockholders and Board of Directors
Jack in the Box Inc.:

Opinion on the Consolidated Financial Statements

We have audited the accompanying consolidated balance sheets of Jack in the Box Inc. and subsidiaries (the Company) as of October 1, 2023 and October 2, 2022, the related consolidated statements of earnings, comprehensive income, stockholders' deficit, and cash flows for each of the fifty-two week periods ended October 1, 2023 and October 2, 2022, and for the fifty-three week period ended October 3, 2021, and the related notes (collectively, the consolidated financial statements). In our opinion, the consolidated financial statements present fairly, in all material respects, the financial position of the Company as of October 1, 2023 and October 2, 2022, and the results of its operations and its cash flows for each of the fifty-two week periods ended October 1, 2023 and October 2, 2022, and for the fifty-three week period ended October 3, 2021, in conformity with U.S. generally accepted accounting principles.

Basis for Opinion

These consolidated financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these consolidated financial statements based on our audits. We are a public accounting firm registered with the PCAOB and are required to be independent with respect to the Company in accordance with the U.S. federal securities laws and the applicable rules and regulations of the Securities and Exchange Commission and the PCAOB.

We conducted our audits in accordance with the standards of the PCAOB. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the consolidated financial statements are free of material misstatement, whether due to error or fraud. Our audits included performing procedures to assess the risks of material misstatement of the consolidated financial statements, whether due to error or fraud, and performing procedures that respond to those risks. Such procedures included examining, on a test basis, evidence regarding the amounts and disclosures in the consolidated financial statements. Our audits also included evaluating the accounting principles used and significant estimates made by management, as well as evaluating the overall presentation of the consolidated financial statements. We believe that our audits provide a reasonable basis for our opinion.

Critical Audit Matter

The critical audit matter communicated below is a matter arising from the current period audit of the consolidated financial statements that was communicated or required to be communicated to the audit committee and that: (1) relates to accounts or disclosures that are material to the consolidated financial statements and (2) involved our especially challenging, subjective, or complex judgments. The communication of a critical audit matter does not alter in any way our opinion on the consolidated financial statements, taken as a whole, and we are not, by communicating the critical audit matter below, providing a separate opinion on the critical audit matter or on the accounts or disclosures to which it relates.

Valuation of goodwill related to the Del Taco brand

As discussed in Notes 1 and 5 to the consolidated financial statements, the goodwill balance as of October 1, 2023 was $194.0 million related to the Del Taco brand. Goodwill is evaluated for impairment annually

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during the third quarter of each year, or more frequently if indicators of impairment are present. Goodwill is evaluated for impairment by determining whether the fair value of the Company's reporting units exceed their carrying values. The Company's reporting units are their two restaurant brands, Jack in the Box and Del Taco.

We identified the evaluation of the goodwill impairment analysis for the Del Taco brand reporting unit as a critical audit matter. Evaluating the estimated fair value of the reporting unit involved a high degree of subjective auditor judgment. Specifically, the revenue growth rate assumptions used in estimating the fair value of the Del Taco brand reporting unit were challenging to evaluate as changes in these assumptions could have had a significant effect on the Company's assessment of the impairment of the goodwill of that reporting unit.

The following are the primary procedures we performed to address this critical audit matter. We evaluated the design and tested the operating effectiveness of certain internal controls related to the Company's goodwill impairment assessment process, which included a control related to the review of the revenue growth rate assumptions used in the projected financial information. We evaluated the reasonableness of the revenue growth rate assumptions for the Del Taco brand reporting unit by comparing the revenue growth rate assumptions to industry reports. We also compared the Company's revenue growth rate assumptions to historical revenue growth rate trends to assess the Company's ability to accurately forecast. In addition, we performed sensitivity analyses over the Company's revenue growth rate assumptions to assess the impact any changes to those assumptions could have had on the Company's fair value estimate.

KPMG LLP

We have served as the Company's auditor since 1986.

San Diego, California
November 21, 2023

JACK IN THE BOX INC. AND SUBSIDIARIES

CONSOLIDATED BALANCE SHEETS
(In thousands, except share and per share data)

	October 1, 2023	October 2, 2022
ASSETS		
Current assets:		
Cash	$ 157,653	$ 108,890
Restricted cash	28,254	27,150
Accounts and other receivables, net	99,678	103,803
Inventories	3,896	5,264
Prepaid expenses	16,911	16,095
Current assets held for sale	13,925	17,019
Other current assets	5,667	4,772
Total current assets	325,984	282,993
Property and equipment, at cost:		
Land	92,007	86,134
Buildings	968,221	960,984
Restaurant and other equipment	166,714	163,527
Construction in progress	31,647	18,271
	1,258,589	1,228,916
Less accumulated depreciation and amortization	(846,559)	(810,752)
Property and equipment, net	412,030	418,164
Other assets:		
Operating lease right-of-use assets	1,397,555	1,332,135
Intangible assets, net	11,330	12,324
Trademarks	283,500	283,500
Goodwill	329,986	366,821
Other assets, net	240,707	226,569
Total other assets	2,263,078	2,221,349
	$ 3,001,092	$ 2,922,506
LIABILITIES AND STOCKHOLDERS' DEFICIT		
Current liabilities:		
Current maturities of long-term debt	$ 29,964	$ 30,169
Current operating lease liabilities	142,518	171,311
Accounts payable	84,960	66,271
Accrued liabilities	302,178	253,932
Total current liabilities	559,620	521,683
Long-term liabilities:		
Long-term debt, net of current maturities	1,724,933	1,799,540
Long-term operating lease liabilities, net of current portion	1,265,514	1,165,097
Deferred tax liabilities	26,229	37,684
Other long-term liabilities	143,123	134,694
Total long-term liabilities	3,159,799	3,137,015
Stockholders' deficit:		
Preferred stock $0.01 par value, 15,000,000 shares authorized, none issued	—	—
Common stock $0.01 par value, 175,000,000 shares authorized, 82,645,814 and 82,580,599 issued, respectively	826	826
Capital in excess of par value	520,076	508,323
Retained earnings	1,937,598	1,842,947
Accumulated other comprehensive loss	(51,790)	(53,982)
Treasury stock, at cost, 62,910,964 and 61,799,221 shares, respectively	(3,125,037)	(3,034,306)
Total stockholders' deficit	(718,327)	(736,192)
	$ 3,001,092	$ 2,922,506

See accompanying notes to consolidated financial statements.

JACK IN THE BOX INC. AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF EARNINGS
(In thousands, except per share data)

	Fiscal Year		
	2023	2022	2021
Revenues:			
Company restaurant sales	$ 846,278	$ 701,070	$ 387,766
Franchise rental revenues	364,591	340,391	346,634
Franchise royalties and other	240,515	216,821	204,725
Franchise contributions for advertising and other services	240,922	209,801	204,545
	1,692,306	1,468,083	1,143,670
Operating costs and expenses, net:			
Food and packaging	250,836	216,345	113,006
Payroll and employee benefits	274,598	232,250	119,033
Occupancy and other	163,273	135,803	61,743
Franchise occupancy expenses	229,602	215,609	214,913
Franchise support and other costs	12,328	16,490	13,052
Franchise advertising and other services expenses	253,533	218,272	210,328
Selling, general, and administrative expenses	172,872	130,823	81,959
Depreciation and amortization	62,287	56,100	46,500
Pre-opening costs	1,385	1,110	775
Other operating expense (income), net	10,837	889	(3,382)
Gains on the sale of company-operated restaurants	(17,998)	(3,878)	(4,203)
	1,413,553	1,219,813	853,724
Earnings from operations	278,753	248,270	289,946
Other pension and post-retirement expenses, net	6,967	303	881
Interest expense, net	82,446	86,075	67,458
Earnings from continuing operations and before income taxes	189,340	161,892	221,607
Income taxes	58,514	46,111	55,852
Net earnings	$ 130,826	$ 115,781	$ 165,755
Net earnings per share — basic	$ 6.35	$ 5.46	$ 7.40
Net earnings per share — diluted	$ 6.30	$ 5.45	$ 7.37
Cash dividends declared per common share	$ 1.76	$ 1.76	$ 1.68

See accompanying notes to consolidated financial statements.

JACK IN THE BOX INC. AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME

(In thousands)

	Fiscal Year		
	2023	2022	2021
Net earnings	$ 130,826	$ 115,781	$ 165,755
Other comprehensive income:			
Actuarial gains arising during the period	823	24,249	44,134
Amortization of actuarial losses and prior service cost reclassified to earnings	2,154	3,238	4,931
	2,977	27,487	49,065
Tax effect	(785)	(7,215)	(12,714)
Other comprehensive income, net of taxes	2,192	20,272	36,351
Comprehensive income	$ 133,018	$ 136,053	$ 202,106

See accompanying notes to consolidated financial statements.

JACK IN THE BOX INC. AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF CASH FLOWS
(In thousands)

	Fiscal Year		
	2023	2022	2021
Cash flows from operating activities:			
Net earnings	$ 130,826	$ 115,781	$ 165,755
Adjustments to reconcile net earnings to net cash provided by operating activities:			
Depreciation and amortization	62,287	56,100	46,500
Amortization of franchise tenant improvement allowances and incentives	4,647	4,446	3,450
Amortization of debt issuance costs	5,040	5,496	5,595
Loss on extinguishment of debt	—	7,700	—
Tax deficiency (excess tax benefits) from share-based compensation arrangements	71	123	(1,160)
Deferred income taxes	(11,989)	7,857	8,008
Share-based compensation expense	11,205	7,122	4,048
Pension and postretirement expense	6,967	303	881
(Gains) losses on cash surrender value of company-owned life insurance	(7,346)	12,668	(12,753)
Gains on the sale of company-operated restaurants	(17,998)	(3,878)	(4,203)
Gains on the disposition of property and equipment	(8,171)	(30,533)	(6,888)
Impairment charges and other	6,217	8,219	2,889
Changes in assets and liabilities, excluding acquisitions and dispositions:			
Accounts and other receivables	(4,048)	(18,143)	5,072
Inventories	1,367	304	(269)
Prepaid expenses and other current assets	(1,422)	(3,275)	(2,766)
Operating lease right-of-use assets and lease liabilities	2,364	2,593	(24,784)
Accounts payable	(1,692)	16,243	(3,091)
Accrued liabilities	47,459	(9,081)	28,990
Pension and postretirement contributions	(6,241)	(6,690)	(6,084)
Franchise tenant improvement allowance and incentive disbursements	(3,265)	(2,989)	(8,568)
Other	(1,272)	(7,484)	500
Cash flows provided by operating activities	215,006	162,882	201,122
Cash flows from investing activities:			
Purchases of property and equipment	(74,954)	(46,475)	(41,008)
Proceeds from the sale and leaseback of assets	3,673	10,768	3,884
Acquisition of Del Taco, net of cash acquired	—	(580,793)	—
Proceeds from the sale of company-operated restaurants	85,221	6,391	1,827
Proceeds from the sale of property and equipment	25,214	31,161	11,742
Other	3,065	360	2,626
Cash flows provided by (used in) investing activities	42,219	(578,588)	(20,929)
Cash flows from financing activities:			
Borrowings on revolving credit facilities	—	68,000	—
Repayments of borrowings on revolving credit facilities	(50,000)	(18,000)	(107,875)
Proceeds from issuance of debt	—	1,100,000	—
Principal repayments on debt	(30,109)	(588,064)	(829)
Debt issuance costs	—	(20,599)	—
Dividends paid on common stock	(35,890)	(36,987)	(37,322)
Proceeds from issuance of common stock	263	51	6,647
Repurchases of common stock	(90,029)	(25,000)	(200,000)
Payroll tax payments for equity award issuances	(1,593)	(1,223)	(4,166)
Cash flows (used in) provided by financing activities	(207,358)	478,178	(343,545)
Net increase (decrease) in cash and restricted cash	49,867	62,472	(163,352)
Cash and restricted cash at beginning of year	136,040	73,568	236,920
Cash and restricted cash at end of year	$ 185,907	$ 136,040	$ 73,568

See accompanying notes to consolidated financial statements.

JACK IN THE BOX INC. AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF STOCKHOLDERS' DEFICIT
(Dollars in thousands)

	Number of Shares	Amount	Capital in Excess of Par Value	Retained Earnings	Accumulated Other Comprehensive Loss	Treasury Stock	Total
Balance at September 27, 2020	82,369,714	$ 824	$ 489,515	$ 1,636,211	$ (110,605)	$ (2,809,306)	$ (793,361)
Shares issued under stock plans, including tax benefit	166,345	1	6,646	—	—	—	6,647
Share-based compensation	—	—	4,048	—	—	—	4,048
Dividends declared	—	—	232	(37,554)	—	—	(37,322)
Purchases of treasury stock	—	—	—	—	—	(200,000)	(200,000)
Net earnings	—	—	—	165,755	—	—	165,755
Other comprehensive income	—	—	—	—	36,351	—	36,351
Balance at October 3, 2021	82,536,059	825	500,441	1,764,412	(74,254)	(3,009,306)	(817,882)
Shares issued under stock plans, including tax benefit	44,540	1	50	—	—	—	51
Share-based compensation	—	—	7,122	—	—	—	7,122
Dividends declared	—	—	261	(37,246)	—	—	(36,985)
Purchases of treasury stock	—	—	—	—	—	(25,000)	(25,000)
Fair value of assumed Del Taco RSAs attributable to pre-combination service	—	—	449	—	—	—	449
Net earnings	—	—	—	115,781	—	—	115,781
Other comprehensive income	—	—	—	—	20,272	—	20,272
Balance at October 2, 2022	82,580,599	826	508,323	1,842,947	(53,982)	(3,034,306)	(736,192)
Shares issued under stock plans, including tax benefit	65,215	—	263	—	—	—	263
Share-based compensation	—	—	11,205	—	—	—	11,205
Dividends declared	—	—	285	(36,175)	—	—	(35,890)
Purchases of treasury stock	—	—	—	—	—	(90,731)	(90,731)
Net earnings	—	—	—	130,826	—	—	130,826
Other comprehensive income	—	—	—	—	2,192	—	2,192
Balance at October 1, 2023	82,645,814	$ 826	$ 520,076	$ 1,937,598	$ (51,790)	$ (3,125,037)	$ (718,327)

See accompanying notes to consolidated financial statements.

1. NATURE OF OPERATIONS AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Nature of operations — Jack in the Box Inc. (the "Company"), together with its consolidated subsidiaries, develops, operates, and franchises quick-service restaurants under the Jack in the Box® and Del Taco® restaurant brands.

On March 8, 2022, the Company acquired Del Taco Restaurants, Inc. ("Del Taco") for cash according to the terms and conditions of the Agreement and Plan of Merger, dated as of December 5, 2021. Del Taco is a nationwide operator and franchisor of restaurants featuring fresh and fast Mexican and American inspired cuisines. Refer to Note 3, *Business Combination*, for further details.

As of October 1, 2023, there were 142 company-operated and 2,044 franchise-operated Jack in the Box restaurants and 171 company-operated and 421 franchise-operated Del Taco restaurants.

References to the Company throughout these notes to the consolidated financial statements are made using the first-person notations of "we," "us," and "our."

Basis of presentation — The accompanying consolidated financial statements have been prepared in accordance with U.S. generally accepted accounting principles ("U.S. GAAP") and the rules and regulations of the Securities and Exchange Commission ("SEC").

Certain prior period information on the consolidated statement of earnings has been reclassified to conform to the current year presentation.

Fiscal year — The Company's fiscal year is the 52 or 53 weeks ending the Sunday closest to September 30. Our Del Taco subsidiary operates on a fiscal year ending the Tuesday closest to September 30. Comparisons throughout these notes to the consolidated financial statements refer to the 52-week periods ended October 1, 2023 and October 2, 2022, for fiscal years 2023 and 2022, and the 53-week period ended October 3, 2021, for fiscal year 2021.

Principles of consolidation — The accompanying consolidated financial statements include the accounts of Jack in the Box Inc. and its wholly-owned subsidiaries. All intercompany accounts and transactions have been eliminated upon consolidation.

Use of estimates — In preparing the consolidated financial statements in conformity with U.S. GAAP, management is required to make certain assumptions and estimates that affect reported amounts of assets, liabilities, revenues, expenses, and the disclosure of contingencies. In making these assumptions and estimates, management may from time to time seek advice and consider information provided by actuaries and other experts in a particular area. Actual amounts could differ materially from these estimates.

Restricted cash — In accordance with the terms of our securitized financing facility, certain cash balances are required to be held in trust. Such restricted cash primarily represents cash collections and cash reserves held by the trustee to be used for payments of quarterly interest and commitment fees required for the Class A-2 Notes and Variable Funding Notes. As of October 1, 2023 and October 2, 2022, restricted cash balances were $28.3 million and $27.2 million, respectively.

Accounts and other receivables, net — Our accounts and other receivables, net is primarily comprised of receivables from franchisees, tenants, credit card processors, and insurance receivables. Franchisee receivables primarily include rents, property taxes, royalties, marketing, sourcing and technology support fees associated with lease and franchise agreements, and notes from certain of our franchisees. Tenant receivables relate to subleased properties where we are on the master lease agreement. We accrue interest on notes receivable based on the contractual terms.

The Company closely monitors the financial condition of our franchisees and estimates the allowance for credit losses based on the lifetime expected loss on receivables. These estimates are based on historical collection experience with our franchisees as well as other factors, including current market conditions and events. Credit quality is monitored through the timing of payments compared to predefined aging criteria and known facts regarding the financial condition of the franchisee or customer. Account balances are charged off against the allowance after recovery efforts have ceased. The Company's allowance for doubtful accounts has not historically been material. The following table summarizes the activity in our allowance for doubtful accounts (*in thousands*):

	2023	2022
Balance as of beginning of period	$ (5,975)	$ (6,292)
Reversal (provision) for expected credit losses, net	1,788	(4,744)
Write-offs charged against the allowance	41	5,061
Balance as of end of period	$ (4,146)	$ (5,975)

Inventories — Our inventories consist principally of food, packaging, and supplies, and are valued at the lower of cost or market on a first-in, first-out basis.

Internal-use Software Costs — The Company capitalizes costs incurred to implement software solely for its internal use, including (i) hosted applications used to deliver the Company's support services, and (ii) certain implementation costs incurred in a hosting arrangement that is a service contract when the preliminary project stage is complete, management with the relevant authority authorizes and commits to the funding of the software project, and it is probable the project will be completed and used to perform the intended function. Software implementation costs are capitalized to either other current assets or other long-term assets on the Company's consolidated balance sheet and amortized over the estimated useful life of the developed software. Software implementation costs capitalized were $7.9 million and $10.7 million as of the end of fiscal year 2023 and 2022, respectively. Related amortization expense for software implementation costs was $5.0 million, $5.1 million and $2.5 million during fiscal years 2023, 2022 and 2021, respectively.

Assets held for sale — Our assets held for sale typically includes property we plan to sell within the next year. If the determination is made that we no longer expect to sell an asset within the next year, the asset is reclassified out of assets held for sale. Long-lived assets that meet the held for sale criteria are reported at the lower of their carrying value or fair value, less estimated costs to sell.

Property and equipment, net — Expenditures for new facilities and equipment, and those that substantially increase the useful lives of the property, are capitalized. Facilities leased under finance leases are stated at the present value of minimum lease payments at the beginning of the lease term, not to exceed fair value. Maintenance and repairs are expensed as incurred. When property and equipment are retired or otherwise disposed of, the related cost and accumulated depreciation are removed from the accounts, and gains or losses on the dispositions are included in “Other operating expense (income), net” in the accompanying consolidated statements of earnings.

Buildings, equipment, and leasehold improvements are generally depreciated using the straight-line method based on the estimated useful lives of the assets, over the initial lease term for certain assets acquired in conjunction with the lease commencement for leased properties, or the remaining lease term for certain assets acquired after the commencement of the lease for leased properties. In certain situations, one or more option periods may be used in determining the depreciable life of assets related to leased properties if we deem that an economic penalty would be incurred otherwise. In either circumstance, our policy requires lease term consistency when calculating the depreciation period, in classifying the lease and in computing straight-line rent expense. Building, leasehold improvement assets and equipment are assigned lives that range from 1 to 35 years. Depreciation expense related to property and equipment was $61.7 million, $55.8 million, and $46.5 million in fiscal year 2023, 2022, and 2021, respectively.

Impairment of long-lived assets — We evaluate long-lived assets, such as property and equipment and operating lease right-of-use assets, for impairment whenever events or changes in circumstances indicate that their carrying value may not be recoverable. Long-lived assets are grouped for recognition and measurement of impairment at the lowest level for which identifiable cash flows are largely independent of the cash flows of other assets. The impairment test for long-lived assets requires us to assess the recoverability of long-lived assets by comparing their net carrying value to the sum of undiscounted estimated future cash flows directly associated with and arising from our use and eventual disposition of the assets. If the carrying amount of a long-lived asset group exceeds the sum of related undiscounted future cash flows, we recognize an impairment loss by the amount that the carrying value of the assets exceeds fair value. Refer to Note 9, *Other Operating Expense (Income), Net*, for additional information.

Goodwill and trademarks — Goodwill is the excess of the purchase price over the fair value of identifiable net assets acquired, if any. We generally record goodwill in connection with the acquisition of restaurants from franchisees or the acquisition of another business. Likewise, upon the sale of restaurants to franchisees, goodwill is decremented. The amount of goodwill written-off is determined as the fair value of the business disposed of as a percentage of the fair value of the reporting unit retained. If the business disposed of was never fully integrated into the reporting unit after its acquisition, and thus the benefits of the acquired goodwill were never realized, the current carrying amount of the acquired goodwill is written off. Goodwill is not amortized and has been assigned to reporting units for purposes of impairment testing. Our two restaurant brands, Jack in the Box and Del Taco, are both operating segments and reporting units.

Goodwill is evaluated for impairment annually during the third quarter of each year, or more frequently if indicators of impairment are present. We first assess qualitative factors to determine whether the existence of events or circumstances lead to a determination that it is more likely than not that the fair value of a reporting unit or indefinite-lived asset is less than its carrying amount. If the qualitative factors indicate that it is more likely than not that the fair value is less than the carrying amount, we perform a single-step impairment test. To perform our impairment analysis, we estimate the fair value of the reporting unit and compare it to the carrying value. If the carrying value exceeds the fair value, an impairment loss is recognized equal to the excess.

We evaluate our indefinite-lived intangible assets for impairment on an annual basis or more often if an event occurs or circumstances change that indicate impairments might exist. We perform our annual test for impairment of our indefinite-lived intangible assets during the third quarter. We may elect to perform a qualitative assessment to determine whether it is more likely than not that the fair value of an indefinite-lived intangible asset is greater than its carrying value. If a qualitative assessment is not performed, or if as a result of a qualitative assessment it is not more likely than not that the fair value of an indefinite-lived intangible asset exceeds its carrying value, then the asset's fair value is compared to its carrying value. Fair value is an estimate of the price a willing buyer would pay for the intangible asset and is estimated by discounting the expected future after-tax cash flows associated with the intangible asset.

During the fourth quarter of 2023, we performed a qualitative test for the fair value of the Jack in the Box reporting unit, noting that the fair value was substantially in excess of its respective carrying value. During the fourth quarter of 2023, we also performed a qualitative tests over the Del Taco reporting unit and of the Del Taco indefinite-lived trademarks, noting that it was not more likely than not that the carrying value was greater than its fair value. Recently, during the third quarter of 2023, we had performed quantitative tests over the Del Taco reporting unit and of the Del Taco indefinite-lived trademarks, and their fair values were in excess of their carrying values by approximately 9% and 13%, respectively, as of the testing date.

Intangible assets, net — Intangible assets primarily include franchise contracts, reacquired franchise rights and sublease assets. Franchise contracts, which represent the fair value of franchise agreements based on the projected royalty revenue stream as of the acquisition date, are amortized on a straight-line basis to "Depreciation and amortization expense" in the consolidated statements of earnings over the remaining term of the franchise agreements. Reacquired franchise rights are recorded in connection with our acquisition of franchised restaurants and are amortized on a straight-line basis to "Depreciation and amortization expense" in the consolidated statements of earnings over the term of the former franchise agreement. Sublease assets, which represent subleases with stated rent above comparable market rents, are amortized on a straight-line basis to "Franchise rental revenues" in the consolidated statements of earnings over the term of the related sublease.

Company-owned life insurance — We have purchased company-owned life insurance ("COLI") policies to support our non-qualified benefit plans. The cash surrender values of these policies were $113.2 million and $108.9 million as of October 1, 2023 and October 2, 2022, respectively, and are included in "Other assets, net", in the accompanying consolidated balance sheets. Changes in cash surrender values are included in "Selling, general and administrative expenses" in the accompanying consolidated statements of earnings. These policies reside in an umbrella trust for use only to pay plan benefits to participants or to pay creditors if the Company becomes insolvent.

Leases — We evaluate the contracts entered into by the Company to determine whether such contracts contain leases. A contract contains a lease if the contract conveys the right to control the use of identified property, plant, and equipment for a period of time in exchange for consideration. At commencement, contracts containing a lease are further evaluated for classification as an operating or finance lease where the Company is a lessee, or as an operating, sales-type, or direct financing lease where the Company is a lessor, based on their terms.

The lease term and incremental borrowing rate for each lease requires judgement by management and can impact the classification of our leases as well as the value of our lease assets and liabilities. When determining the lease term, we consider option periods available, and include option periods in the measurement of the lease right-of-use ("ROU") asset and lease liability where the exercise is reasonably certain to occur. As our leases do not provide an implicit discount rate, we have determined it is appropriate to use our estimated collateralized incremental borrowing rate, based on the yield curve for the respective lease terms, in calculating our lease liabilities.

Revenue recognition — "Company restaurant sales" include revenue recognized upon delivery of food and beverages to the customer at company-operated restaurants, which is when our obligation to perform is satisfied. Company restaurant sales exclude taxes collected from the Company's customers. Gift cards, upon customer purchase, are recorded as deferred income and are recognized in revenue as they are redeemed.

The Company operates loyalty programs in which members earn points primarily for food purchases. Points can then be redeemed for special reward offers. The Company allocates the consideration received on loyalty orders between the food purchased and the loyalty points earned, taking into consideration the expected redemption rate of loyalty points. The consideration allocated to the food is recognized as revenue at the time of sale. The consideration allocated to the loyalty points earned is deferred until the loyalty points are redeemed or expire.

"Franchise rental revenues" received from franchised restaurants based on fixed rental payments are recognized as revenue over the term of the lease. Rental revenue from properties owned and leased by the Company and leased or subleased to franchisees is recognized on a straight-line basis over the respective term of the lease. Certain franchise rents, which are contingent upon sales levels, are recognized in the period in which the contingency is met.

"Franchise royalties and other" primarily includes royalties and franchise fees received from our franchisees. Royalties are based upon a percentage of sales of the franchised restaurant and are recognized as earned. Franchise royalties are billed on a monthly or weekly basis. Franchise fees when a new restaurant opens or at the start of a new franchise term are recorded as deferred revenue when received and recognized as revenue over the term of the franchise agreement.

"Franchise contributions for advertising and other services" includes franchisee contributions to our marketing funds billed on a monthly or weekly basis and sourcing and technology fees, as required under the franchise agreements. Contributions to our marketing funds are based on a percentage of sales and recognized as earned. Sourcing and technology services are recognized when the goods or services are transferred to the franchisee.

Gift cards — We sell gift cards to our customers in our restaurants and through selected third parties. The gift cards sold to our customers have no stated expiration dates and are subject to actual or potential escheatment rights in several of the jurisdictions in which we operate. We recognize income from gift cards when redeemed by the customer. Deferred gift card income totaled $2.9 million and $4.1 million as of October 1, 2023 and October 2, 2022, respectively, and are included in "Accrued liabilities", in the accompanying consolidated balance sheets.

While we will continue to honor all gift cards presented for payment, we may determine the likelihood of redemption to be remote for certain card balances due to, among other things, long periods of inactivity. In these circumstances, to the extent we determine there is no requirement for remitting balances to government agencies under unclaimed property laws, card balances may be recognized as income in our consolidated statements of earnings. Amounts recognized on unredeemed gift card balances were $1.6 million, $0.7 million, and $0.6 million in fiscal 2023, 2022, and 2021, respectively.

Pre-opening costs — Pre-opening costs associated with the opening of a new restaurant or the remodeling of an existing restaurant consist primarily of property rent and employee training costs. Pre-opening costs associated with the opening of a restaurant that was closed upon acquisition consist of labor costs, maintenance and repair costs, and property rent.

Self-insurance — We are self-insured for a portion of our workers' compensation, general liability, employee medical and dental, and automotive claims. We utilize a paid-loss plan for our workers' compensation, general liability, and automotive programs, which have predetermined loss limits per occurrence and in the aggregate. We establish our undiscounted insurance liability and reserves using independent actuarial estimates of expected losses based on a statistical analysis of historical claims data. As of October 1, 2023, our estimated self-insurance liability was $31.3 million, and is included in "Accrued liabilities" in the accompanying consolidated balance sheet.

Advertising costs — We administer marketing funds at each of our restaurant brands that include contractual contributions. In 2023, 2022 and 2021, marketing fund contributions from Jack in the Box franchise and company-operated restaurants were approximately 5.0% of sales. In 2023 and 2022, marketing fund contributions from Del Taco franchise and company-operated restaurants were approximately 4.0% of sales.

Production costs of commercials, programming, and other marketing activities are charged to the marketing funds when the advertising is first used for its intended purpose, and the costs of advertising are charged to operations as incurred. When contributions to the marketing fund exceed the related advertising expenses, advertising costs are accrued up to the amount of revenues on an annual basis since we are contractually obligated to spend these funds. As of October 1, 2023 and October 2, 2022, additional amounts accrued were $10.3 million and $3.5 million, respectively, for this requirement. Total contributions made by the Company are included in "Selling, general, and administrative expenses" in the accompanying consolidated statements of earnings. In fiscal 2023, 2022, and 2021 advertising costs were $38.9 million, $32.6 million, and $19.6 million, respectively.

Share-based compensation — We account for our share-based compensation under the Financial Accounting Standards Board ("FASB") authoritative guidance on stock compensation, which generally requires, among other things, that all employee share-based compensation be measured using a fair value method and that the resulting compensation cost be recognized in the financial statements. Compensation expense for our share-based compensation awards is generally recognized on a straight-line basis over the shorter of the vesting period or the period from the date of grant to the date the employee becomes eligible to retire. Refer to Note 13, *Share-based Employee Compensation*, for additional information.

Income taxes — Deferred tax assets and liabilities are recognized for the future tax consequences attributable to differences between the financial statement carrying amounts of existing assets and liabilities and their respective tax bases, as well as tax loss and credit carryforwards. Deferred tax assets and liabilities are measured using enacted tax rates expected to apply to taxable income in the years in which those temporary differences are expected to be recovered or settled. We recognize interest and, when applicable, penalties related to unrecognized tax benefits as a component of our income tax provision.

Authoritative guidance issued by the FASB prescribes a minimum probability threshold that a tax position must meet before a financial statement benefit is recognized. The minimum threshold is defined as a tax position that is more likely than not to be sustained upon examination by the applicable taxing authority, including resolution of any related appeals or litigation processes, based on the technical merits of the position. Refer to Note 11, *Income Taxes*, for additional information.

Contingencies — We recognize liabilities for contingencies when we have an exposure that indicates it is probable that an asset has been impaired or that a liability has been incurred and the amount of impairment or loss can be reasonably estimated. Our ultimate legal and financial liability with respect to such matters cannot be estimated with certainty and requires the use of estimates. When the reasonable estimate is a range, the recorded loss will be the best estimate within the range. We record legal settlement costs when those costs are probable and reasonably estimable. Refer to Note 16, *Commitments and Contingencies*, for additional information.

Business combinations — We account for acquisitions using the acquisition method of accounting. Accordingly, assets acquired and liabilities assumed are recorded at their estimated fair values at the acquisition date. The excess of purchase price over fair value of net assets acquired, including the amount assigned to identifiable intangible assets, is recorded as goodwill.

Effect of accounting pronouncements adopted in 2023 and those to be adopted in future periods — We reviewed the accounting pronouncements adopted in 2023, as well as all other recently issued accounting pronouncements and concluded that they were either not applicable or not expected to have a significant impact on our consolidated financial statements.

2. REVENUE

Nature of products and services — We derive revenue from retail sales at Jack in the Box and Del Taco company-operated restaurants and rental revenue, royalties, advertising, and franchise and other fees from franchise-operated restaurants.

Our franchise arrangements generally provide for an initial franchise fee per restaurant for a 20-year term, and generally require that franchisees pay royalty and marketing fees based upon a percentage of gross sales. The agreements also require franchisees to pay technology fees, as well as sourcing fees for Jack in the Box franchise agreements.

Disaggregation of revenue — The following table disaggregates revenue by segment and primary source for the fiscal year ended October 1, 2023 *(in thousands)*:

	Jack in the Box	Del Taco	Total
Company restaurant sales	$ 413,748	$ 432,530	$ 846,278
Franchise rental revenues	351,283	13,308	364,591
Franchise royalties	207,064	25,669	232,733
Franchise advertising contributions	199,917	21,025	220,942
Technology and sourcing fees	16,073	3,907	19,980
Franchise fees and other services	7,226	556	7,782
Total revenue	$ 1,195,311	$ 496,995	$ 1,692,306

The following table disaggregates revenue by segment and primary source for the fiscal year ended October 2, 2022 *(in thousands)*:

	Jack in the Box	Del Taco	Total
Company restaurant sales	$ 414,225	$ 286,845	$ 701,070
Franchise rental revenues	335,936	4,455	340,391
Franchise royalties	188,902	13,414	202,316
Franchise advertising contributions	183,076	10,907	193,983
Technology and sourcing fees	14,740	1,078	15,818
Franchise fees and other services	14,309	196	14,505
Total revenue	$ 1,151,188	$ 316,895	$ 1,468,083

The following table disaggregates revenue by segment and primary source for the fiscal ended October 3, 2021 *(in thousands)*:

	Jack in the Box	Del Taco	Total
Company restaurant sales	$ 387,766	$ —	$ 387,766
Franchise rental revenues	346,634	—	346,634
Franchise royalties	193,908	—	193,908
Franchise advertising contributions	188,184	—	188,184
Technology and sourcing fees	16,361	—	16,361
Franchise fees and other services	10,817	—	10,817
Total revenue	$ 1,143,670	$ —	$ 1,143,670

In October 2022, a Jack in the Box franchise operator paid the Company $7.3 million in order to sell his restaurants to a new franchisee at the current standard royalty rate, which is lower than the royalty rate in the existing franchise agreements. The payment represented the difference between the existing royalty rate and the new royalty rate based on projected future sales for the remaining term of the existing agreements. The payment is non-refundable and not subject to any adjustments based on actual future sales. The Company determined the transaction represented the termination of the existing agreement rather than the transfer of an agreement between franchisees. As such, the $7.3 million was recognized in franchise royalty revenue during the first quarter of 2023.

Contract liabilities — Our contract liabilities consist of deferred revenue resulting from initial fees received from franchisees for new restaurant openings or new franchise terms, which are generally recognized over the franchise term. We classify these contract liabilities within "Accrued liabilities" and "Other long-term liabilities" in our consolidated balance sheets.

A summary of significant changes in our contract liabilities is presented below *(in thousands)*:

	2023	2022
Deferred franchise and development fees at beginning of period	$ 46,449	$ 41,520
Changes due to business combinations	—	6,193
Revenue recognized during the period	(5,469)	(5,891)
Additions during the period	9,494	4,627
Deferred franchise and development fees at end of period	$ 50,474	$ 46,449

As of October 1, 2023, approximately $8.1 million of development fees related to unopened stores are included in deferred revenue. Timing of revenue recognition is dependent upon the timing of store openings and are recognized over the franchise term at the date of opening.

The following table reflects the estimated franchise fees to be recognized in the future related to performance obligations that are unsatisfied at the end of the period *(in thousands)*:

2024	$ 5,191
2025	$ 4,966
2026	$ 4,638
2027	$ 4,290
2028	$ 3,657
Thereafter	$ 19,660
	$ 42,402

We have applied the optional exemption, as provided for under ASC Topic 606, *Revenue from Contracts with Customers*, which allows us to not disclose the transaction price allocated to unsatisfied performance obligations when the transaction price is a sales-based royalty.

3. BUSINESS COMBINATION

On March 8, 2022 (the "Closing Date"), the Company acquired 100% of the outstanding equity interest of Del Taco for cash according to the terms and conditions of the Agreement and Plan of Merger, dated as of December 5, 2021 (the "Merger Agreement"). The acquisition of Del Taco has been accounted for using the acquisition method of accounting in accordance with ASC 805, *Business Combinations*, with the Company treated as the accounting acquirer, which requires, among other things, that the assets acquired, and liabilities assumed be recognized at their acquisition date fair value. Jack in the Box acquired Del Taco as a part of the Company's goal to gain greater scale and accelerate growth.

In connection with the transaction, the Company repaid Del Taco's existing debt of $115.2 million related to a syndicated credit facility and Del Taco entered into a new syndicated credit facility.

The total purchase consideration for Del Taco was $593.3 million. Each share of Del Taco common stock issued and outstanding was converted into the right to receive $12.51 in cash without interest, less any applicable withholding taxes ("Merger Consideration"). Additionally, in connection with the transaction, each Del Taco equity award granted under Del Taco's equity compensation plans was either (i) converted into the right to receive Merger Consideration or (ii) converted into equity awards with respect to Jack in the Box common stock. Other components of purchase consideration include cash paid to settle Del Taco's existing debt and $7.1 million of seller transaction costs funded by Jack in the Box.

As part of the Merger Agreement, on the Closing Date, the Company assumed Del Taco's historical equity compensation plans. The awards under Del Taco's historical equity compensation plans that were not subject to accelerated vesting were exchanged for replacement awards of the Company, which included Del Taco's non-accelerating restricted stock awards ("non-accelerating RSAs"). Immediately following the Merger, these replacement awards were modified to accelerate the remaining vesting period to be one year following the Closing Date, other than the awards already scheduled to vest on June 30, 2022. The portion of the fair value of the replacement awards associated with pre-acquisition service of Del Taco's employees represented a component of the total purchase consideration. The remaining fair value of these replacement awards are subject to the recipients' continued service and thus were excluded from the purchase price. The awards which are subject to continued service will be recognized ratably as stock-based compensation expense over the requisite service period.

The acquisition of Del Taco was funded by cash on hand and borrowings under our 2022 Class A-2 Notes and 2022 Variable Funding Notes. The Company recognized transaction costs of $12.3 million in fiscal 2022. These costs were associated with advisory, legal, and consulting services and are presented in "Other operating expense (income), net" in the consolidated statement of earnings.

Purchase consideration — The following summarizes the purchase consideration paid to Del Taco shareholders *(in thousands, except per share data)*:

	Amount
Del Taco shares outstanding as of March 8, 2022	36,442
Del Taco RSAs subject to accelerated vesting	805
Del Taco RSUs subject to accelerated vesting	70
Del Taco options subject to accelerated vesting	292
Total Del Taco shares outstanding	37,610
Merger Consideration (per Del Taco share)	$ 12.51
Total cash consideration paid to selling shareholders	$ 470,500
Del Taco transaction costs paid by Jack in the Box (1)	7,141
Del Taco closing indebtedness settled by Jack in the Box (2)	115,219
Replacement share-based payment awards pre-combination vesting expense	449
Total aggregate purchase consideration	$ 593,309

(1) Represents the portion of Del Taco merger-related transaction costs that were paid at the Closing Date by the Company.
(2) Represents the closing indebtedness of Del Taco's existing debt that was paid at the Closing Date by the Company.

Purchase price allocation — The final allocation of the purchase consideration was as follows *(in thousands)*:

Total aggregate purchase consideration, net of $12,068 cash acquired	$	581,241
Assets:		
Accounts and other receivables		4,583
Inventories		3,233
Prepaid expenses		2,950
Other current assets		105
Property and equipment		145,032
Operating lease right-of-use assets		350,289
Intangible assets		12,371
Trademarks		283,500
Other assets		5,128
Liabilities:		
Current maturities of long-term debt		22
Current operating lease liabilities		21,991
Accounts payable		18,808
Accrued liabilities		112,579
Long-term debt, net of current maturities		349
Long-term operating lease liabilities, net of current portion		303,488
Deferred tax liabilities		75,355
Other long-term liabilities		13,080
Net assets acquired, excluding goodwill	$	261,519
Goodwill	$	319,722

The excess of the total consideration over the tangible assets, identifiable intangible assets, and assumed liabilities is recorded as goodwill. The goodwill of $319.7 million arising from the acquisition is primarily attributable to the market position and future growth potential of Del Taco for both company-operated and franchised restaurants related to future store openings, expansion into new markets, and expected synergies. None of the goodwill resulting from the acquisition is deductible for tax purposes. The goodwill arising from the Del Taco acquisition has been allocated to the Company's reporting units as follows *(in thousands*):

Del Taco brand	$	230,722
Jack in the Box brand		89,000
Total acquisition date goodwill	$	319,722

Identifiable intangible assets — The identifiable intangible assets acquired consist of trademarks, franchise and development agreements, and favorable subleases. The Company amortizes the fair value of the franchise and development agreements and favorable and unfavorable sublease assets and liabilities on a straight-line basis over their respective useful lives.

The trademarks were valued using the relief from royalty method of the income approach, which was applied by discounting the after-tax royalties avoided by owning the trademark to present value. The key inputs and assumptions included the Company's estimates of the projected system wide sales, royalty rate and discount rate applicable to the trademark.

The franchise and development agreements were valued using the income approach, which was applied by discounting the projected after-tax cash flows associated with the agreements to present value. The key inputs and assumptions included the Company's estimates of the projected royalties received under the existing franchise and development agreements (including the impact of franchise churn) and the applicable discount rate.

The favorable and unfavorable sublease assets and liabilities were valued using the income approach, which was applied by discounting the differential between the market rent and contract rent to present value. The key inputs and assumptions included the Company's estimates of the market rent, contract rent and discount rate applicable to the favorable and unfavorable subleases.

The values allocated to intangible assets and the useful lives are as follows *(in thousands)*:

	Amount	Weighted Average Useful Life (Years)
Trademarks	$ 283,500	Indefinite
Franchise contracts	9,700	18
Sublease assets	2,671	13
Estimated fair value of acquired intangible assets	$ 295,871	

The estimated values of sublease liabilities totaled approximately $6.0 million. These liabilities have an estimated weighted-average useful life of approximately 15 years and are included in "Other long-term liabilities" in the accompanying consolidated balance sheets.

Unaudited pro forma results — The following unaudited pro forma combined financial information presents the Company's results as though Del Taco and the Company had been combined as the beginning of fiscal year 2021 *(in thousands)*:

	2022	2021
Total revenue	$ 1,686,160	$ 1,665,660
Net earnings	$ 118,000	$ 133,485

The unaudited pro forma financial information for all periods presented includes the business combination accounting effects resulting from this acquisition, mainly including adjustments to reflect additional amortization expense from acquired intangibles, incremental depreciation expense from the fair value property and equipment, elimination of historical interest expense associated with both Del Taco's and the Company's historical indebtedness, additional interest expense associated with the new Del Taco revolving credit facility and the Company's new borrowings as part of the refinancing to fund the acquisition, adjusted rent expense reflecting the acquired right-of-use assets and liabilities to their estimated acquisition-date values based upon valuation of related lease intangibles and remaining payments, as well as the fair value adjustments made to leasehold improvements, certain material non-recurring adjustments and the tax-related effects as though Del Taco was combined as of the beginning of fiscal 2021. The unaudited pro forma financial information as presented above is for informational purposes only and is not necessarily indicative of the results of operations that would have been achieved if the acquisition had taken place at the beginning of fiscal 2021, nor is it necessarily an indication of trends in future results for a number of reasons, including, but not limited to, differences between the assumptions used to prepare the pro forma information, cost savings from operating efficiencies, potential synergies, and the impact of incremental costs incurred in integrating the two brands.

For the periods subsequent to the acquisition that are included in 2022, Del Taco had total revenues of $316.9 million and net earnings of $6.5 million.

4. SUMMARY OF REFRANCHISINGS AND FRANCHISE ACQUISITIONS

Refranchisings — The following table summarizes the number of restaurants sold to franchisees and gains recognized in each fiscal year (*dollars in thousands*):

	2023	2022	2021
Restaurants sold to Jack in the Box franchisees	5	15	—
Restaurants sold to Del Taco franchisees	111	—	—
Proceeds from the sale of company-operated restaurants (1)	$ 85,221	$ 6,391	$ 1,827
Broker commissions	(1,614)	—	—
Net assets sold (primarily property and equipment)	(17,101)	(1,565)	—
Goodwill related to the sale of company-operated restaurants	(35,544)	(948)	—
Franchise fees	(3,086)	—	—
Sublease liabilities, net	(8,559)	—	—
Lease termination	(393)	—	—
Other (2)	(926)	—	2,376
Gains on the sale of company-operated restaurants	$ 17,998	$ 3,878	$ 4,203

(1) Amounts in 2023, 2022, and 2021 include additional proceeds of $0.9 million, $1.4 million, and $1.8 million, respectively, related to the extension of the underlying franchise and lease agreements from the sale of restaurants in prior years.

(2) Amount in 2023 is primarily related to charges for a restaurant that was closed due to refranchising the related market. Amount in 2021 relate to adjustments to contingencies that were included in underlying franchise and lease agreements from the sale of restaurants in prior years.

Franchise acquisitions — In 2022 and 2021, we acquired 13 and 20 franchise restaurants, respectively. There were no such acquisitions in 2023. We account for the acquisition of franchised restaurants using the acquisition method of accounting for business combinations. The purchase price allocations were based on fair value estimates determined using significant unobservable inputs (Level 3). The goodwill recorded primarily relates to the sales growth potential of the market acquired and is expected to be deductible for income tax purposes.

The following table provides detail of the combined acquisitions in 2022, and 2021 (*dollars in thousands*):

	2022	2021
Restaurants acquired from Jack in the Box franchisees	13	20
Inventory	$ —	$ 258
Property and equipment	540	1,136
Intangible assets	66	245
Other assets	—	10
Goodwill	—	613
Gains on the acquisition of franchise-operated restaurants	(309)	(340)
Liabilities assumed	—	(277)
Total consideration	$ 297	$ 1,645

The total consideration of $0.3 million for the restaurants acquired in 2022 was comprised of franchise receivables owed to the Company as of the acquisition date. During the first quarter of 2022, we finalized certain estimates impacting total purchase consideration for the 2021 restaurant acquisitions and recorded the resulting measurement period adjustments which increased goodwill by $0.3 million.

Assets held for sale — Assets classified as held for sale consisted of the following at each fiscal year-end (*in thousands*):

	2023	2022
Jack in the Box restaurant properties (1)	$ 11,097	$ 14,151
Other property and equipment (2)	766	2,868
Del Taco restaurants to be refranchised:		
Property and equipment	771	—
Goodwill	1,291	—
Assets held for sale	$ 13,925	$ 17,019

(1) Consists of properties that are currently leased to franchisees which we intend to sell the underlying real estate directly to the franchisee and/or sell and leaseback with a third party within the next twelve months.
(2) Consists primarily of owned properties of closed restaurants which we are actively marketing for sale.

5. GOODWILL AND INTANGIBLE ASSETS

The changes in the carrying amount of goodwill during fiscal 2023 and 2022 were as follows (*in thousands*):

	Jack in the Box	Del Taco	Total
Balance at October 3, 2021	$ 47,774	$ —	$ 47,774
Acquisition of Del Taco Restaurants, Inc.	89,000	230,722	319,722
Acquisition of Jack in the Box franchise-operated restaurants	273	—	273
Sale of Jack in the Box company-operated restaurants to franchisees	(948)	—	(948)
Balance at October 2, 2022	136,099	230,722	366,821
Sale of Del Taco company-operated restaurants to franchisees	—	(35,472)	(35,472)
Sale of Jack in the Box company-operated restaurants to franchisees	(72)	—	(72)
Reclassified to assets held for sale	—	(1,291)	(1,291)
Balance at October 1, 2023	$ 136,027	$ 193,959	$ 329,986

The net carrying amounts of intangible assets are as follows (*in thousands*):

	October 1, 2023			October 2, 2022		
	Gross Amount	Accumulated Amortization	Net Amount	Gross Amount	Accumulated Amortization	Net Amount
Definite-lived intangible assets:						
Sublease assets	$ 2,671	$ (381)	$ 2,290	$ 2,671	$ (139)	$ 2,532
Franchise contracts	9,700	(850)	8,850	9,700	(311)	9,389
Reacquired franchise rights	297	(107)	190	530	(127)	403
	$ 12,668	$ (1,338)	$ 11,330	$ 12,901	$ (577)	$ 12,324
Indefinite-lived intangible assets:						
Del Taco trademark	$ 283,500	$ —	$ 283,500	$ 283,500	$ —	$ 283,500
	$ 283,500	$ —	$ 283,500	$ 283,500	$ —	$ 283,500

The following table summarizes, as of October 1, 2023, the estimated amortization expense for each of the next five fiscal years (*in thousands*):

2024	$ 801
2025	$ 801
2026	$ 801
2027	$ 815
2028 and thereafter	$ 8,112
Total	$ 11,330

6. FAIR VALUE MEASUREMENTS

Financial assets and liabilities — The following table presents the financial assets and liabilities measured at fair value on a recurring basis (*in thousands*):

	Total	Quoted Prices in Active Markets for Identical Assets (2) (Level 1)	Significant Other Observable Inputs (2) (Level 2)	Significant Unobservable Inputs (2) (Level 3)
Fair value measurements as of October 1, 2023:				
Non-qualified deferred compensation plan (1)	$ 15,051	$ 15,051	$ —	$ —
Total liabilities at fair value	$ 15,051	$ 15,051	$ —	$ —
Fair value measurements as of October 2, 2022:				
Non-qualified deferred compensation plan (1)	$ 13,820	$ 13,820	$ —	$ —
Total liabilities at fair value	$ 13,820	$ 13,820	$ —	$ —

(1) We maintain an unfunded defined contribution plan for key executives and other members of management. The fair value of this obligation is based on the closing market prices of the participants' elected investments. The obligation is included in "Accrued liabilities" and "Other long-term liabilities" on our consolidated balance sheets.
(2) We did not have any transfers in or out of Level 1, 2, or 3.

The following table presents the carrying value and estimated fair value of our Class A-2 Notes as of October 1, 2023 and October 2, 2022 (*in thousands*):

	October 1, 2023		October 2, 2022	
	Carrying Amount	Fair Value	Carrying Amount	Fair Value
Series 2019 Class A-2 Notes	$ 706,875	$ 640,046	$ 714,125	$ 641,851
Series 2022 Class A-2 Notes	$ 1,067,000	$ 903,056	$ 1,089,000	$ 917,428

The fair value of the Class A-2 Notes was estimated using Level 2 inputs based on quoted market prices in markets that are not considered active markets. As of October 1, 2023, we did not have any outstanding borrowings under our Variable Funding Notes. The fair value of these loans approximates their carrying value due to the variable rate nature of these borrowings.

Non-financial assets and liabilities — Our non-financial instruments, which primarily consist of property and equipment, operating lease right-of-use assets, goodwill, and intangible assets, are reported at carrying value and are not required to be measured at fair value on a recurring basis. However, on an annual basis, or whenever events or changes in circumstances indicate that their carrying value may not be recoverable, non-financial instruments are assessed for impairment. If applicable, the carrying values are written down to fair value. Refer to Note 9, *Other Operating Expenses (Income), Net,* for details on impairment charges recognized in 2023.

7. INDEBTEDNESS

The detail of our long-term debt at the end of each fiscal year is as follows (*in thousands*):

	October 1, 2023	October 2, 2022
Series 2019-1 4.476% Fixed Rate Class A-2-II Notes	$ 268,125	$ 270,875
Series 2019-1 4.970% Fixed Rate Class A-2-III Notes	438,750	443,250
Series 2022-1 3.445% Fixed Rate Class A-2-I Notes	533,500	544,500
Series 2022-1 4.136% Fixed Rate Class A-2-II Notes	533,500	544,500
Series 2022-1 Variable Funding Notes, variable interest rate of 6.322% at October 1, 2023	—	50,000
Finance lease obligations and other debt	1,626	1,690
Total debt	1,775,501	1,854,815
Less current maturities of long-term debt	(29,964)	(30,169)
Less unamortized debt issuance costs	(20,604)	(25,106)
Long-term debt	$ 1,724,933	$ 1,799,540

Securitization refinancing transaction — On February 11, 2022, the Company completed the sale of $550.0 million of its Series 2022-1 3.445% Fixed Rate Senior Secured Notes, Class A-2-I (the "Class A-2-I Notes") and $550.0 million of its Series 2022-1 4.136% Fixed Rate Senior Secured Notes, Class A-2-II (the "Class A-2-II" and, together with the Class A-2-I Notes, the "2022 Notes"). Interest payments on the 2022 Notes are payable on a quarterly basis. The anticipated repayment dates of the 2022 Class A-2-I Notes and the Class A-2-II Notes are February 2027 and February 2032, respectively (the "Anticipated Repayment Dates"), unless earlier prepaid to the extent permitted. The anticipated repayment dates of the existing 2019-1 Class A-2-II Notes and the Class A-2-III Notes are August 2026 and August 2029, respectively.

The Company also entered into a revolving financing facility of Series 2022-1 Variable Funding Senior Secured Notes (the "Variable Funding Notes"), which permits borrowings up to a maximum of $150.0 million, subject to certain borrowing conditions, a portion of which may be used to issue letters of credit. As of October 1, 2023, we did not have any outstanding borrowings and had available borrowing capacity of $100.5 million, net of letters of credits issued of $49.5 million.

The net proceeds of the sale of the 2022 Notes were used to repay in full of $570.7 million in aggregate outstanding principal amount of the Company's Series 2019-1 Class A-2-I Notes, together with the applicable make-whole premium and unpaid interest, and was used to fund a portion of the Company's acquisition of Del Taco. As a result, the Company recorded a loss on early extinguishment of debt of $5.6 million during the second quarter of 2022, which was comprised of the write-off of certain deferred financing costs and a specified make-whole premium payment, and is presented in "Interest expense, net" in the consolidated statement of earnings. Additionally, in connection with the 2022 Notes, the Company capitalized $17.4 million of debt issuance costs, which are being amortized into interest expense over the Anticipated Repayment Dates, utilizing the effective interest rate method. The costs related to our Variable Funding Notes are presented within "Other assets, net" and are being amortized over the Anticipated Repayment Date of February 2027 using the straight-line method. As of October 1, 2023, the effective interest rates, including the amortization of debt issuance costs, were 4.851%, 5.258%, 3.796%, and 4.347% for the Series 2019-1 Class A-2-II Notes, Series 2019-1 Class A-2-III Notes, Series 2022-1 Class A-2-I Notes, and Series 2022-1 Class A-2-II Notes, respectively.

The 2022 Notes were issued in a privately placed securitization transaction pursuant to which certain of the Company's revenue-generating assets, consisting principally of franchise-related agreements, real estate assets, and intellectual property and license agreements for the use of intellectual property, are held by the Master Issuer and certain other limited-purpose, bankruptcy remote, wholly owned indirect subsidiaries of the Company that act as Guarantors of the Notes and that have pledged substantially all of their assets, excluding certain real estate assets and subject to certain limitations, to secure the Notes.

The quarterly principal payment on the Class A-2 Notes may be suspended when the specified leverage ratio, which is a measure of outstanding debt to earnings before interest, taxes, depreciation, and amortization, adjusted for certain items (as defined in the Indenture), is less than or equal to 5.0x. Exceeding the leverage ratio of 5.0x does not violate any covenant related to the Class A-2 Notes. Subsequent to closing the issuance of the 2022 Notes, the Company has had a leverage ratio of greater than 5.0x and, accordingly, the Company is making the scheduled principal payments on its 2022 Notes and Series 2019-1 Notes.

Variable Funding Notes — Depending on the type of borrowing under the Variable Funding Notes, interest on the Variable Funding Notes will be based on (i) the prime rate, (ii) overnight federal funds rates, (iii) the London interbank offered rate for U.S. Dollars or (iv) the lenders' commercial paper funding rate plus any applicable margin, as set forth in the Variable Funding Note Purchase Agreement. There is a scaled commitment fee on the unused portion of the Variable Funding Notes facility of between 50 and 100 basis points. It is anticipated that the principal and interest on the Variable Funding Notes will be repaid in full on or prior to August 2027, subject to two one-year extensions at the option of the Company. Following the anticipated repayment date (and any extensions thereof), additional interest will accrue equal to 5.00% per annum.

Guarantees and collateral — Pursuant to the Guarantee and Collateral Agreement, dated July 8, 2019 (the "Guarantee and Collateral Agreement"), among the Guarantors, in favor of the trustee, the Guarantors guarantee the obligations of the Master Issuer under the Indenture and related documents and secure the guarantee by granting a security interest in substantially all of their assets. The Notes are secured by a security interest in substantially all of the assets of the Master Issuer and the Guarantors (collectively, the "Securitization Entities"). The assets of the Securitization Entities include most of the revenue-generating assets of the Company and its subsidiaries, which principally consist of franchise-related agreements, certain company-operated restaurants, intellectual property and license agreements for the use of intellectual property. Upon certain trigger events, mortgages will be required to be prepared and recorded on the real estate assets.

Revolving credit facility — In connection with the Del Taco acquisition, Del Taco's existing debt of $115.2 million related to a Syndicated Credit Facility dated August 5, 2015, was repaid and extinguished on the Closing Date. On the Closing Date, Del Taco entered into a new syndicated credit facility with an aggregate principal amount of up to $75.0 million, which now matures on March 1, 2024. The Company capitalized $0.3 million of debt issuance costs, which are being amortized into interest expense over the expected term of the credit facility. The revolving credit facility, as amended, included a limit of $20.0 million for letters of credit, all of which were cancelled as of October 1, 2023. As of October 1, 2023, we had no outstanding borrowings and available borrowing capacity of $75.0 million under the facility.

Bridge commitment letter — In connection with the Merger Agreement, the Company secured commitments for a bridge financing facility in an amount of up to $600.0 million (the "Bridge Facility"). No amounts were drawn under the Bridge Facility, which was terminated as a result of our securitization refinancing transaction. The Company expensed approximately $2.1 million for the unamortized issuance costs associated with this commitment which is presented in "Interest expense, net" in the consolidated statement of earnings.

Maturities of long-term debt — Assuming repayment by the Anticipated Repayment Dates and based on the leverage ratio as of October 1, 2023, principal payments on our long-term debt outstanding at October 1, 2023 for each of the next five fiscal years and thereafter are as follows (*in thousands*):

2024	$	29,964
2025		29,905
2026		289,156
2027		516,034
2028		15,538
Thereafter		894,904
	$	1,775,501

8. LEASES

Nature of leases — We own restaurant sites and we also lease restaurant sites from third parties. Some of these owned or leased sites are leased and/or subleased to franchisees. Initial terms of our real estate leases are generally 20 years, exclusive of options to renew, which are generally exercisable at our sole discretion for 1 to 20 years. In some instances, our leases have provisions for contingent rentals based upon a percentage of defined revenues. Many of our restaurants also have rent escalation clauses and require the payment of property taxes, insurance, and maintenance costs. Variable lease costs include contingent rent, cost-of-living index adjustments, and payments for additional rent such as real estate taxes, insurance, and common area maintenance, which are excluded from the measurement of the lease liability. We also lease certain restaurant and office equipment with initial terms generally ranging from 3 to 8 years. Our lease agreements do not contain any material residual value guarantees or material restrictive covenants.

As lessor, our leases and subleases primarily consist of restaurants that have been leased to franchisees subsequent to refranchising transactions. The lease descriptions, terms, variable lease payments and renewal options are generally the same as the lessee leases described above. Revenues from leasing arrangements with our franchisees are presented in "Franchise rental revenues" in the accompanying consolidated statements of earnings, and the related expenses are presented in "Franchise occupancy expenses."

Company as lessee — Leased assets and liabilities consisted of the following as of October 1, 2023 and October 2, 2022 *(in thousands)*:

	October 1, 2023	October 2, 2022
Assets:		
Operating lease ROU assets	$ 1,397,555	$ 1,332,135
Finance lease ROU assets (1)	971	854
Total ROU assets	$ 1,398,526	$ 1,332,989
Liabilities:		
Current operating lease liabilities	$ 142,518	$ 171,311
Current finance lease liabilities (2)	689	896
Long-term operating lease liabilities	1,265,514	1,165,097
Long-term finance lease liabilities (2)	627	435
Total lease liabilities	$ 1,409,348	$ 1,337,739

(1) Included in "Property and equipment, net" on our consolidated balance sheets.
(2) Included in "Current maturities of long-term debt" and "Long-term debt, net of current maturities" on our consolidated balance sheets.

The following table presents the components of our lease costs in fiscal 2023, 2022, and 2021 (*in thousands*):

	2023	2022	2021
Lease costs:			
Finance lease cost:			
Amortization of ROU assets (1)	$ 691	$ 827	$ 807
Interest on lease liabilities (2)	55	67	89
Operating lease cost (3)	240,153	218,837	194,149
Short-term lease cost (3)	730	824	427
Variable lease cost (3)(4)	50,448	48,872	43,498
	$ 292,077	$ 269,427	$ 238,970

(1) Included in "Depreciation and amortization" in our consolidated statements of earnings.
(2) Included in "Interest expense, net" in our consolidated statements of earnings.
(3) Operating lease, short-term and variable lease costs associated with franchisees and company-operated restaurants are included in "Franchise occupancy expenses" and "Occupancy and other," respectively, in our consolidated statements of earnings. For our closed restaurants, these costs are included in "Other operating expense (income), net" and all other costs are included in "Selling, general and administrative expenses."
(4) Includes $39.9 million, $38.2 million, and $38.0 million in 2023, 2022, and 2021, respectively, of property taxes and common area maintenance costs which are reimbursed by sub-lessees.

The following table presents supplemental information related to leases:

	October 1, 2023	October 2, 2022
Weighted-average remaining lease term (in years):		
Finance leases	1.7	1.5
Operating leases	11.1	10.0
Weighted-average discount rate:		
Finance leases	7.1 %	3.8 %
Operating leases	5.5 %	4.6 %

The following table presents as of October 1, 2023, the annual maturities of our lease liabilities (*in thousands*):

	Finance Leases	Operating Leases
Fiscal year:		
2024	$ 757	$ 217,591
2025	651	217,931
2026	18	202,189
2027	—	192,088
2028	—	154,422
Thereafter	—	971,239
Total future lease payments (1)	$ 1,426	$ 1,955,460
Less: imputed interest	(110)	(547,428)
Present value of lease liabilities	$ 1,316	$ 1,408,032
Less current portion	(689)	(142,518)
Long-term lease obligations	$ 627	$ 1,265,514

(1) Total future lease payments include non-cancellable commitments of $1.4 million for finance leases and $1,350.1 million for operating leases.

Assets recorded under finance leases are included in property and equipment, and consisted of the following at each fiscal year-end (*in thousands*):

	2023	2022
Buildings	$ 1,342	$ 1,342
Equipment	6,140	5,559
Less accumulated amortization	(6,511)	(6,047)
	$ 971	$ 854

The following table includes supplemental cash flow and non-cash information related to our lessee leases (*in thousands*):

	2023	2022
Cash paid for amounts included in the measurement of lease liabilities:		
Operating cash flows from operating leases	$ 236,356	$ 218,605
Operating cash flows from financing leases	$ 55	$ 67
Financing cash flows from financing leases	$ 836	$ 907
Supplemental noncash information on lease liabilities arising from obtaining right-of-use assets:		
Right-of-use assets obtained in exchange for new operating lease obligations	$ 250,862	$ 221,466
Right-of-use assets obtained in exchange for new financing lease obligations	$ 5	$ 45

Sale and leaseback transactions — In fiscal 2023, we sold one restaurant property in a sale and leaseback transaction for net proceeds of $3.7 million, and recorded total losses of less than $0.1 million. The lease has been accounted for as an operating lease and contains an initial term of 20 years.

In fiscal 2022, we sold four restaurant properties in sale and leaseback transactions for net proceeds of $10.8 million, and recorded total losses of $0.2 million. The leases have been accounted for as operating leases and contain initial terms of 16 years and 20 years.

In fiscal 2021, we sold two restaurant properties in sale and leaseback transactions for net proceeds of $3.9 million, and recorded total gains of less than $0.1 million. The leases have been accounted for as operating leases and contain an initial term of 20 years.

***Company as lessor* —** The following table presents rental income (*in thousands*):

	2023			2022		
	Owned Properties	Leased Properties	Total	Owned Properties	Leased Properties	Total
Operating lease income - franchise	$ 17,805	$ 225,392	$ 243,197	$ 19,221	$ 212,552	$ 231,773
Variable lease income - franchise	12,700	108,010	120,710	12,418	96,002	108,420
Amortization of sublease assets and liabilities, net	—	684	684	—	198	198
Franchise rental revenues	$ 30,505	$ 334,086	$ 364,591	$ 31,639	$ 308,752	$ 340,391
Operating lease income - closed restaurants and other (1)	$ 76	$ 7,387	$ 7,463	$ 60	$ 6,347	$ 6,407

(1) Primarily relates to closed restaurant properties included in "Other operating expense (income), net" in our consolidated statements of earnings.

The following table presents as of October 1, 2023, future minimum rental receipts for non-cancellable leases and subleases (*in thousands*):

	October 1, 2023
Fiscal year:	
2024	$ 240,756
2025	251,366
2026	237,214
2027	231,827
2028	188,554
Thereafter	1,120,748
Total minimum rental receipts	$ 2,270,465

Assets held for lease and included in property and equipment consisted of the following at each fiscal year-end (*in thousands*):

	October 1, 2023	October 2, 2022
Land	$ 78,665	$ 75,967
Buildings	792,177	771,567
Equipment	63	2,750
	870,905	850,284
Less accumulated depreciation	(672,137)	(663,109)
	$ 198,768	$ 187,175

9. OTHER OPERATING EXPENSE (INCOME), NET

Other operating expense (income), net, in the accompanying consolidated statements of earnings is comprised of the following in each fiscal year (*in thousands*):

	2023	2022	2021
Acquisition, integration and strategic initiatives	$ 9,112	$ 20,081	$ 7
Costs of closed restaurants and other	4,786	4,290	1,907
Operating restaurant impairment charges	4,569	5,927	—
Accelerated depreciation	541	1,124	1,592
Gains on disposition of property and equipment, net	(8,171)	(30,533)	(6,888)
	$ 10,837	$ 889	$ (3,382)

Acquisition, integration and strategic initiatives — In 2023, costs incurred primarily related to severance, retention bonuses, strategic consulting fees and technology integration related to the acquisition of Del Taco. In 2022, costs incurred primarily related to advisory, legal, and consulting services relating to the acquisition and integration of Del Taco.

Cost of closed restaurant — Cost of closed restaurants primarily include ongoing costs associated with closed restaurants and cancelled project costs.

Operating restaurant impairment charges — In 2023, impairment charges included $4.4 million relating to under-performing Del Taco restaurants currently held for use. In 2022, impairment charges included $3.2 million related to nine Jack in the Box company-operated restaurants that were closed in connection with the sale of the related markets and $2.7 million related to Jack in the Box restaurants leased or subleased to franchisees for which the lease and franchise agreements were early terminated during the year.

Accelerated depreciation — When a long-lived asset will be replaced or otherwise disposed of prior to the end of its estimated useful life, the useful life of the asset is adjusted based on the estimated disposal date and accelerated depreciation is recognized. In 2023, 2022 and 2021, accelerated depreciation primarily related to facility improvements, restaurant remodels, and information technology assets.

Gains on disposition of property and equipment, net — In 2023 and 2022, gains primarily relate to the sale of Jack in the Box restaurant properties to franchisees who were leasing the properties from us prior to the sale. In 2021, gains primarily relate to the sale of closed restaurant properties.

10. SEGMENT REPORTING

Our principal business consists of developing, operating and franchising our Jack in the Box and Del Taco restaurant brands, each of which we consider a reportable operating segment. This segment reporting structure reflects our current management structure, internal reporting method and financial information used in deciding how to allocate our resources. Based upon certain quantitative thresholds, each operating segment is considered a reportable segment.

We measure and evaluate our segments based on segment revenues and segment profit. Our measure of segment profit excludes depreciation and amortization, share-based compensation, company-owned life insurance ("COLI") gains/losses, net of changes in our non-qualified deferred compensation obligation supported by these policies, acquisition, integration and strategic initiatives, gains on the sale of company-operated restaurants, and amortization of favorable and unfavorable leases and subleases, net.

The following table provides information related to our operating segments in each period (*in thousands*):

	2023	2022	2021
Revenues by segment:			
Jack in the Box	$ 1,195,311	$ 1,151,188	$ 1,143,670
Del Taco	496,995	316,895	—
Consolidated revenues	$ 1,692,306	$ 1,468,083	$ 1,143,670
Segment operating profit:			
Jack in the Box	$ 308,548	$ 310,745	$ 327,157
Del Taco	30,491	27,981	—
Total segment operating profit	$ 339,039	$ 338,726	$ 327,157
Depreciation and amortization	62,287	56,100	46,500
Acquisition, integration and strategic initiatives	9,112	20,081	7
Share-based compensation	11,205	7,122	4,048
Net COLI losses (gains)	(5,953)	9,911	(9,141)
Gains on the sale of company-operated restaurants	(17,998)	(3,878)	(4,203)
Amortization of favorable and unfavorable leases and subleases, net	1,633	1,120	—
Earnings from operations	$ 278,753	$ 248,270	$ 289,946
Total capital expenditures by segment:			
Jack in the Box	$ 53,692	$ 31,601	$ 41,008
Del Taco	21,262	14,874	—
Total capital expenditures	$ 74,954	$ 46,475	$ 41,008
Total depreciation and amortization by segment:			
Jack in the Box	$ 35,973	$ 39,895	$ 46,500
Del Taco	26,314	16,205	—
Total depreciation and amortization	$ 62,287	$ 56,100	$ 46,500

We do not evaluate, manage or measure performance of segments using asset, interest income and expense, or income tax information; accordingly, this information by segment is not prepared or disclosed.

11. INCOME TAXES

Income taxes consist of the following in each fiscal year (*in thousands*):

	2023	2022	2021
Current:			
Federal	$ 53,229	$ 28,934	$ 36,051
State	17,274	9,320	11,793
	70,503	38,254	47,844
Deferred:			
Federal	(10,642)	5,344	4,440
State	(1,347)	2,513	3,568
	(11,989)	7,857	8,008
Income tax expense from continuing operations	$ 58,514	$ 46,111	$ 55,852

A reconciliation of the federal statutory income tax rate to our effective tax rate for continuing operations is as follows:

	2023	2022	2021
Income tax expense at federal statutory rate	21.0 %	21.0 %	21.0 %
State income taxes, net of federal tax benefit	5.6 %	5.2 %	5.1 %
Stock compensation tax deficiency (excess tax benefit)	— %	0.1 %	(0.5)%
Benefit of tax credits, net of valuation allowance	(0.4)%	(0.6)%	(0.1)%
Adjustment to state tax provision	— %	— %	0.7 %
Nondeductible goodwill related to the sale of company-operated restaurants	4.9 %	— %	— %
Nondeductible transaction costs	— %	0.6 %	— %
Expense (benefit) related to COLIs	(1.0)%	2.1 %	(1.5)%
Officers' compensation limitation	0.6 %	0.4 %	0.5 %
Other, net	0.2 %	(0.3)%	— %
	30.9 %	28.5 %	25.2 %

The tax effects of temporary differences that give rise to significant portions of deferred tax assets and deferred tax liabilities at each fiscal year-end are presented below (*in thousands*):

	2023	2022
Deferred tax assets:		
Operating and finance lease liabilities	$ 372,095	$ 351,746
Accrued defined benefit pension and postretirement benefits	18,896	19,090
Deferred income	15,137	13,524
Accrued legal settlements	11,099	15,158
Accrued insurance	8,086	8,339
Share-based compensation	6,139	5,094
Accrued incentive compensation	5,928	2,402
Tax loss and tax credit carryforwards	1,956	4,399
Capitalized research costs	1,943	—
Other reserves and allowances	1,144	1,627
Accrued compensation expense	1,259	1,329
Property and equipment, net of impairment	181	—
Other, net	3,852	2,319
Total gross deferred tax assets	447,715	425,027
Valuation allowance	(1,043)	(1,140)
Total net deferred tax assets	446,672	423,887
Deferred tax liabilities:		
Operating and finance lease ROU assets	(380,040)	(361,332)
Intangible assets	(84,969)	(87,165)
Investment basis limitation	(6,191)	(6,010)
Property and equipment, principally due to differences in depreciation	—	(5,656)
Other	(1,701)	(1,408)
Total gross deferred tax liabilities	(472,901)	(461,571)
Net deferred tax (liabilities) assets	$ (26,229)	$ (37,684)

Deferred tax assets as of October 1, 2023 include state gross net operating loss carryforwards of approximately $12.4 million, of which $9.6 million has an indefinite carryforward. The remainder will expire at various times between 2024 and 2042. At October 1, 2023, we recorded a valuation allowance of $1.0 million related to state tax credits, which decreased from the $1.1 million at October 2, 2022 due to the release of the valuation allowance on California Enterprise Zone Credits. We believe it is more likely than not that these credit carryforwards will not be realized and that all other deferred tax assets will be realized through future taxable income or alternative tax strategies.

The major jurisdictions in which the Company files income tax returns includes the United States and states in which we operate that impose an income tax. The federal statutes of limitations have not expired for fiscal year 2020 and forward. The statutes of limitations for California, which constitutes the Company's major state tax jurisdiction, have not expired for fiscal years 2018 and forward.

12. RETIREMENT PLANS

We sponsor programs that provide retirement benefits to our employees. These programs include defined contribution plans, defined benefit pension plans, and postretirement healthcare plans.

Defined contribution plans — We maintain two qualified savings plans pursuant to Section 401(k) of the Internal Revenue Code ("IRC"). The plans allow all employees who meet certain age and minimum service requirements to defer a percentage of their pay on a pre-tax basis. Our contributions under these plans were $2.3 million, $2.1 million, and $1.6 million in each fiscal years 2023, 2022 and 2021, respectively.

We also maintain an unfunded, non-qualified deferred compensation plan for key executives and other members of management whose compensation deferrals or company matching contributions to the qualified savings plan are limited due to IRC rules. Effective January 1, 2016, this non-qualified plan was amended to replace the company matching contribution with an annual restoration match that is intended to "restore" up to the full match for participants whose elective deferrals (and related company matching contributions) to the qualified savings plan were limited due to IRC rules. A participant's right to the Company restoration match vests immediately. This plan allows participants to defer up to 50% of their salary and 85% of their bonus, on a pre-tax basis. Our contributions under the non-qualified deferred compensation plan were $0.1 million in fiscal year 2023, and were less than $0.1 million in each fiscal years 2022 and 2021, respectively.

Defined benefit pension plans — We sponsor two defined benefit pension plans, a "Qualified Plan" covering substantially all full-time employees hired prior to January 1, 2011, and an unfunded supplemental executive retirement plan ("SERP") which provides certain employees additional pension benefits and was closed to new participants effective January 1, 2007. In fiscal 2011, the Board of Directors approved changes to our Qualified Plan whereby participants no longer accrue benefits effective December 31, 2015. Benefits under both plans are based on the employees' years of service and compensation over defined periods of employment.

In the fourth quarter of fiscal 2023, the Company amended its Qualified Plan to purchase certain annuity contracts from a third-party company, relieving the Company of its related obligation for future payment (the "Annuity Purchase Agreement"). As a result of the Annuity Purchase Agreement, the Company's Qualified Plan paid $14.4 million from its plan assets to the third-party, thereby reducing the plan's pension benefit obligation ("PBO").

Postretirement healthcare plans — We also sponsor two healthcare plans, closed to new participants, that provide postretirement medical benefits to certain employees who have met minimum age and service requirements. The plans are contributory, with retiree contributions adjusted annually, and contain other cost-sharing features such as deductibles and coinsurance.

Obligations and funded status — The following table provides a reconciliation of the changes in benefit obligations, plan assets, and funded status of our retirement plans for each fiscal year (*in thousands*):

	Qualified Plan		SERP		Postretirement Health Plans	
	2023	2022	2023	2022	2023	2022
Change in benefit obligation:						
Obligation at beginning of year	$ 293,342	$ 410,053	$ 56,891	$ 75,225	$ 12,577	$ 17,162
Interest cost	16,068	12,506	3,149	2,173	700	489
Participant contributions	—	—	—	—	101	92
Actuarial gain	(13,792)	(114,999)	(1,287)	(14,830)	(383)	(4,062)
Benefits paid	(14,884)	(14,218)	(5,240)	(5,677)	(1,145)	(1,204)
Settlements and other	(14,389)	—	—	—	41	100
Obligation at end of year	$ 266,345	$ 293,342	$ 53,513	$ 56,891	$ 11,891	$ 12,577
Change in plan assets:						
Fair value at beginning of year	$ 303,951	$ 409,708	$ —	$ —	$ —	$ —
Actual return (loss) on plan assets	465	(91,539)	—	—	—	—
Participant contributions	—	—	—	—	101	92
Employer contributions	—	—	5,240	5,677	1,002	1,012
Benefits paid	(14,884)	(14,218)	(5,240)	(5,677)	(1,145)	(1,204)
Settlements and other	(14,389)	—	—	—	42	100
Fair value at end of year	$ 275,143	$ 303,951	$ —	$ —	$ —	$ —
Funded (unfunded) status at end of year	$ 8,798	$ 10,609	$ (53,513)	$ (56,891)	$ (11,891)	$ (12,577)
Amounts recognized on the balance sheet:						
Noncurrent assets	$ 8,798	$ 10,609	$ —	$ —	$ —	$ —
Current liabilities	—	—	(5,138)	(5,213)	(1,072)	(1,081)
Noncurrent liabilities	—	—	(48,375)	(51,678)	(10,819)	(11,496)
Total asset (liability) recognized	$ 8,798	$ 10,609	$ (53,513)	$ (56,891)	$ (11,891)	$ (12,577)
Amounts in AOCI not yet reflected in net periodic benefit cost:						
Unamortized actuarial loss (gain), net	$ 99,871	$ 101,372	$ 13,974	$ 15,979	$ (10,232)	$ (10,781)
Unamortized prior service cost	—	—	15	34	—	—
Total	$ 99,871	$ 101,372	$ 13,989	$ 16,013	$ (10,232)	$ (10,781)
Other changes in plan assets and benefit obligations recognized in OCI:						
Net actuarial loss (gain)	$ 848	$ (5,357)	$ (1,287)	$ (14,830)	$ (383)	$ (4,062)
Amortization of actuarial (loss) gain	(2,349)	(2,193)	(718)	(1,666)	932	640
Amortization of prior service cost	—	—	(19)	(19)	—	—
Total recognized in OCI	(1,501)	(7,550)	(2,024)	(16,515)	549	(3,422)
Net periodic benefit (credit) cost	3,312	(3,404)	3,886	3,858	(232)	(151)
Total recognized in comprehensive income	$ 1,811	$ (10,954)	$ 1,862	$ (12,657)	$ 317	$ (3,573)
Amounts in AOCI expected to be amortized in next fiscal net periodic benefit cost:						
Net actuarial loss (gain)	$ 2,403		$ 632		$ (914)	
Prior service cost	—		14		—	
Total	$ 2,403		$ 646		$ (914)	

Additional year-end pension plan information — The PBO represents the actuarial present value of benefits attributable to employee service rendered to date, including the effects of estimated future pay increases. The accumulated benefit obligation ("ABO") also reflects the actuarial present value of benefits attributable to employee service rendered to date but does not include the effects of estimated future pay increases. Therefore, the ABO as compared to plan assets is an indication of the assets currently available to fund vested and nonvested benefits accrued through the end of the fiscal year. The funded status is measured as the difference between the fair value of a plan's assets and its PBO. Since the Qualified Plan is frozen and the SERP has no active participants, the PBO and ABO are equal.

As of October 1, 2023 and October 2, 2022, respectively, the Qualified Plan's ABO was less than the fair value of its plan assets. The SERP is an unfunded plan and, as such, had no plan assets as of October 1, 2023 and October 2, 2022. The following sets forth the PBO, ABO, and fair value of plan assets of our pension plans as of the measurement date in each fiscal year (*in thousands*):

	2023	2022
Qualified Plan:		
Projected benefit obligation	$ 266,345	$ 293,342
Accumulated benefit obligation	$ 266,345	$ 293,342
Fair value of plan assets	$ 275,143	$ 303,951
SERP:		
Projected benefit obligation	$ 53,513	$ 56,891
Accumulated benefit obligation	$ 53,513	$ 56,891
Fair value of plan assets	$ —	$ —

Net periodic benefit cost — The components of the fiscal year net periodic benefit cost were as follows (*in thousands*):

	2023	2022	2021
Qualified Plan:			
Interest cost	$ 16,068	$ 12,506	$ 12,558
Expected return on plan assets	(15,105)	(18,103)	(19,340)
Actuarial loss	2,349	2,193	3,510
Net periodic benefit (credit) cost	$ 3,312	$ (3,404)	$ (3,272)
SERP:			
Interest cost	$ 3,149	$ 2,173	$ 2,169
Actuarial loss	718	1,666	1,743
Amortization of unrecognized prior service cost	19	19	19
Net periodic benefit cost	$ 3,886	$ 3,858	$ 3,931
Postretirement health plans:			
Interest cost	$ 700	$ 489	$ 563
Actuarial (gain) loss	(932)	(640)	(341)
Net periodic benefit (credit) cost	$ (232)	$ (151)	$ 222

Prior service costs are amortized on a straight-line basis from date of participation to full eligibility. Unrecognized gains or losses are amortized using the "corridor approach" under which the net gain or loss in excess of 10% of the greater of the PBO or the market-related value of the assets, if applicable, is amortized. For our Qualified Plan, actuarial losses are amortized over the average future expected lifetime of all participants expected to receive benefits. For our SERP, actuarial losses are amortized over the expected remaining future lifetime for inactive participants, and for our postretirement health plans, actuarial losses are amortized over the expected remaining future lifetime of inactive participants expected to receive benefits.

Assumptions — We determine our actuarial assumptions on an annual basis. In determining the present values of our benefit obligations and net periodic benefit costs as of and for the fiscal years ended October 1, 2023, October 2, 2022, and October 3, 2021, we used the following weighted-average assumptions:

	2023	2022	2021
Assumptions used to determine benefit obligations (1):			
Qualified Plan:			
Discount rate	6.10%	5.63%	3.11%
SERP:			
Discount rate	6.26%	5.80%	2.99%
Rate of future pay increases (2)	N/A	N/A	N/A
Postretirement health plans:			
Discount rate	6.27%	5.82%	2.95%
Assumptions used to determine net periodic benefit cost (3):			
Qualified Plan:			
Discount rate	5.63%	3.11%	3.10%
Long-term rate of return on assets	5.10%	4.50%	5.40%
SERP:			
Discount rate	5.80%	2.99%	2.84%
Rate of future pay increases (2)	N/A	N/A	N/A
Postretirement health plans:			
Discount rate	5.82%	2.95%	2.77%

(1) Determined as of end of year.
(2) Rate is not applicable as there are no active employees as of fiscal year end 2023, 2022 or 2021.
(3) Determined as of beginning of year.

The assumed discount rates were determined by considering the average of pension yield curves constructed of a population of high-quality bonds with a Moody's or Standard and Poor's rating of "AA" or better whose cash flow from coupons and maturities match the year-by-year projected benefit payments from the plans. As benefit payments typically extend beyond the date of the longest maturing bond, cash flows beyond 30 years were discounted back to the 30th year and then matched like any other payment.

The assumed expected long-term rate of return on assets is the weighted-average rate of earnings expected on the funds invested or to be invested to provide for the pension obligations. The long-term rate of return on assets was determined taking into consideration our projected asset allocation and economic forecasts prepared with the assistance of our actuarial consultants.

The assumed discount rate and expected long-term rate of return on assets have a significant effect on amounts reported for our pension and postretirement plans. If the discount rate and expected rate of return on assets used were to decrease by 0.25%, fiscal 2023 earnings before income taxes would have decreased by less than $0.1 million and decreased by $1.0 million, respectively.

For measurement purposes, the weighted-average assumed health care cost trend rates for our postretirement health plans were as follows for each fiscal year:

	2023	2022	2021
Healthcare cost trend rate for next year:			
Participants under age 65	6.25%	6.25%	6.50%
Participants age 65 or older	6.25%	5.75%	6.00%
Rate to which the cost trend rate is assumed to decline:			
Participants under age 65	4.50%	4.50%	4.50%
Participants age 65 or older	4.50%	4.50%	4.50%
Year the rate reaches the ultimate trend rate:			
Participants under age 65	2031	2030	2030
Participants age 65 or older	2031	2028	2028

The assumed healthcare cost trend rate represents our estimate of the annual rates of change in the costs of the healthcare benefits currently provided by our postretirement plans. The healthcare cost trend rate implicitly considers estimates of healthcare inflation, changes in healthcare utilization and delivery patterns, technological advances and changes in the health status of the plan participants. The healthcare cost trend rate assumption has a significant effect on the amounts reported.

Plan assets — Our investment philosophy is to invest assets in a prudent manner to meet the obligation of providing benefits to Plan participants and their beneficiaries in accordance with the time horizon appropriate for the Plan while employing asset diversification to minimize the risk of large losses. Our asset allocation strategy utilizes multiple investment managers in order to maximize the plan's return while minimizing risk. We regularly monitor our asset allocation, and senior financial management and the Finance Committee of the Board of Directors review performance results quarterly. We continually review our target asset allocation for our Qualified Plan and when changes are made, we reallocate our plan assets over a period of time, as deemed appropriate by senior financial management, to achieve our target asset allocation. Our plan asset allocation at the end of each fiscal 2023 and 2022 and respective target allocations were as follows:

	2023	Target	Minimum	Maximum
Cash & cash equivalents	1%	—%	—%	—%
Global equity	11%	12%	7%	17%
Alternative credit	10%	9%	4%	14%
Real assets	10%	9%	4%	14%
Liability-hedging assets	68%	70%	60%	80%
	100%	100%		

	2022	Target	Minimum	Maximum
Cash & cash equivalents	1%	1%	—%	—%
Domestic equities	11%	11%	5%	17%
International equities	11%	11%	5%	17%
Core fixed funds	57%	64%	57%	71%
High yield	2%	2%	—%	5%
Alternative investments	4%	4%	—%	8%
Real estate	7%	—%	—%	5%
Real return bonds	7%	7%	—%	14%
	100%	100%		

The Company measures its defined benefit plan assets and obligations as of the month-end date closest to its fiscal year end, which is a practical expedient under FASB authoritative guidance. The fair values of the Qualified Plan's assets by asset category are as follows (*in thousands*):

		Total	Other (i.e. NAV Assets) (3)	Quoted Prices in Active Markets for Identical (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)
Fair Value at September 30, 2023:						
Cash and cash equivalents	(1)	$ 3,266	$ —	$ —	$ 3,266	$ —
Equity:						
Global equity	(2)	30,879	30,879	—	—	—
Fixed income:						
Liability-hedging assets	(4)	184,085	77,653	—	106,432	—
Alternative credit	(5)	28,378	28,378	—	—	—
Real assets	(6)	28,535	28,535	—	—	—
		$ 275,143	$ 165,445	$ —	$ 109,698	$ —
Fair Value at September 30, 2022:						
Cash and cash equivalents	(1)	$ 2,267	$ —	$ —	$ 2,267	$ —
Equity:						
U.S. equity	(7)	33,659	—	33,659	—	—
International equity	(8)	32,807	16,250	16,557	—	—
Fixed income:						
Investment grade	(9)	193,426	—	20,138	173,288	—
High yield	(10)	6,970	—	6,970	—	—
Alternative investments	(11)	12,061	12,061	—	—	—
Real estate	(12)	22,761	22,761	—	—	—
		$ 303,951	$ 51,072	$ 77,324	$ 175,555	$ —

(1) Cash and cash equivalents are comprised of commercial paper, short-term bills and notes, and short-term investment funds, which are valued at quoted prices in active markets for similar securities.

(2) Global equity is comprised of investments in publicly traded common stocks and other equity-type securities issued by companies throughout the world, including convertible securities, preferred stock, rights and warrants.

(3) Certain investments that are measured at fair value using the net asset value ("NAV") per share (or its equivalent) practical expedient are not categorized in the fair value hierarchy. The fair value amounts presented in this table are intended to permit reconciliation of the fair value hierarchy to the amounts presented in the statement of financial position.

(4) Liability-hedging assets are comprised of investments in fixed income securities or derivatives thereof that are intended to mitigate interest rate risk or reduce the interest rate duration mismatch between the assets and liabilities of the Plan.

(5) Alternative credit includes investments in a range of public and private credit securities, including below investment grade rated bonds and loans, securitized credit, and emerging market debt.

(6) Real assets are investments in public and private debt and equity investments, including but not limited to real estate, infrastructure, timberland and agriculture/farmland.

(7) U.S. equity securities are comprised of investments in common stock of U.S. companies for total return purposes. These investments are valued by the trustee at closing prices from national exchanges on the valuation date.

(8) International equity securities are comprised of investments in common stock of companies located outside of the U.S. for total return purposes. These investments are valued by the trustee at closing prices from national exchanges on the valuation date, or the values are adjusted as a result of market movements following the close of local trading using inputs to models that are observable either directly or indirectly. The portion of these investments that are measured at fair value using the net asset value ("NAV") per share practical expedient can be redeemed on a monthly basis.

(9) Investment grade fixed income consists of debt obligations either issued by the U.S. government or have a rating of BBB- / Baa or higher assigned by a major credit rating agency. These investments are valued based on unadjusted quoted market prices (Level 1), or based on quoted prices in inactive markets, or whose values are based on models, but the inputs to those models are observable either directly or indirectly (Level 2).

(10) High yield fixed income consists primarily of debt obligations that have a rating of below BBB- / Baa or lower assigned by a major credit rating agency. These investments are valued based on unadjusted quoted market prices.

(11) Alternative investments consist primarily of an investment in asset classes other than stocks, bonds, and cash. Alternative investments can include commodities, hedge funds, private equity, managed futures, and derivatives. These investments are valued based on unadjusted quoted market prices and can be redeemed on a bi-monthly basis.

(12) Real estate includes investments in a real estate collective trust for purposes of total return. These investments are valued based on prices or valuation techniques that require inputs that are both unobservable and significant to the overall fair value measurement. These investments can be redeemed on a quarterly basis.

Future cash flows — Our policy is to fund our plans at or above the minimum required by law. As of the date of our last actuarial funding valuation, there was no minimum requirement. We do not anticipate making any contributions to our Qualified Plan in fiscal 2024. Contributions expected to be paid in the next fiscal year, the projected benefit payments for each of the next five fiscal years, and the total aggregate amount for the subsequent five fiscal years are as follows (*in thousands*):

	Defined Benefit Plans	Postretirement Health Plans
Estimated net contributions during fiscal 2024	$ 5,138	$ 1,105
Estimated future year benefit payments during fiscal years:		
2024	$ 20,353	$ 1,105
2025	$ 20,536	$ 1,122
2026	$ 20,888	$ 1,133
2027	$ 21,304	$ 1,138
2028	$ 21,708	$ 1,133
2029-2033	$ 113,833	$ 5,346

We will continue to evaluate contributions to our Qualified Plan based on changes in pension assets as a result of asset performance in the current market and economic environment. Expected benefit payments are based on the same assumptions used to measure our benefit obligations at October 1, 2023 and include estimated future employee service, if applicable.

13. SHARE-BASED EMPLOYEE COMPENSATION

Stock incentive plans — We offer share-based compensation plans to attract, retain, and motivate key officers, employees, and non-employee directors to work toward the financial success of the Company.

Our stock incentive plans are administered by the Compensation Committee of the Board of Directors and have been approved by the stockholders of the Company. The terms and conditions of our share-based awards are determined by the Compensation Committee for each award date and may include provisions for the exercise price, expirations, vesting, restriction on sales, and forfeitures, as applicable. We issue new shares to satisfy stock issuances under our stock incentive plans.

Our Amended and Restated 2004 Stock Incentive Plan ("Prior Plan") authorized the issuance of up to 11,600,000 common shares in connection with the granting of stock options, stock appreciation rights, restricted stock purchase rights, restricted stock bonuses, restricted stock units, or performance units to our employees and directors. As of January 1, 2023, no additional awards were granted under the Prior Plan. Our Jack in the Box Inc. 2023 Omnibus Incentive Plan ("Plan") authorizes the issuance of up to 2,500,000 common shares plus Prior Plan returning shares in connection with outstanding awards as of January 6, 2023 that on or following such date are not issued, settled in cash, or fail to vest. The Plan is intended to help the Company secure and retain the services of eligible award recipients, provide incentives for such persons to exert maximum efforts for the success of the Company, and provide a means by which such persons may benefit from increases in value of the common stock. The Plan provides for the granting of stock options, stock appreciation rights, restricted stock awards, restricted stock unit awards, or performance stock awards, to our employees and directors. There were 2,454,425 shares of common stock available for future issuance under this plan as of October 1, 2023.

We also maintain a deferred compensation plan for non-management directors under which those who are eligible to receive fees or retainers may choose to defer receipt of their compensation. The deferred amounts are converted to stock equivalents. The plan requires settlement in shares of our common stock based on the number of stock equivalents and dividend equivalents at the time of a participant's separation from the Board of Directors. This plan provides for the issuance of up to 350,000 shares of common stock in connection with the crediting of stock equivalents. There were 142,918 shares of common stock available for future issuance under this plan as of October 1, 2023.

Compensation expense — The components of share-based compensation expense, included within "Selling, general, and administrative expenses" in our consolidated statements of earnings, in each fiscal year are as follows (*in thousands*):

	2023	2022	2021
Nonvested restricted stock units	$ 7,598	$ 4,544	$ 2,969
Stock options	4	19	25
Performance share awards	3,195	1,835	830
Nonvested restricted stock awards	166	434	—
Non-management directors' deferred compensation	242	290	224
Total share-based compensation expense	$ 11,205	$ 7,122	$ 4,048

Nonvested restricted stock units — Nonvested restricted stock units ("RSUs") are generally issued to employees and non-employee directors. Grants to executive officers of time-vesting RSUs vest ratably over four years or three years, are subject to a stock holding requirement of 50% of after-tax net shares resulting from the vesting of RSUs, and must be held until the multiple of base salary stock ownership is met. There were 38,772 RSU's vesting over four years, and 54,561 RSU's vesting over three years outstanding as of October 1, 2023. RSUs issued to non-management directors vest 12 months from the date of grant, or upon termination of board service, including RSUs for which the director elected to defer receipt until termination of board service, and totaled 83,251 units outstanding as of October 1, 2023. RSUs issued to certain other employees either cliff vest or vest ratably over three years and totaled 151,952 units outstanding as of October 1, 2023. These awards are amortized to compensation expense over the estimated vesting period based upon the fair value of our common stock on the award date discounted by the present value of the expected dividend stream over the vesting period.

The following is a summary of RSU activity for fiscal 2023:

	Shares	Weighted-Average Grant Date Fair Value
RSUs outstanding at October 2, 2022	236,606	$ 75.98
Granted	186,938	$ 68.56
Released	(55,919)	$ 81.97
Forfeited	(39,089)	$ 74.01
RSUs outstanding at October 1, 2023	328,536	$ 70.97

As of October 1, 2023, there was approximately $11.8 million of total unrecognized compensation cost related to RSUs, which is expected to be recognized over a weighted-average period of 1.9 years. The weighted-average grant date fair value of awards granted was $68.56, $78.28, and $95.44 in fiscal years 2023, 2022, and 2021, respectively. In fiscal years 2023, 2022, and 2021, the total fair value of RSUs that vested and were released was $4.6 million, $2.5 million, and $4.3 million, respectively.

Stock options — Option grants have contractual terms of seven years and employee options vest over a three-year period. Options may vest sooner upon retirement from the Company for employees meeting certain age and years of service thresholds. All option grants provide for an option exercise price equal to the closing market value of the common stock on the date of grant.

The following is a summary of stock option activity for fiscal 2023:

	Shares	Weighted-Average Exercise Price	Weighted-Average Remaining Contractual Term (Years)	Aggregate Intrinsic Value (in thousands)
Options outstanding at October 2, 2022	32,450	$ 92.80		
Exercised	(3,500)	$ 75.23		
Options outstanding at October 1, 2023	28,950	$ 94.92	1.11	$ —
Options exercisable at October 1, 2023	28,950	$ 94.92	1.11	$ —

The aggregate intrinsic value in the table above is the amount by which the current market price of our stock on October 1, 2023 exceeds the weighted-average exercise price.

We use a valuation model to determine the fair value of options granted that requires the input of highly subjective assumptions, including the expected volatility of the stock price. No stock option awards were granted in fiscal 2023, 2022, or 2021.

As of October 1, 2023, there was no unrecognized compensation cost related to stock options grants. The total intrinsic value of stock options exercised was less than $0.1 million in fiscal years 2023 and 2022, respectively, and was $1.6 million in fiscal year 2021.

Performance share awards — Performance share awards, granted in the form of stock units, represent a right to receive a certain number of shares of common stock based on the achievement of corporate performance goals and continued employment during the vesting period. Performance share awards issued to executives vest at the end of a three-year period and vested amounts may range from 0% to a maximum of 150% of targeted amounts depending on the achievement of performance measures at the end of a three-year period. If the awardee ceases to be employed by the Company prior to the last day of the performance period due to retirement, disability, or death, the performance share awards become vested pro-rata based on the number of full accounting periods the awardee was continuously employed by the Company during the performance period. The expected cost of the shares is based on the fair value of our stock on the date of grant and is reflected over the vesting period with a reduction for estimated forfeitures. These awards may be settled in cash or shares of common stock at the election of the Company on the date of grant. It is our intent to settle these awards with shares of common stock.

The following is a summary of performance share award activity for fiscal 2023:

	Shares		Weighted-Average Grant Date Fair Value
Performance share awards outstanding at October 2, 2022	65,382	$	79.14
Granted	56,466	$	65.74
Issued	(1,126)	$	70.56
Forfeited	(13,548)	$	77.54
Performance share awards outstanding at October 1, 2023	107,174	$	72.51

As of October 1, 2023, there was approximately $3.2 million of total unrecognized compensation cost related to performance share awards, which is expected to be recognized over a weighted-average period of 1.8 years. The weighted-average grant date fair value of awards granted was $65.74, $78.95, and $88.88 in fiscal years 2023, 2022, and 2021, respectively. The total fair value of awards that became fully vested during fiscal years 2023, 2022, and 2021 was $1.8 million, $0.1 million, and $0.6 million, respectively.

Nonvested restricted stock awards — As part of the Merger Agreement, on the Closing Date, the Company assumed Del Taco's historical equity compensation plans. The awards under Del Taco's historical equity compensation plans that were not subject to accelerated vesting were exchanged for replacement awards of the Company, which included Del Taco's non-accelerating restricted stock awards. Immediately following the Merger, these replacement awards were modified to accelerate the remaining vesting period to be one year following the Closing Date, other than the awards already scheduled to vest on June 30, 2022.

The following is a summary of nonvested restricted stock awards for fiscal 2023:

	Shares		Weighted-Average Grant Date Fair Value
Restricted stock awards outstanding at October 2, 2022	4,670	$	82.33
Issued	(4,670)	$	82.33
Restricted stock awards outstanding at October 1, 2023	—	$	—

As of October 1, 2023, there was no unrecognized compensation cost related to nonvested stock awards. The total fair value of awards that vested and were released during fiscal years 2023 and 2022, was $0.4 million and $0.7 million, respectively.

Non-management directors' deferred compensation — All awards outstanding under our directors' deferred compensation plan are accounted for as equity-based awards and deferred amounts are converted into stock equivalents based on a per share price equal to the average of the closing price of our common stock for the 10 trading days immediately preceding the date the deferred compensation is credited to the director's account. During fiscal 2023, 2022, and 2021, no shares of common stock were issued in connection with director retirements.

The following is a summary of the stock equivalent activity for fiscal 2023:

	Stock Equivalents	Weighted-Average Grant Date Fair Value
Stock equivalents outstanding at October 2, 2022	116,274	$ 45.28
Deferred directors' compensation	3,072	$ 81.38
Dividend equivalents	3,635	$ 78.51
Stock equivalents outstanding at October 1, 2023	122,981	$ 47.16

14. STOCKHOLDERS' DEFICIT

Repurchases of common stock — In fiscal 2023, the Company purchased 1.1 million shares of its common stock for an aggregate cost of $90.7 million, including applicable excise tax. As of October 1, 2023, there was $85.0 million remaining amount under share repurchase programs authorized by the Board of Directors which expired on November 20, 2023.

Dividends — In fiscal 2023, the Board of Directors declared four cash dividends of $0.44, respectively, totaling $36.2 million. Future dividends are subject to approval by our Board of Directors.

15. AVERAGE SHARES OUTSTANDING

Our basic earnings per share calculation is computed based on the weighted-average number of common shares outstanding. Our diluted earnings per share calculation is computed based on the weighted-average number of common shares outstanding adjusted by the number of additional shares that would have been outstanding had the potentially dilutive common shares been issued. Potentially dilutive common shares include nonvested stock awards and units, stock options, and non-management director stock equivalents. Performance share awards are included in the average diluted shares outstanding each period if the performance criteria have been met at the end of the respective periods.

The following table reconciles basic weighted-average shares outstanding to diluted weighted-average shares outstanding in each fiscal year (*in thousands*):

	2023	2022	2021
Weighted-average shares outstanding — basic	20,603	21,195	22,402
Effect of potentially dilutive securities:			
Nonvested stock awards and units	134	47	62
Stock options	1	1	9
Performance share awards	26	2	5
Weighted-average shares outstanding — diluted	20,764	21,245	22,478
Excluded from diluted weighted-average shares outstanding:			
Antidilutive	25	23	29
Performance conditions not satisfied at the end of the period	81	61	25

16. COMMITMENTS AND CONTINGENCIES

Purchase commitments — Jack in the Box and Del Taco have long-term food and beverage supply agreements with certain major vendors, which provide food and fountain drink products and marketing support funding to the Company and its franchisees. These agreements require minimum purchases by the Company and its franchisees at agreed upon prices until the total volume commitments have been reached. Based on current pricing and ratio of usage at company-operated to franchised restaurants as of October 1, 2023, total food and beverage purchase requirements under these agreements is estimated to be approximately $131.9 million over the next five years.

We also have entered into various arrangements with vendors providing information technology services with no early termination fees. The Company's unconditional purchase obligations on these contracts total approximately $16.3 million over the next five years.

Legal matters — The Company assesses contingencies, including litigation contingencies, to determine the degree of probability and range of possible loss for potential accrual in our financial statements. An estimated loss contingency is accrued in the financial statements if it is probable that a liability has been incurred and the amount of the loss can be reasonably estimated. As of October 1, 2023, the Company had accruals of $40.9 million for all of its legal matters in aggregate, presented within "Accrued liabilities" on our consolidated balance sheet. Because litigation is inherently unpredictable, assessing contingencies is highly subjective and requires judgments about future events. When evaluating litigation contingencies, we may be unable to provide a meaningful estimate due to a number of factors, including the procedural status of the matter in question, the availability of appellate remedies, insurance coverage related to the claim or claims in question, the presence of complex or novel legal theories, and the ongoing discovery and development of information important to the matter. In addition, damage amounts claimed in litigation against us may be unsupported, exaggerated, or unrelated to possible outcomes, and as such are not meaningful indicators of our potential liability or financial exposure. The Company regularly reviews contingencies to determine the adequacy of the accruals and related disclosures. The ultimate amount of loss may differ from these estimates. Any estimate is not an indication of expected loss, if any, or of the Company's maximum possible loss exposure and the ultimate amount of loss may differ materially from these estimates in the near term.

Gessele v. Jack in the Box Inc. — In August 2010, five former Jack in the Box employees instituted litigation in federal court in Oregon alleging claims under the federal Fair Labor Standards Act and Oregon wage and hour laws. The plaintiffs alleged that Jack in the Box failed to pay non-exempt employees for certain meal breaks and improperly made payroll deductions for shoe purchases and for workers' compensation expenses, and later added additional claims relating to timing of final pay and related wage and hour claims involving employees of a franchisee. In 2016, the court dismissed the federal claims and those relating to franchise employees. In June 2017, the court granted class certification with respect to state law claims of improper deductions and late payment of final wages. The parties participated in a voluntary mediation on March 16, 2020, but the matter did not settle. On October 24, 2022, a jury awarded plaintiffs approximately $6.4 million in damages and penalties. The Company continues to dispute liability and the damage award and will defend against both through post-trial motions and all other available appellate remedies. As of October 1, 2023, the Company has accrued the verdict amount above, as well as pre-judgment and post-judgement interest and an estimated fee award, for an additional $8.3 million. These amounts are included within "Accrued liabilities" on our consolidated balance sheet as of October 1, 2023. The Company will continue to accrue for post-judgment interest until the matter is resolved.

Torrez — In March 2014, a former Del Taco employee filed a purported Private Attorneys General Act claim and class action alleging various causes of action under California's labor, wage, and hour laws. The plaintiff generally alleges Del Taco did not appropriately provide meal and rest breaks and failed to pay wages and reimburse business expenses to its California non-exempt employees. On November 12, 2021, the court granted, in part, the plaintiff's motion for class certification. The parties participated in a voluntary mediation on May 24, 2022 and June 3, 2022. On June 4, 2022, we entered into a Settlement Memorandum of Understanding (the "Agreement") which obligates the Company to pay a gross settlement amount of $50.0 million, for which in exchange we will be released from all claims by the parties. On August 8, 2023, the court issued its final approval of the settlement and on August 9, 2023 final judgement was entered. The Company made its first payment of half of the settlement amount on August 28, 2023. Payment of the second half is due on November 27, 2023. As of October 1, 2023, the Company has accrued the remaining settlement amount of $25.5 million, which included within "Accrued liabilities" on its consolidated balance sheet.

J&D Restaurant Group — On April 17, 2019, the trustee for a bankrupt former franchisee filed a complaint generally alleging the Company wrongfully terminated the franchise agreements and unreasonably denied two perspective purchasers the former franchisee presented. The parties participated in a mediation in April 2021, and again in December 2022, but the matter did not settle. Trial commenced on January 9, 2023. On February 8, 2023, the jury returned a verdict finding the Company had not breached any contracts in terminating the franchise agreements or denying the proposed buyers. However, while the jury also found the Company had not violated the California Unfair Practices Act, it found for the plaintiff on the claim for breach of implied covenant of good faith and fair dealing, and awarded $8.0 million in damages. On May 9, 2023, the court granted the Company's post-trial motion, overturning the jury verdict and ordering the plaintiff take nothing on its claims. As a result, the Company reversed the prior $8.0 million accrual, and as of October 1, 2023, the Company has no amounts accrued for this case on its consolidated balance sheet. The Plaintiff has appealed the trial court's post-trial rulings.

Other legal matters — In addition to the matters described above, we are subject to normal and routine litigation brought by former or current employees, customers, franchisees, vendors, landlords, shareholders, or others. We intend to defend ourselves in any such matters. Some of these matters may be covered, at least in part, by insurance or other third-party indemnity obligation. We record receivables from third party insurers when recovery has been determined to be probable.

Lease guarantees — We remain contingently liable for certain leases relating to our former Qdoba business which we sold in fiscal 2018. Under the Qdoba Purchase Agreement, the buyer has indemnified the Company of all claims related to these guarantees. As of October 1, 2023, the maximum potential liability of future undiscounted payments under these leases is approximately $21.7 million. The lease terms extend for a maximum of approximately 14 more years and we would remain a guarantor of the leases in the event the leases are extended for any established renewal periods. In the event of default, we believe the exposure is limited due to contractual protections and recourse available in the lease agreements, as well as the Qdoba Purchase Agreement, including a requirement of the landlord to mitigate damages by re-letting the properties in default, and indemnity from the Buyer. The Company has not recorded a liability for these guarantees as we believe the likelihood of making any future payments is remote.

17. SUPPLEMENTAL CONSOLIDATED CASH FLOW INFORMATION (in thousands)

	2023	2022	2021
Cash paid during the year for:			
Income tax payments	$ 17,811	$ 33,819	$ 48,200
Interest payments	$ 78,958	$ 70,475	$ 60,413
Non-cash investing and financing transactions:			
Increase in notes and accounts receivable from the sale of restaurant properties	$ —	$ 10,001	$ —
Increase in dividends accrued or converted to common stock equivalents	$ 285	$ 275	$ 232
Consideration for franchise acquisitions	$ —	$ 297	$ 1,305
Increase in obligations for purchases of property and equipment	$ 3,731	$ 1,637	$ 1,755

18. SUPPLEMENTAL CONSOLIDATED FINANCIAL STATEMENT INFORMATION (in thousands)

	October 1, 2023	October 2, 2022
Accounts and other receivables, net:		
Trade	$ 93,660	$ 90,105
Notes receivable, current portion	2,262	8,643
Income tax receivable	949	878
Other	6,953	10,152
Allowance for doubtful accounts	(4,146)	(5,975)
	$ 99,678	$ 103,803
Other assets, net:		
Company-owned life insurance policies	$ 113,205	$ 108,924
Franchise tenant improvement allowances	43,590	32,429
Deferred rent receivable	41,947	43,891
Notes receivable, less current portion	11,927	11,624
Other	30,038	29,701
	$ 240,707	$ 226,569
Accrued liabilities:		
Income tax liabilities	$ 58,155	$ 6,338
Payroll and related taxes	49,521	43,837
Legal accruals	40,877	59,165
Insurance	31,349	32,272
Sales and property taxes	30,508	30,947
Deferred rent income	19,397	18,525
Advertising	15,597	11,028
Deferred franchise fees and development fees	5,952	5,647
Other	50,822	46,173
	$ 302,178	$ 253,932
Other long-term liabilities:		
Defined benefit pension plans	$ 48,375	$ 51,679
Deferred franchise and development fees	44,522	40,802
Other	50,226	42,213
	$ 143,123	$ 134,694

19. SUBSEQUENT EVENTS

On November 16, 2023, the Board of Directors declared a cash dividend of $0.44 per share, to be paid on December 28, 2023 to shareholders of record as of the close of business on December 14, 2023. Future dividends will be subject to approval by our Board of Directors.

On November 16, 2023, the Board of Directors authorized a share repurchase program for up to $250.0 million of the Company's common stock. The size and timing of these repurchases will depend on pricing, market and economic conditions, legal and contractual requirements and other factors. The share repurchase program has no expiration date and may be modified, suspended or discontinued at any time.

EXHIBIT C

GUARANTEE AGREEMENT OF JACK IN THE BOX INC.

GUARANTEE OF PERFORMANCE

For value received, Jack in the Box Inc., a Delaware corporation (the "**Guarantor**"), located at 9357 Spectrum Center Blvd, San Diego, CA 92123, absolutely and unconditionally guarantees to assume the duties and obligations of Del Taco LLC, located at 25521 Commercentre Drive, Suite 150, Lake Forest, CA 92630 (the "**Franchisor**"), under its franchise registration in each state where the franchise is registered, and under its Franchise Agreement identified in its Franchise Disclosure Document issued March 7, 2024, as it may be amended, and as that Franchise Agreement may be entered into with franchisees and amended, modified or extended from time to time. This guarantee continues until all such obligations of the Franchisor under its franchise registrations and the Franchise Agreement are satisfied or until the liability of Franchisor to its franchisees under the Franchise Agreement has been completely discharged, which ever occurs first. The Guarantor is not discharged from liability if a claim by a franchisee against the Franchisor remains outstanding. Notice of acceptance is waived. The Guarantor does not waive receipt of notice of default on the part of the Franchisor. This guarantee is binding on the Guarantor and its successors and assigns.

The Guarantor executes this guarantee at San Diego, California, on the 6th day of March, 2024.

Guarantor: Jack in the Box Inc.

By: _____

Name: Michael J. Snider
Title: Assistant General Counsel, Vice President Legal Transactions; Assistant Secretary

EXHIBIT D

DEVELOPMENT AGREEMENT

DEVELOPMENT AGREEMENT

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C. Statement of Ownership Interests

DEVELOPMENT AGREEMENT

Del Taco LLC, a California limited liability company ("Del Taco"), and the undersigned (the "Developer") enter into this Development Agreement (this "Agreement") as of the ____ day of _____, 20___.

RECITALS

A. Del Taco engages in the business of owning, operating, and granting franchises to others to own and operate Del Taco restaurants for the sale of food items featuring Mexican-American dishes. Del Taco has developed a system with respect to its operations and management that includes (without limitation) the following items:

1. Site selection and layout criteria;

2. Designs for various types of standardized Del Taco buildings;

3. Signs, graphics, names, logos and other decorative features;

4. Recipes and menus;

5. Furniture, fixtures, kitchen display systems and equipment specifications;

6. Marketing and advertising materials;

7. Operating procedures, including operating and management manuals;

8. Training procedures and materials;

9. Specifications for food products and supplies; and

10. Other materials and procedures that Del Taco may develop and use in the development, construction and operation of Del Taco restaurants.

All of the above, as Del Taco may change or modify from time to time, shall constitute the "Del Taco System."

B. Del Taco has established an excellent reputation and goodwill with the public with respect to the quality of products and services available at Del Taco restaurants, which reputation and goodwill have been and continue to be of major benefit to Del Taco and its franchisees.

C. The Developer recognizes the benefits from being identified with and licensed by Del Taco and being able to utilize the Del Taco System.

D. The Developer desires to obtain the right to develop Del Taco restaurants in the development area referred to in this Agreement, all upon the terms and conditions set forth in this Agreement.

Now, therefore, in consideration of the foregoing and the covenants set forth below, the parties to this Agreement agree as follows:

1. Definitions. As used in this Agreement, the following words and phrases shall have the meanings indicated:

(a) "Affiliate" shall mean (1) any person controlling, controlled by or under common control with the Developer (as defined by the Securities Act of 1933, as amended, and the rules and regulations promulgated under that act), (2) any officer, director or more than 10% owner of the Developer or (3) any legal entity in which the Developer or any officer, director or more than 10% owner of the Developer has an interest of 10% or more.

(b) "Del Taco System" shall have the meaning defined in Recital A of this Agreement.

(c) "Development Area" shall mean, subject to Del Taco's retention of rights pursuant to the terms and conditions of Section 13 of this Agreement, that area, if any, described on Exhibit A to this Agreement.

(d) "Development Fee" shall mean the fee that the Developer pays to Del Taco in consideration of the Development Rights granted in this Agreement as set forth in Section 5 of this Agreement.

(e) "Development Rights" shall mean the rights to develop Restaurants in accordance with this Agreement.

(f) "Development Schedule" shall mean the schedule for the submission of Site Approval Packages and the development of Restaurants as set forth on Exhibit B to this Agreement.

(g) "Restaurant" or "Restaurants" shall mean one or more Del Taco restaurants.

(h) "Site Approval Package" shall mean the information and forms required by Section 7 of this Agreement.

(i) "Alternative Point(s) of Distribution" shall mean those locations as further defined in Section 13(c) of this Agreement.

2. Grant of Development Rights. Del Taco hereby grants to the Developer, subject to the terms and conditions of this Agreement and as long as the Developer complies with this Agreement and all other agreements with Del Taco, the exclusive Development Rights for Restaurants identified on Exhibit B. The Developer shall have the exclusive rights to develop Restaurants—that is, Del Taco will not establish, or grant franchises for others to establish, Del Taco Restaurants—in the Development Area for the term of this Agreement. The Developer shall submit Site Approval Packages and shall develop and open the total number of Restaurants set forth on and in accordance with the Development Schedule. This Agreement is not a franchise agreement and does not grant the Developer any right to use the Del Taco System or any part of the Del Taco System. The Developer shall have no right under this Agreement to license others to use the Del Taco System or any part of this Del Taco System.

3. Term. This Agreement and all Development Rights shall expire immediately upon the required opening date for the last Restaurant set forth on the Development Schedule or the actual opening date for the last Restaurant, whichever first occurs, unless sooner terminated in accordance with the terms and conditions of this Agreement.

4. Time of Essence. Time is of the essence of this Agreement.

Fees. The Developer shall pay to Del Taco the following fees:

(a) In consideration of the Development Rights granted in this Agreement, the Developer shall pay to Del Taco a fully non-refundable Development Fee of $35,000 for the first Restaurant scheduled for opening and $10,000 for each additional Restaurant scheduled for opening, payable upon execution and delivery by the Developer of this Agreement. As between Developer and Del Taco, Del Taco shall earn the Development Fee upon the execution of this Agreement and shall not have any obligation to refund any portion of the Development Fee.

(b) Upon the execution by the Developer of a Franchise Agreement, Del Taco shall credit from the Development Fee $35,000 for the first Restaurant scheduled for opening and $10,000 for each subsequent Restaurant scheduled for opening towards the initial franchise fee for each of those Restaurants. The Developer shall pay the balance of the initial franchise fee for the second and each subsequent Restaurant scheduled for opening. The Developer acknowledges that, once it has executed a Franchise Agreement for a Restaurant, the Developer will not have the right to a refund of any portion of the foregoing fees.

(c) Notwithstanding any provision of the Agreement to the contrary, if Developer is not able to timely meet its Development Schedule, and provided that Developer and its affiliates are in full compliance with all agreements with Del Taco, Developer may request a twelve-month extension of one or more of the development deadlines in the Development Schedule, which extension Del Taco may grant or deny at its sole option. To request an extension of a development deadline, Developer must provide Del Taco at least six months' advance written notice. For each twelve-month extension of such deadline(s) that Del Taco approves in writing, Developer must (A) pay Company a fee calculated as follows: $5,000 times the number of development deadlines that Developer wishes to extend for twelve months ("Extension Fee") and (B) sign an amendment to the Development Agreement to reflect these specific dates of the extension, and which will include a general release in the form in general use by Del Taco at the time, in favor of Del Taco and its officers, directors, agents, employees, subsidiaries, and affiliates. The Extension Fee is earned upon receipt and is non-refundable; provided, Del Taco will credit the Extension Fee towards payment of the Franchise Fee for subject location upon execution of the applicable Franchise Agreement. In all other circumstances, Del Taco will retain any and all Extension Fees.

(d) Any amount owing from the Developer to Del Taco pursuant to this Section 5, if not paid when due, shall bear interest at the rate of seven percentage points in excess of the prime rate per annum, subject to any applicable limits imposed by California law, after the due date until paid.

6. Services by Del Taco. Del Taco shall provide to the Developer one copy of the following:

(a) Del Taco's standard site selection criteria as then in effect;

(b) Sample site plans and layouts; and

(c) A standard construction package (which Del Taco may modify from time to time), including (without limitation) plans and specifications, with the understanding that the Developer shall adapt the plans and specifications, at the Developer's expense, for use at any approved site.

7. Site Selection. The Developer shall complete and submit the forms and information that Del Taco requires from time to time in connection with any proposed site for a Del Taco restaurant. In addition, the Developer shall submit financial information relating to the Developer's then-current financial condition and the expected development costs and projected results of operation of the Restaurant proposed for development on the proposed site. Within 45 days after its receipt of all of the required information, Del Taco shall approve or reject any proposed site by written notice to the Developer. Del Taco shall not approve or reject a proposed site until the Developer has provided it with the required forms and information. Del Taco shall have the right to refuse to approval any site if (i) the site does not conform with general site selection criteria Del Taco establishes from time to time, including, without limitation, demographic characteristics, traffic patterns, parking accommodations, character of the neighborhood, competition from other businesses, or any reasonable conditions as determined by Del Taco in its sole discretion; (ii) the Developer fails to meet Del Taco's then-current financial and operational requirements for developers, franchisees and/or the development of Restaurant; or (iii) if the Developer is in default under this Agreement or any other agreement with Del Taco. Del Taco's approval of any site shall not constitute any representation, warranty, or guarantee by Del Taco that the site will constitute a successful location for a Restaurant. In addition, Del Taco shall have the right to refuse to approve any site that is within one mile of a Restaurant located or proposed for development outside of the Development Area, if any, or in accordance with Del Taco's then-current business impact policy, including if Del Taco otherwise determines that the proposed site will have a substantial negative financial impact on a Restaurant located or proposed for development outside of the Development Area. As a condition of Del Taco's review of a proposed site, Del Taco may require Developer to pay for (or reimburse Del Taco for the costs of) a trade area survey analysis if the proposed site is within certain distance of any existing Restaurant as specified in Del Taco's then-current business impact policy. Depending on the results of any such trade area survey analysis, Del Taco may (a) reject a proposed site, or (b) as a condition for Del Taco's approval of the proposed site, (i) require Developer to make a business impact payment to any affected franchisee(s) in accordance with Del Taco's then-current business impact policy, or (ii) notwithstanding any prior agreement to the contrary, reduce or withhold any development incentives to offset projected impacts upon any existing company-owned Restaurants in accordance with the then-current business impact policy. Only a duly-authorized officer of Del Taco has the authority to approve any proposed site, which approval must take place in writing. Any other approvals, whether oral or written, shall have no force or effect. In connection with the Developer's acquisition of the real estate for any Restaurant, the Developer shall submit a draft of any lease or sublease agreement for the real estate to Del Taco for its review and approval prior to the Developer's execution of any final lease or sublease agreement. The lease or sublease agreement shall include the following provisions:

(a) The landlord shall agree to send to Del Taco a copy of any notice of default;

(b) In the event of default by the Developer, Del Taco shall have the right, but not the obligation, to cure the default and assume the rights of the Developer under the lease;

(c) The lease shall restrict the use of the real estate to a Del Taco restaurant for as long as the Franchise Agreement remains in effect;

(d) The landlord shall consent to the use by the Developer of Del Taco's signage and proprietary marks;

(e) The furniture, fixtures and equipment shall remain the personal property of the Developer (or the Developer's equipment lessor);

(f) The Developer shall have the unrestricted right to assign the lease to Del Taco or another franchisee of Del Taco;

(g) The Developer shall have the right to remodel every ten years, pursuant to the terms of the Franchise Agreement;

(h) The Developer shall have the right to de-identify the premises upon the termination or expiration of the Franchise Agreement and Del Taco shall have the right to enter the premises and de-identity the premises if the Developer fails to do that;

(i) The Landlord shall agree not to operate or allow the operation of any land owned or controlled by the landlord within a one-mile radius of the premises for a competing Mexican quick service restaurant;

(j) The lease shall have a term at least equal to the term of the Franchise Agreement; and

(k) The lease shall provide that no amendment of any of the foregoing provisions may take place without the written consent of Del Taco.

Del Taco may, at its option, require Developer and its landlord to execute a lease addendum, incorporating the above provisions, in such form as Del Taco may designate. Del Taco, in its sole and absolute discretion, may waive any one or more of the foregoing requirements, and the Developer shall not have any rights or claims against Del Taco if Del Taco waives or fails to insist on the compliance with any of the foregoing requirements.

8. Franchise Agreement. Subject to Del Taco's written approval of a proposed site and the construction plans for the Restaurant proposed for development at the site, Del Taco shall send the Developer a Franchise Agreement for the proposed site using the then-current form of Franchise Agreement being offered to new Del Taco franchisees. Prior to the commencement of construction of the Restaurant, and within 10 days (or any longer time required by law) after the receipt of the Franchise Agreement from Del Taco for an approved site, the Developer shall execute the Franchise Agreement and return it to Del Taco, together with all payments then due Del Taco. Promptly upon Del Taco's receipt of the properly-executed Franchise Agreement and all payments then due Del Taco, Del Taco shall execute the same and return a copy to the Developer. If Del Taco does not receive the properly-executed Franchise Agreement and all payments than due Del Taco within that 10-day period, Del Taco shall have the right to revoke its approval of the proposed site and, if Del Taco revokes its approval, the Developer shall have not have any right to open a Restaurant on that site.

9. Acquisition, Development and Construction of Restaurant Site. The Developer shall have sole responsibility for the acquisition (through purchase, lease, sublease or otherwise), development and construction of a Restaurant on the approved site.

10. Pre-Construction Obligations of Developer. The Developer shall not begin construction of any Restaurant unless the following events have taken place:

(a) Del Taco has approved the site, without conditions, in accordance with Section 7 of this Agreement.

(b) The Developer has obtained the right to use the site, either by purchase or lease, and has obtained and provided a fully executed copy of the lease or asset purchase agreement, including

the recorded deed, to Del Taco and has obtained all necessary permits, governmental approvals, and other necessary rights to construct, maintain and operate a Restaurant on the approved site. Developer shall provide a certified copy of any and all related acquisition documents to Del Taco as requested.

(c) Del Taco has approved the Developer's general contractor and architect pursuant to Del Taco's requirements.

(d) Del Taco has approved the Developer's Site Approval Package and final site plan, layout and construction plans, with the understanding that Del Taco's approval of a Site Approval Package and any site plan, layout or plans does not constitute any representation, warranty or guarantee by Del Taco regarding the future success of the site for a Restaurant.

11. Construction Requirements. As soon as the Developer has acquired the right to use the site, obtained all necessary permits and governmental approvals; otherwise obtained the rights to construct, maintain and operate the Restaurant; and entered into a construction contract for the Restaurant, the Developer shall notify Del Taco and shall commence construction of the Restaurant in accordance with the following terms and conditions:

(a) Unless the Developer is remodeling an existing building, the Developer shall construct the Restaurant in accordance with the site plan approved by Del Taco for the Restaurant and with Del Taco's standard construction plans, specifications and layouts, subject, however, to any alterations required by any applicable law, regulation or ordinance as determined by Developer's architect or other professional retained by Developer. Del Taco shall approve or reject any proposed site plan within 15 days after the receipt of the same from the Developer. If the Developer must make any alterations to the site plan approved by Del Taco or to any of Del Taco's construction plans, specifications or layouts, for any reason, Del Taco must approve those alterations before the Developer begins any work. The Developer acknowledges that Del Taco's approval of any alterations to its standard construction plans, specifications or layouts does not constitute any representation, warranty or guarantee by Del Taco that the alterations will result in the construction of a successful, operating Restaurant or comply with local building codes or ordinances. The Developer shall pay the cost, including engineering and architectural fees, incurred in obtaining approvals by the appropriate governmental authorities of the site plan, construction plans, specifications and layout.

(b) If Developer is remodeling an existing building, Del Taco must approve all remodel plans and specifications before the Developer begins any work.

(c) During the course of construction of the Restaurant, the Developer shall permit authorized personnel of Del Taco to enter the Restaurant at any time during normal business hours, with or without notice, for the purpose of inspecting and examining the construction of the Restaurant to ascertain whether it complies with the terms of this Agreement. The Developer shall cooperate and shall cause its general contractor to cooperate with Del Taco's representatives by rendering any assistance reasonably requested. Upon notice from Del Taco, the Developer, at its sole cost and expense, promptly shall correct any deficiencies detected by an inspection.

12. Restrictions on and Obligations of the Developer. The Developer acknowledges and agrees as follows:

(a) This Agreement includes only the right to select sites for the construction of Restaurants and to submit the same to Del Taco for its approval. This Agreement does not include the grant of a license by Del Taco to the Developer of any rights to use the Del Taco System or any part of this Del Taco System or to open or operate any Restaurants within the Development Area. The

Developer shall obtain the license to use those additional rights at each Restaurant upon the execution of each Franchise Agreement by both the Developer and Del Taco and by payment of the franchise fee set forth in Section 5 of this Agreement.

(b) The Development Rights granted under this Agreement constitute personal services and the Developer cannot sell, assign, transfer or encumber them, in whole or in part.

(c) The Developer shall have no right to use in its name the name "Del Taco," "Del" or other names used by Del Taco.

(d) The Developer shall indicate clearly the independent ownership of the Developer's business.

(e) The Developer shall indemnify and hold Del Taco harmless from any liability, damage or cost (including reasonable attorneys' fees) as a result of claims, demands or judgments, of any kind or nature, by any person or entity, arising out of, or otherwise connected with, this Agreement, the Development Rights, the acquisition of any restaurant site, or the development or construction of any Restaurant.

(f) In connection with any development or construction of any Restaurant under this Agreement, the Developer shall comply with all applicable state, federal and local laws, rules and regulations applicable to its development and construction.

(g) Concurrent with the execution of this Agreement, if the Developer is not an individual, each holder of an ownership interest in the Developer shall execute the Personal Guarantee included with this Agreement and must be listed in Exhibit C.

(h) The Developer shall meet with representatives of Del Taco at the Developer's Restaurant or business offices, annually upon Del Taco's reasonable request, to review the Developer's staffing, sales, future development plans, the Developer's qualification status for further development, and any other matters Del Taco reasonably may determine to review.

(i) Concurrent with the opening of the first Restaurant under this Agreement, the Developer shall install at its business office, if any, a computer system compatible with and that meets all the same standards as the computer system in each Restaurant, including the installation of any dedicated telephone and power lines and modems required to bring the computer system "on-line" with Del Taco's computer system at its headquarters. Del Taco shall have the right to access the Developer's computer system, as Del Taco decides necessary or appropriate, to retrieve data and information relating to the Restaurants, including (without limitation) daily sales, menu mix, point of sale, bookkeeping, operations and financial information; customer survey results; and inventory information. Should Del Taco develop proprietary software programs, system documentation manuals, and other proprietary materials in connection with the operation of the Restaurants, the Developer shall utilize Del Taco's proprietary software and programs and, upon request by Del Taco, shall pay a software license fee and execute a standard form of software license agreement. The Developer also shall purchase from Del Taco any new or upgraded proprietary software programs, manuals and computer- related materials that Del Taco decides to adopt or upgrade at the prices and upon the terms Del Taco may establish.

13. Retention of Rights. Except as provided in Section 2 of this Agreement, Del Taco and its Affiliates shall retain the following rights:

(a) The right to construct and operate other Del Taco restaurants and to use the Del Taco System or any part of the Del Taco System at any location outside the Development Area and to license others to do the same.

(b) The right to develop, use and franchise the rights to any trade names, trademarks, service marks, trade symbols, emblems, signs, slogans, logos or copyrights designated by Del Taco for use with the Del Taco System for use with the same, similar or different franchise systems for the sale of the same, similar or different products or services as those used in connection with the Del Taco System at any location outside the Development Area on any terms and conditions Del Taco may deem advisable and without granting the Developer any rights in them.

(c) The right to develop, construct, operate, merchandise, sell, license and/or franchise others to sell Del Taco foods and other products to the public within the Development Area, including the immediate area surrounding any Del Taco restaurant location submitted by Developer to Del Taco for approval, or any Del Taco restaurant established by Developer, irrespective of any boundaries otherwise referenced in this Agreement through restaurant outlets (whether mobile or fixed, permanent or temporary) located on military bases, institutional outlets (including, without limitation, college campuses, hospitals and school lunch programs), fairs, athletic contests or other special events, casinos, airports and larger retail outlets, including (without limitation) Wal-Mart and Home Depot, toll roads, limited access highways, schools, universities, enclosed shopping malls, hotels, industrial or government facilities, amusement or theme park complexes, train stations, bus stations or transportation facilities, and other locations owned or operated by major institutions with sites throughout the country or a particular state (collectively, referred to as "Alternative Points of Distribution") and to use the Del Taco System in connection with those Alternative Points of Distribution.

Del Taco shall notify Developer in writing of Del Taco's or another franchisee's intent to develop one or more Del Taco restaurants at the specific Alternative Point of Distribution within the Development Area. If Developer can demonstrate to Del Taco's satisfaction, within 30 days of Developer's receipt of such notification, that Developer has the ability to enter into an agreement under the same terms and conditions offered to Del Taco or another franchisee, as well as the financial and operational resources available to it for the development of the Del Taco restaurant at the specific Alternative Point of Distribution, then Del Taco shall offer the opportunity to Developer under the same terms and conditions offered to Del Taco or another franchisee.

(d) After the expiration or earlier termination of this Agreement, to continue to construct and operate other Restaurants and to use the Del Taco System at any location within the Development Area and to license others to do the same.

(e) Establish, operate, and license others to establish and operate, any co-branded or multi-branded restaurant or food-related business, within or outside the Development Area, which uses the Del Taco's trademarks and the trademark(s) of one or more other related or unrelated brands and which may offer or sell same or similar menu items as Del Taco restaurants.

(f) Offer and sell, and authorize others to offer and sell, approved collateral products and services, including those offered and sold at Del Taco Restaurants (such as pre-packaged food products, clothing, and other branded merchandise and memorabilia), under the Del Taco's trademarks or other marks at or from any location or through any channel of distribution (including, but not limited to, grocery stores, catalogs, the Internet, other retail or restaurant locations and other food service facilities such as kiosks, concessions, food trucks, or multi-brand facilities) and provide a limited number or representative sample of the products and services normally offered by the Del Taco Restaurants.

(g) Establish and operate, and license others to establish and operate, any restaurants or other businesses that Del Taco or its Affiliates may operate or license as a result of any acquisition, consolidation, or merger, whether or not located within the Development Area and despite the proximity of such restaurants to the Development Area or their actual or threatened impact on sales at any Del Taco Restaurant, whether or not such other restaurants or businesses operate under Del Taco's trademarks or under other marks.

(h) Engage in any other activity, action, or undertaking that Del Taco or its Affiliates are not expressly prohibited from taking under this Agreement.

14. Defaults. The occurrence of any of the following events shall constitute a default under this Agreement:

(a) The Developer fails to submit a complete Site Approval Package by the time set forth in the Development Schedule.

(b) The Developer begins construction on any Restaurant prior to Del Taco's approval of the site and construction plans for the proposed Restaurant.

(c) The Developer fails to open the Restaurants by the time set forth in the Development Schedule.

(d) The Developer uses the Del Taco System or any other names, marks, systems, logos, symbols or rights belonging to Del Taco except pursuant to, and in accordance with, a valid and effective Franchise Agreement.

(e) The Developer or any Affiliate of the Developer has any interest, direct or indirect, in the ownership or operation of any restaurant which offers Mexican food or operates like, competes with, looks like, copies or imitates any Restaurant or uses any part of the Del Taco System other than in accordance with this Agreement.

(f) The Developer fails to remit to Del Taco any payments required by Section 5 when due.

(g) The Developer begins work upon any Restaurant at any site before satisfying all of the conditions set forth in this Agreement.

(h) The Developer attempts to effect any assignment of its rights under this Agreement.

(i) The Developer makes, or has made, any misrepresentations to Del Taco in connection with obtaining this Agreement or any Franchise Agreement or in acquiring, developing or constructing any Restaurant.

(j) The Developer fails to obtain Del Taco's prior written approval or consent as expressly required by this Agreement.

(k) The Developer defaults in the performance of any other obligation under this Agreement.

(l) The Developer defaults in the performance of any obligation under any Franchise Agreement or other agreement with Del Taco, whether or not terminated as a result of the default.

(m) The Developer or any guarantor of the Developer (i) becomes insolvent by reason of or admits its inability to pay its debts as they mature, (ii) is adjudicated a bankrupt, or (iii) files or has filed against it a petition in bankruptcy, reorganization or similar proceedings.

(n) A court of competent jurisdiction appoints a receiver, permanent or temporary, of the business, assets or property of the Developer or any guarantor of the Developer.

(o) The Developer or any guarantor of the Developer requests the appointment of a receiver or makes a general assignment for the benefit of creditors.

(p) The Developer suffers a final judgment against it or any guarantor of the Developer in the amount of $10,000 or more that remains unsatisfied or of record for 30 days or longer.

(q) Anyone attaches the bank accounts, property or receivables of the Developer or any guarantor of the Developer.

(r) Anyone executes a levy against the business or property of the Developer or any guarantor of the Developer.

(s) The Developer repeatedly fails on more than two occasions during any 12-month period to comply with one or more requirements of this Agreement or any other agreement with Del Taco, whether or not corrected after notice.

(t) The Developer or any Affiliate of the Developer is convicted of any felony or any other crime involving moral turpitude.

15. Termination. Upon the occurrence of any event of default, Del Taco, without prejudice to any other rights or remedies contained in this Agreement or provided by law, shall have the following rights and remedies:

(a) With regard to any default involving the non-payment of money, Del Taco may terminate this Agreement if the Developer fails to cure the default within five days (or any longer period required by applicable state law) after Del Taco gives written notice of the default to the Developer.

(b) With regard to any default not involving the non-payment of money or a non-curable default listed below, Del Taco may terminate this Agreement if the Developer fails to cure the default within 30 days (or any longer period required by applicable state law) after Del Taco gives written notice of the default to the Developer.

(c) With regard to any of the defaults other than those listed in paragraphs (a), (f), (k) or (l) of Section 14, Del Taco may terminate this Agreement immediately upon written notice to the Developer, subject to applicable state law.

(d) Upon termination of this Agreement for any reason, and without limiting any rights or remedies available to Del Taco under this Agreement or the law, the Developer shall cease immediately any attempts to select or develop sites on which to construct Restaurants.

(e) The termination of this Agreement shall not affect the rights of the Developer to operate Restaurants in accordance with the terms of any Franchise Agreement with Del Taco until and unless those agreement terminate or expire.

16. Legal Form of Developer. If the Developer or its successor is a legal entity, the following provisions shall apply:

(a) The articles of incorporation and bylaws, partnership agreement, limited liability company operating agreement, or similar organizational documents (the "Charter Documents") shall limit the purpose of the entity to the development and operation of Del Taco Restaurants and shall prohibit the issuance and transfer of the ownership interests in the Developer in violation of this Agreement. The Developer shall furnish Del Taco, at the time of execution of this Agreement or upon the issuance or transfer of any ownership interests in the Developer, certified copies of its Charter Documents evidencing compliance with the foregoing and an agreement executed by all owners of the Developer, stating that no owner shall sell, assign or transfer, voluntarily or by operation of law, any ownership interests in the Developer to any person or entity other than existing owners, to the extent permitted by this Agreement, without the prior written consent of Del Taco. All ownership interests issued by the Developer shall bear the following legend, which shall appear legibly and conspicuously on each document or certificate evidencing an ownership interest:

> "The transfer of these securities is subject to the terms and conditions of an agreement with Del Taco LLC."

(b) The Developer shall recall any presently issued and outstanding ownership interests and place the foregoing legend on them. The Developer shall place a stop transfer order against the transfer of any ownership interests, except transfers permitted by this Section 16. Each holder of an ownership interest in the Developer shall execute the Personal Guarantee included with this Agreement.

17. Confidentiality and Covenants Not to Compete. The Developer shall comply with the following confidentiality and covenant not to compete provisions:

(a) The Developer and its Affiliates shall not use, in connection with the operation of any restaurant (other than the Restaurant) any part of the Del Taco System or any other names, marks, systems, logos, symbols or foodstuffs provided by Del Taco or proprietary foodstuffs provided by an approved vendor to the Developer or cause or permit any restaurant to offer Mexican food or look like, copy or imitate the Restaurant other than pursuant to an agreement with Del Taco.

(b) The Developer and its Affiliates shall hold the Del Taco System and all parts of the Del Taco System in confidence. The Developer acknowledges that Del Taco has developed the Del Taco System over an extended period of time and at a substantial cost to Del Taco and, if used by other persons, firms or entities, would give those other persons, firms or entities an unfair competitive advantage. The Developer shall not disclose (except to employees or agents that need access to the information in order to construct or operate the Restaurant) or use or permit the use of the Del Taco System, or any part of the Del Taco System, except as authorized by this Agreement.

(c) The Developer and its Affiliates shall treat as and keep confidential the Standard Operating Procedures Manual, any other manuals or materials designated for use with the Del Taco System, and any other information Del Taco may designate from time to time for confidential use with the Del Taco System, as well as all other trade secrets, confidential information, knowledge and know-how concerning the construction or operation of the Restaurant imparted to, or acquired by, the Developer from time to time in connection with this Agreement. The Developer acknowledges the

unauthorized use or disclosure of that confidential information and trade secrets will cause incalculable and irreparable injury to Del Taco. The Developer accordingly agrees that it shall not disclose (except to employees or agents that need access to the information in order to construct or operate the Restaurant) or use or permit the use of that information, in whole or in part, or otherwise make the same available to any unauthorized person or source. Any and all information, knowledge and know-how about the Del Taco System; Del Taco's products, services, standards, specifications, systems, procedures and techniques; and any other information or material Del Taco may designate as confidential shall constituted confidential information for the purposes of this Agreement. The Standard Operating Procedures Manual; any other manuals or materials designated for use with the Del Taco System; the knowledge concerning the logic, structure and operation of computer software programs that Del Taco authorizes for use in connection with the operation of the Restaurants; and all confidential information and trade secrets shall remain the sole property of Del Taco, and the Developer shall not acquire any right, title or interest in it by virtue of its authorization pursuant to this Agreement to possess and use the same.

(d) The Developer shall cause each person actively involved in the management or operation of the business of the Developer or the operation of the Restaurant, at the time of his or her employment, to enter into a confidentiality agreement in the form required from time to time by Del Taco. The Developer shall prevent any person from using, in connection with the operation of any restaurant, the Del Taco System or from operating any restaurant which offers Mexican food or looks like, copies, competes with, or imitates the Restaurant or any Del Taco restaurant or operates in a manner that seeks to serve the same customers as Del Taco or any franchisee of Del Taco, other than pursuant to an agreement with Del Taco. If the Developer has reason to believe that any person has violated the provisions of the confidentiality agreement or this Section 17, the Developer shall notify Del Taco and shall cooperate with Del Taco to protect Del Taco against infringement or other unlawful use of the Del Taco System, including (without limitation) the prosecution of any lawsuits if deemed necessary or advisable by Del Taco.

(e) The Developer (and if a legal entity, the Developer's owners holding a 10% or greater interest in the Developer), during the term of this Agreement and for a period of two years after the expiration or termination of this Agreement, shall not, within the Protected Area of any Restaurant or within two miles of any other Del Taco restaurant owned and/or operated by Del Taco or any other franchisee or licensee of Del Taco, (i) engage in or acquire any direct or indirect interest in any business that uses, duplicates or simulates in any way the Del Taco System or any portion of the Del Taco System, and/or (ii) engage in any food service business similar to the food service business operated under the Del Taco System.

(f) The Developer acknowledges that any violation of this Section 17 shall constitute both a material breach of this Agreement and a tortious interference with Del Taco's rights in its confidential information and trade secrets. The Developer further acknowledges that any violation will cause irreparable and incalculable harm to Del Taco and agrees that Del Taco shall have the right to obtain temporary and permanent injunctions to prevent violations.

18. Arbitration. Except as otherwise provided in this Agreement, any claim, controversy or dispute arising out of or relating to this Agreement, the Restaurant, or the relationship created by this Agreement, including any claim by Developer or its owners, concerning the entry into, the performance under, or the termination of this Agreement, or any other agreement between the parties will be resolved via binding arbitration under the authority of the Federal Arbitration Act in accordance with the following provisions:

(a) Any arbitration will be administered by the American Arbitration Association (or its successor) pursuant to its then-current commercial arbitration rules and procedures. The arbitrator will

have the authority to decide issues regarding arbitrability and the scope of the arbitrator's jurisdiction. The arbitration must take place in the county in which our headquarters are located at the time of the dispute (currently Orange County, California).

(b) Any arbitration must be on an individual basis, and not as part of a common, consolidated, or class action. The parties and the arbitrator will have no authority or power to proceed with any claim as a class action or otherwise to join or consolidate any claim with any other claim or any other proceeding involving third parties. If a court determines that this limitation on joinder of or class action certification of claims is unenforceable, then this entire commitment to arbitrate will become null and void and the parties will submit all claims to the jurisdiction of the courts.

(c) The arbitrator must follow the law and not disregard the terms of this Agreement or its related agreements. Except as otherwise provided in this Agreement, the arbitrator will have the authority to award any interim, interlocutory, or final remedy or relief that a court of the State of California could order or grant, including, without limitation, general damages, specific performance of any obligation created under this Agreement, the issuance of an injunction or other extraordinary relief, or the imposition of sanctions for abuse or frustration of the arbitration process; however, the arbitrator may not under any circumstances: (i) stay the effectiveness of any pending termination of this Agreement; (ii) assess punitive or other prohibited damages; or (iii) make an award that extends, modifies, or suspends any lawful term of this Agreement or its related agreements or any reasonable standard of business performance that we set.. A judgment may be entered upon the arbitration award by any state or federal court of competent jurisdiction. The decision of the arbitrator will be binding and final on all parties to the dispute.

(d) Except as necessary to obtain interim or provisional relief, to enforce any arbitration award or order, or to comply with any franchise-specific disclosure obligation, the arbitration proceeding and award will be maintained as strictly confidential and neither party hereto nor the arbitrator may disclose the existence, content, or results of any arbitration hereunder without the prior written consent of both parties hereto.

(e) Each party will bear their share of the costs of the arbitration proceeding. The prevailing party to the arbitration will have the right to an award of its reasonable attorneys' fees and costs incurred after the filing of the demand for arbitration. If either Del Taco or Developer seeks to enforce this Agreement in any arbitral or other proceeding, the prevailing party will be entitled to recover its reasonable costs and expenses (including reasonable attorneys' fees, costs, and expenses (and interest on such fees, costs, and expenses) and expert witness fees, costs of investigation and proof of facts, court costs, other litigation expenses and travel or living expenses) incurred in connection with such judicial or other proceeding.

(f) Notwithstanding anything to the contrary contained in this Section 18, either party may file suit in a court of competent jurisdiction (pursuant to Section 20) for the entry of temporary or preliminary injunctive relief, restraining orders, and orders of specific performance, including injunctive relief pertaining to Developer's use of the Del Taco System, including Del Taco's trademarks and service marks.

(g) This agreement to arbitrate will survive the expiration or termination of this Agreement.

19. Notices. Except as otherwise provided in this Agreement, when this Agreement makes provision for notice or concurrence of any kind, the sending party shall deliver or address the notice to the

other party by hand delivery, certified mail, delivery via a nationally-recognized overnight delivery service, telecopy or e-mail to the following address, as applicable:

Del Taco:	25521 Commercentre Drive , Suite 150 Lake Forest, California 92630 Telecopy Number: (949) 462-9300
The Developer:	The Developer's notice address set forth on Exhibit A to this Agreement

All notices pursuant to the provisions of this Agreement shall run from the date that the other party receives or refuses delivery of the notice or three business days after the party places the notice in the United States mail. Each party may change the party's address by giving written notice to the other party.

20. Governing Law and Venue. This Agreement shall be governed and construed in accordance with the internal laws of California, without regard to its conflicts of laws provisions. However, the laws of the state in which the Developer resides or has its principal place of business shall govern the enforcement of the non-compete provisions of Section 17 of this Agreement. Subject to the terms and provisions of Section 18, above, Del Taco and the Developer shall bring any controversy or claim arising out of this Agreement only before a court of competent jurisdiction in Orange County, California. The parties hereto irrevocably waive trial by jury in any action, proceeding, or counterclaim in connection with any matter or dispute of any kind arising under or in any way connected with this Agreement or any right or remedy hereunder, whether at law or in equity, brought by either party hereto.

21. Remedies, Waiver, Consents and Damages. Except as set forth in this Agreement, no rights or remedies set forth in this Agreement shall exclude any other right or remedy allowed by law or in equity. No waiver by a party of any covenant or condition or breach of any covenant or condition of this Agreement shall constitute a waiver of any subsequent breach or nonobservance on any other occasion of the same or any other covenant or condition of this Agreement. Subsequent acceptance by Del Taco of payments due it shall constitute a waiver by Del Taco of any prior breach. Whenever this Agreement requires Del Taco's prior approval or consent, the Developer shall make a timely written request to Del Taco for the approval or consent, which Del Taco shall grant, if at all, only in writing. Del Taco makes no warranties or guarantees, and assumes no liability or obligation to the Franchisee, by providing any waiver, approval, consent or suggestion to the Developer in connection with this Agreement or by reason of any neglect, delay or denial of any request. The Developer and the Developer's owners hereby waive any right to or claim for punitive or exemplary damages, multiple damages, consequential damages, or lost profit damages (even if the Developer has advised Del Taco of the possibility of those damages), or any other damages, whether based on contract, tort or otherwise, except for actual damages. The actual damages that the Developer may recover shall not exceed the aggregate amount of development fees paid by the Developer to Del Taco since the occurrence of the act or omission giving rise to the claim for damages. **EXCEPT AS OTHERWISE PROVIDED IN THIS SECTION 21, ANY AND ALL CLAIMS AND ACTIONS ARISING OUT OF OR RELATING TO THIS AGREEMENT, THE PARTIES' RELATIONSHIP, OR DEVELOPER'S OPERATIONS OF ANY RESTAURANTS, (INCLUDING ANY DEFENSES AND ANY CLAIMS OF SET-OFF OR RECOUPMENT), SHALL BE IRREVOCABLY BARRED UNLESS BROUGHT OR ASSERTED BEFORE THE EXPIRATION OF THE EARLIER OF (A) THE TIME PERIOD FOR BRINGING AN ACTION UNDER ANY APPLICABLE STATE OR FEDERAL STATUTE OF LIMITATIONS; (B) ONE (1) YEAR AFTER THE DATE UPON WHICH A PARTY DISCOVERED, OR SHOULD HAVE DISCOVERED, THE FACTS GIVING RISE TO AN**

ALLEGED CLAIM; OR (C) TWO (2) YEARS AFTER THE FIRST ACT OR OMISSION GIVING RISE TO AN ALLEGED CLAIM.

22. Severability. If a court or arbitrator finds any provision of this Agreement or the application of any of its provisions to any person or to any circumstances invalid or unenforceable, that finding shall not affect any other provision of this Agreement or its application to any other person or circumstance.

23. Entire Agreement. This Agreement and any addendum to this Agreement contain the entire agreement between the parties to this Agreement relating to the subject matter of this Agreement. Nothing in this Agreement or in any related agreements is intended to disclaim the representations made in the franchise disclosure document. No agreement of any kind relating to the matters covered by this Agreement shall bind either party unless in writing and executed by all interested parties.

24. Designated Persons. Del Taco and the Developer certify to each other that (a) it is not acting, directly or indirectly, for or on behalf of any person, group, entity or nation named by an Executive Order or the United States Treasury Department as a terrorist, "Specifically Designated Nation and Blocked Person," or other banned or blocked person, group, entity or nation pursuant to any law, order, rule or regulation enforced or administered by the Office of Foreign Assets control; and (g) it is not engaged in this transaction, directly or indirectly on behalf of, or instigating or facilitating this transaction, directly or indirectly on behalf of, any such person, group, entity or nation.

25. Joint and Several Obligation. If the Developer consists of more than one person or entity, each person and entity shall have joint and several liability for the Developer's obligations under this Agreement.

26. Incorporation of Exhibits. All exhibits referred to in this Agreement constitute an integral part of this Agreement.

27. Headings and Pronouns. The headings in this Agreement appear for convenience only and shall not alter or affect any provisions. Each pronoun used in this Agreement shall include the other numbers and genders, as appropriate.

28. Representations, Warranties and Acknowledgments. The Developer represents, warrants and acknowledges to Del Taco as follows:

(a) The Developer has conducted an independent investigation of the business contemplated by this Agreement.

(b) The Developer understands that present and future franchisees of Del Taco may operate under different forms of agreement and, consequently, the obligations and rights of the parties to those agreements may differ materially from the obligations and rights contained in this Agreement.

(c) The execution, delivery and performance of this Agreement shall not constitute a breach of any agreement, contract or other instrument binding on the Developer.

(d) No one has any right to any fees or commissions incurred by the Developer in connection with this Agreement and the Developer shall indemnify and hold Del Taco harmless from all liabilities, costs and expenses (including reasonable attorneys' fees) in connection with any claims for fees or commissions.

29. Developer Not Del Taco's Agent. This Agreement does not in any way create the relationship of principal and agent between Del Taco and the Developer. The Developer shall not act or attempt to act or represent itself, directly or by implication, as an agent of Del Taco or in any manner assume or create or attempt to assume or create any obligation on behalf of or in the name of Del Taco nor shall the Developer act or represent itself as an affiliate of any other authorized franchisee of Del Taco. The Developer shall represent and conduct itself as an independent contractor of Del Taco. The Developer shall not have the authority, express or implied, to bind or obligate Del Taco in any way.

30. Binding Effect. This Agreement shall bind the parties and their respective executors, administrators, successors and assigns.

31. Immunity for Certain Limited Disclosures. Notwithstanding anything in this Agreement to the contrary, Developer and its Affiliates and representatives, may, in accordance with any applicable law including the federal Defend Trade Secrets Act, disclose Confidential Information, including Del Taco's trade secrets, (a) in confidence, to federal, state, or local government officials, or to an attorney of Developer, for the sole purpose of reporting or investigating a suspected violation of law; or (b) in a document filed in a lawsuit or other legal proceeding, but only if the filing is made under seal and protected from public disclosure. Nothing in this Agreement is intended to conflict with any applicable law or create liability for disclosures expressly allowed by law.

~~[Signature Page Follows]~~

Executed and delivered as of the day and year first set forth above.

Del Taco: Del Taco LLC

By: _____
Jack Tang, Vice President, General Counsel

Developer: _____

By: _____

Its: _____

Date: _____

Concurrent with its execution of this Agreement, if the Developer is not an individual, each holder of an equity interest in the Developer (e.g., shareholder, partner, member) shall execute this Personal Guarantee.

Personal Guarantee

Each of the undersigned hereby personally guarantees the performance of any and all obligations (the "Obligations") of this Development Agreement. Each of the undersigned agrees that Del Taco or its successor or assignee may proceed against the undersigned directly and independently of the Developer, and the cessation of the liability of the Developer for any reason other than the full performance of all Obligations, or any extension, renewal or forbearance of the performance of the Obligations, or any impairment or suspension of Del Taco's or its successor's or assignee's remedies or rights against the Developer, shall not in any way affect the liability of the undersigned.

Date: _____ _____

Date: _____ _____

Exhibit A

Identification of Developer and Development Area

Name of the Developer: _____

Notice Address: _____

_____

Fax: _____

The "Development Area" shall consist of the following geographic area(s) in accordance with their boundaries in effect as of the date of this Agreement, excluding (1) the protected areas of any existing franchised Del Taco restaurants within that area and (2) a circular area within a one-mile radius of the front door of any existing company-owned Del Taco restaurants: _____.

The following map shall serve only as a general illustration of the area described above. In the event of any conflict between the foregoing description and the following map, the foregoing description shall control.

Developer is granted protected rights within the Development Area described in this Exhibit A, attached hereto and incorporated herein by this reference, as expressly set forth in the Development Agreement ("Agreement"); provided, however, that (i) such territorial protection will terminate in the event Developer fails to meet its obligations under this Agreement or any other agreement to develop restaurants within the Development Area; and (ii) Developer understands and acknowledges that certain locations within the Development Area are excluded from the Agreement as they may be more appropriately developed by Company, or by a company that specializes in institutional foodservice operations or has exclusivity rights or master lease rights. These locations include airports, the campuses of universities or colleges, hospitals, public transportation facilities, amusement parks, government facilities, malls, stadiums, or other sports facilities, and similarly situated sites and other "Alternative Points of Distribution" as defined in the Agreement. Notwithstanding any provision of the Agreement to the contrary, at any time, Del Taco may develop and operate, or franchise others to develop and operate, Del Taco restaurants at such sites whether or not the sites are located within the Development Area. The development and operation of such sites by Del Taco and/or other developers shall not constitute a violation of the Agreement. If Del Taco permits Developer to develop such a site, that site will not count toward the development obligations under the Agreement.

Exhibit B

Development Schedule

Restaurants	Site Approval Package Due Date	Restaurant Opening Date
One		
Two		
Three		

Exhibit C

Statement of Ownership Interests

A. The following is a list of all shareholders, partners or other investors in Developer, including all investors who own or hold a direct or indirect interest in Developer, and a description of the nature of their interest:

Entity name:

Individual Name	Percentage of Ownership/ Nature of Interest*

* Must equal 100%.

EXHIBIT D-1

DEVELOPMENT INCENTIVE PROGRAM
ADDENDUM TO DEVELOPMENT AGREEMENT

DEVELOPMENT INCENTIVE PROGRAM
ADDENDUM TO DEVELOPMENT AGREEMENT

Del Taco LLC ("Del Taco") and _____ (the "Developer") hereby enter into this Addendum to that certain Development Agreement dated _____, 20___, by and between Del Taco and the Developer (the "Development Agreement").

W I T N E S S E T H:

Whereas, Del Taco and the Developer wish to enter into a Development Agreement for the development of three or more Del Taco Restaurants (the "Restaurant(s)") in a market that Del Taco, in its sole determination, has deemed to be undeveloped or emerging and which Del Taco has identified for further development; and

Whereas, Del Taco and the Developer wish to modify certain provisions of the Development Agreement as set forth below;

Now, therefore, in consideration of the covenants and agreements set forth in the Development Agreement and this Addendum, the parties hereby agree as follows:

Development Incentive Program. For so long as Developer and its affiliates are fully compliant with the terms of the Development Agreement, Franchise Agreement, and any other agreements entered into with Del Taco and its affiliates, the following provision shall apply to each Franchise Agreement executed pursuant to the Development Agreement:

> The Royalty Fee (which is currently 5% of Net Sales) will be reduced to: (i) 1% of Net Sales for the first year of a Restaurant's operations; (ii) 2% of Net Sales for the second year of a Restaurant's operations; (iii) 3% of Net Sales for the third year of a Restaurant's operations; (iv) 4% of Net Sales for the fourth year of a Restaurant's operations; and (v) 5% of Net Sales for all subsequent years.

Adherence to Development Schedule. The Developer must develop each Restaurant according to the development schedule of the Development Agreement to qualify for the development incentives described in this Addendum. In the event the Developer breaches the Development Agreement or Franchise Agreement, in addition to the other rights and remedies available to Del Taco under the Development Agreement and Franchise Agreement, Developer shall immediately pay to Del Taco the amount of any reduction in the Initial Franchise Fees or Royalty Fees.

Transferability. The Developer shall not have any rights to transfer this Addendum or the rights granted to the Developer by it.

No Other Modifications. Except as specifically set forth in this Addendum, the terms of the Development Agreement shall remain unchanged and in full force and effect.

Executed and delivered as of the date of the Development Agreement.

Del Taco:

Del Taco LLC

By: _____
Jack Tang, Vice President, General Counsel

Developer:

_____

By:_____

Its: _____

Date:_____

EXHIBIT E

FRANCHISE AGREEMENT

FRANCHISE AGREEMENT

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Exhibits:

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B Site Selection Addendum
C Authorization Agreement for Prearranged Payments (Direct Debits)
D Statement of Ownership Interests
E Guarantee, Indemnification, and Acknowledgment
F Non-Disclosure and Non-Competition Agreement
G Addendum to Lease

FRANCHISE AGREEMENT

Del Taco LLC ("**Del Taco**"), a California limited liability company, and the undersigned (the "**Franchisee**") enter into this Franchise Agreement (this "**Agreement**") as of the ____ day of _____, 20___ (the "**Effective Date**").

RECITALS

A. Del Taco, as the result of the expenditure of significant time, skill, effort and money, has developed a distinctive and proprietary system (the "**Del Taco System**" or "**System**") for establishing and operating restaurant businesses, which specialize in the sale of Mexican-American foods such as tacos and burritos, along with burgers, shakes and desserts, French fries, breakfast items, soft drinks, and such additional or alternate menu and other items as Del Taco may designate from time to time for on-premises and off-premises consumption ("**Menu Items**");

B. The distinguishing characteristics of the System include, among other things: one or more specially-designed buildings or facilities for restaurant operations with specified site furniture, fixtures, kitchen display systems and equipment; site selection and layout criteria; distinctive interior and exterior design, décor, signage color scheme and furnishings, fixtures and other trade dress elements; proprietary products; standards, specifications, policies and procedures for construction and management; quality, distinctiveness and uniformity of products and services; standards, specifications, policy and procedures for restaurant operations; training and assistance; and advertising and promotional programs, all as more particularly described and designated in the Manuals (defined below) and all of which Del Taco may change, improve, and further develop at its option from time to time;

C. Del Taco identifies the System by means of certain licensed trade names, service marks, trademarks, logos, emblems, and indicia of origin, including the mark "Del Taco" and such other trade names, service marks and trademarks as are now designated (and may hereinafter be designated by Del Taco in writing) for use in connection with the System (the "**Proprietary Marks**"). Del Taco continues to use such Proprietary Marks in order to identify for the public the source of products and services marketed thereunder and under the System, and to represent the System's high standards of quality, appearance, and service;

D. Del Taco is in the business of operating and franchising others to operate restaurants that sell Menu Items and products and services that Del Taco designates under the System and the Proprietary Marks (each a "**Del Taco Restaurant**") and Franchisee desires to operate a Del Taco Restaurant and to receive the training and other assistance provided by Del Taco in connection therewith; and

E. Franchisee understands and acknowledges the importance of Del Taco's high standards of quality, cleanliness, appearance, and service and the necessity of operating the business franchised under this Agreement in conformity with Del Taco's standards and specifications.

Now, therefore, in consideration of the foregoing and of the covenants contained in this Agreement, the parties agree as follows:

1. Grant.

1.1 Grant of Rights. Upon the terms and conditions set forth in this Agreement, Del Taco hereby grants to Franchisee the right, and Franchisee accepts and undertakes the obligation, to: (a) operate one (1) Del Taco Restaurant under the System (the "**Restaurant**"); (b) to use, only in connection with the Restaurant, the Proprietary Marks and the System, as they may be changed, improved, or further developed from time to time by Del Taco; and (c) and to do so only at or from a physical premises located within the Protected Area (defined below in Section 1.2) at the location specified in Exhibit A. If, at the time of execution of this Agreement, a location for the Restaurant has not been obtained by Franchisee and approved by Del Taco, Franchisee shall lease, sublease, or acquire a site for the Restaurant, subject to Del Taco's written consent in accordance with the Site Selection Addendum attached as Exhibit B (the "**Site Selection Addendum**"). Franchisee shall not relocate the Restaurant without Del Taco's prior written consent. Del Taco shall grant or withhold consent of the location of the Restaurant under this Section 1.1. In connection with Del Taco's consent to the location, Franchisee shall execute, and cause the landlord to execute, the Addendum to Lease appended hereto as Exhibit G. Franchisee acknowledges and agrees that Del Taco's consent to Franchisee's proposed location, under this Section 1.1 or pursuant to the Site Selection Addendum, does not constitute any assurance, representation, or warranty of Del Taco of any kind.

1.2 Protected Area. Except as otherwise described in this Agreement, for so long as Franchisee is in full compliance with this Agreement, Del Taco will not, during the term of this Agreement, operate or license others to operate a Del Taco Restaurant at a physical premises located within the Protected Area. "**Protected Area**" shall mean the area described in Exhibit A, with the exception of any outlet that is defined in this Agreement as an Alternative Point of Distribution (defined below) that is developed, constructed, operated, merchandised, sold, licensed and/or franchised to others by Del Taco to sell Menu Items, products, and services to the public within the Protected Area, as may be revised in accordance with Section 1.2.5 hereof. "**Alternative Point(s) of Distribution**" shall mean any outlet described in Section 1.2.2 of this Agreement. Del Taco retains all other rights not expressly granted in this Agreement. Without obligation to Franchisee, Del Taco and its affiliates may, among other things, and regardless of proximity to or economic impact upon the Restaurant:

1.2.1 Advertise and promote the System within and outside of the Protected Area;

1.2.2 Sell or authorize others to sell Menu Items, products, and services to the public within the Protected Area through Alternative Points of Distribution, which include outlets (whether mobile or fixed, permanent or temporary) located on military bases, institutional outlets (including college campuses, hospitals and school lunch programs), fairs, athletic contests or other special events, casinos, airports and larger retail outlets, including Wal-Mart and Home Depot, toll roads, limited access highways, schools, universities, enclosed shopping malls, hotels, industrial or government facilities, amusement or theme park complexes, train stations, bus stations or other transportation facilities and other locations owned or operated by major institutions with sites throughout the country or a particular state, or any other outlet and to use the System in connection with those Alternative Points of Distribution.

1.2.2.1 Del Taco shall notify Franchisee in writing of Del Taco's or another franchisee's intent to develop one or more Del Taco restaurants at the specific Alternative Point of Distribution within the Protected Area. If Franchisee can demonstrate to Del Taco's satisfaction, within 30 days of Franchisee's receipt of such notification, that Franchisee has the ability to enter into an agreement under the same terms and conditions offered to Del Taco or another franchisee, as well as the financial and operational resources available to it for the development of the Del Taco restaurant at the

specific Alternative Point of Distribution, then Del Taco shall offer the opportunity to Franchisee under the same terms and conditions offered to Del Taco or another franchisee.

1.2.3 Offer and sell any products or services (including those offered by the Restaurant), under any marks (including the Proprietary Marks) outside of the Protected Area, and through any means (including through a Del Taco Restaurant);

1.2.4 Construct and operate other Del Taco Restaurants and to use the Del Taco System or any part of the Del Taco System at any location outside the Protected Area and to license others to do the same;

1.2.5 Establish, operate, and license others to establish and operate, businesses other than Del Taco Restaurants within and outside of the Protected Area;

1.2.6 Establish, operate, and license others to establish and operate, any co-branded or multi-branded restaurant or food-related business, within or outside the Protected Area, which uses the Proprietary Marks and the trademark(s) of one or more other related or unrelated brands and which may offer or sell same or similar menu items as Del Taco restaurants;

1.2.7 Offer and sell, and authorize others to offer and sell, approved collateral products and services, including those offered and sold at the Restaurant (such as pre-packaged food products, clothing, and other branded merchandise and memorabilia), under the Proprietary Marks or other marks at or from any location or through any channel of distribution (including, but not limited to, grocery stores, catalogs, the Internet, other retail or restaurant locations and other food service facilities such as kiosks, concessions, food trucks, or multi-brand facilities) and provide a limited number or representative sample of the products and services normally offered by the Restaurant;

1.2.8 Establish and operate, and license others to establish and operate, any restaurants or other businesses that Del Taco or its affiliates may operate or license as a result of any acquisition, consolidation, or merger, whether or not located within the Protected Area and despite the proximity of such restaurants to the Protected Area or the Restaurant or their actual or threatened impact on sales at the Restaurant, whether or not such other restaurants or businesses operate under the Proprietary Marks or under other marks; and

1.2.9 Engage in any other activity, action, or undertaking that Del Taco or its affiliates are not expressly prohibited from taking under this Agreement.

1.3 No Right to Subfranchise. Franchisee may not subfranchise, sublicense, or relicense to others any right to use the System or the Proprietary Marks.

1.4 Goodwill and Del Taco Name. Except as expressly provided by this Agreement, Franchisee shall acquire no right, title or interest in and to the System. Any and all goodwill associated with the System shall inure exclusively to Del Taco's benefit; and, upon the expiration or termination of this Agreement for any cause whatsoever, Del Taco shall not have any obligation to pay any money for any goodwill associated with Franchisee's use of the System. Franchisee shall not take any action whatsoever to contest the validity or ownership of the System or the goodwill associated with the System. Franchisee shall have no right to use in its name the name "Del Taco," "Del" or any other names used by Del Taco.

2. Term and Renewal.

2.1 Term. Except as otherwise provided herein and unless sooner terminated in accordance with the provisions hereof, the initial term of this Agreement shall commence on the Effective Date and expire on the date that is the earlier of (a) twenty (20) years after the opening date of the Restaurant or (b) the expiration date of the lease for the Restaurant premises, including all applicable extensions or renewals.

2.2 Renewal. Franchisee may, at its option, renew Franchisee's right to operate the Restaurant for one (1) additional term which shall be the lesser of (a) twenty (20) years or (b) the remaining term of the lease for the Restaurant premises, including all applicable extensions or renewals, subject to the following conditions, each of which must be met prior to such renewal:

2.2.1 Franchisee shall deliver to Del Taco a written notice of Franchisee's election to renew no fewer than twelve (12) months nor more than eighteen (18) months prior to the end of the initial term;

2.2.2 Franchisee shall pay in lieu of the initial franchise fee, a renewal fee equal to the greater of (a) $35,000 or (b) Del Taco's then-current initial franchise fee for a new Del Taco Restaurant when it delivers the written notice required under Section 2.2.1;

2.2.3 Franchisee shall not have received, prior to its election to renew, written notice of a default under this Agreement on more than 3 separate occasions and, from the time of Franchisee's election to renew through the expiration of the initial term, Franchisee shall not have been in default of any provision of this Agreement, any amendment to this Agreement, or any other agreement between Franchisee and Del Taco or its affiliates; and, in the reasonable judgment of Del Taco, Franchisee shall have substantially complied with all the terms and conditions of this Agreement, such other agreements, as well as the operating standards prescribed by Del Taco during the term of this Agreement;

2.2.4 Franchisee shall present evidence to Del Taco that Franchisee has the right to remain in possession of the premises of the Restaurant for the duration of the renewal term, or shall obtain approval by Del Taco of a new location for the Restaurant for the duration of the renewal term;

2.2.5 Franchisee shall refurbish, remodel, renovate and upgrade the Restaurant to comply with Del Taco's then-current specifications for new Del Taco restaurants of the same or similar type, including fixtures, furnishings, technology and kitchen equipment.

2.2.6 Franchisee shall have satisfied all monetary obligations owed by Franchisee to Del Taco and its affiliates, and shall have timely met those obligations throughout the term of this Agreement;

2.2.7 Franchisee shall execute a general release, in a form satisfactory to Del Taco of any and all claims against Del Taco and its current and former affiliates, and their respective past and present officers, directors, agents, and employees;

2.2.8 Franchisee shall execute Del Taco's then-current form of franchise agreement, which agreement shall supersede this Agreement in all respects (except with respect to the renewal provisions of the new franchise agreement, which shall not supersede this Section 2.2, and Franchisee acknowledges that the terms, conditions, and provisions of which, and the obligations of the parties thereto, may differ substantially from the terms, conditions, provisions and obligations in this Agreement, including a higher percentage Royalty Fee and advertising contribution or expenditure, and a different or modified Protected Area;

2.2.9 Upon execution of the then-current form of franchise agreement, Franchisee also shall pay a Promotional Fee (defined below) of the higher of (1) $10,000 or (2) an amount equal to the Promotional Fee then being charged to new franchisees; and

2.2.10 Franchisee and its personnel shall comply with Del Taco's then current qualification and training requirements, prior to commencement of operations under the renewal form of franchise agreement.

2.3 No assurances of a renewal franchise agreement. Franchisee accepts this Agreement with the full and complete understanding that the grant of rights to operate a Franchise hereunder is not a promise or assurance that Franchisee will be granted a renewal franchise agreement.

3. Fees and Payments.

3.1 Franchise Fee. Franchisee shall pay Del Taco an initial franchise fee of $35,000, upon execution of this Agreement. Except as otherwise stated in this Agreement, as between Franchisee and Del Taco the Franchise Fee is fully-earned and non-refundable in consideration of the administrative and other expenses incurred by Del Taco in granting this franchise and for Del Taco's lost or deferred opportunity to offer the rights to this franchise to others.

3.2 Promotional Fee. Franchisee shall pay Del Taco a fee of $10,000 (the "**Promotional Fee**") upon execution of this Agreement. The Promotional Fee shall be drawn upon by Franchisee through reimbursements submitted to Del Taco in the manner that Del Taco designates or through direct payments by Del Taco to vendors in order to promote the Restaurant within a year of the Restaurant's opening. Franchisee shall not contract for nor make any expenditures related to the promotion of the Restaurant unless Franchisee has submitted a request and received the written approval of Del Taco. Franchisee shall submit invoices for promotional expenditures to Del Taco for direct payment to the vendor or for reimbursement. Del Taco shall not pay or reimburse food or paper costs. Del Taco shall not have any obligation to refund any portion of the Promotional Fee for any reason. If Franchisee fails to spend all of the Promotional Fee within 12 months after the opening of the Restaurant, Franchisee shall forfeit the unused portion of the fee and Del Taco shall apply it toward Del Taco's general advertising or marketing programs.

3.3 Royalty Fees. During the initial term of this Agreement, Franchisee shall pay Del Taco a continuing royalty fee in an amount equal to five percent (5%) of the Restaurant's Net Sales ("**Royalty Fees**"). Franchisee shall pay the Royalty Fees ~~within three (3) days after the close~~monthly by the fifteenth (15th) day of each ~~Sales Week (defined below)~~month, based on the Net Sales of the Restaurant for the immediately preceding ~~Sales Week~~month, or for such other period as Del Taco may specify in the Manuals or otherwise in writing.

3.3.1 "**Net Sales**" means all revenue from the sale of all products, including all Menu Items and all other products or services offered at or from the Restaurant, and all other income of every kind and nature related to, derived from, or originating from the Restaurant, including proceeds of any business interruption insurance policies, whether at retail, delivery, catering, or wholesale (whether such sales are permitted or not), whether for cash, check, or credit, and regardless of collection in the case of check or credit; provided, however, that "Net Sales" excludes any customer refunds, discounts from coupon sales, sales taxes, and/or other taxes collected from customers by Franchisee and actually transmitted to the appropriate taxing authorities. Del Taco reserves the right to modify its policies and

practices regarding revenue recognition, revenue reporting, and the inclusion or exclusion of certain revenue from "Net Sales" as circumstances, business practices, and technology change.

3.3.2 The term "**Sales Week**" means the period starting with the commencement of business on ~~Wednesday~~Monday and concluding at the close of business on the following ~~Tuesday~~Sunday (or, if the Restaurant is not open on a ~~Tuesday~~Sunday, the immediately preceding business day); however, Del Taco shall designate in writing any other period of not less than seven days to constitute a "Week" under this Agreement.

3.4 Marketing Fee. Franchisee shall pay to Del Taco a marketing fee equal to 4% of the Restaurant's Net Sales (the "**Marketing Fee**"). Del Taco reserves the right, upon prior written notice to Franchisee, to increase the Marketing Fee to the then-current fee that it charges new franchisees. Franchisee shall pay the Marketing Fee ~~within three (3) days after the close~~monthly by the fifteenth (15th) day of each ~~Sales Week~~month, based on the Net Sales of the Restaurant for the immediately preceding ~~Sales Week~~month, or for such other period as Del Taco may specify in the Manuals or otherwise in writing. Del Taco expressly reserves the right to change the due date of the Marketing Fee upon ten (10) days' prior written notice to Franchisee.

3.5 Continuing Payments, EFT, and Reporting Obligations. All payments required by Sections 3.3 and 3.4 based on the Net Sales for the preceding ~~Sales Week~~month (or for such other period as Del Taco may specify in the Manuals or otherwise in writing), shall be paid and submitted by electronic funds transfer so as to be received by Del Taco ~~within three (3) days after the close of the Sales Week~~by the fifteenth (15th) day of each month. Franchisee shall execute a form of electronic funds transfer ("**EFT**" authorization (in the form attached as Exhibit C to this Agreement or such other form that Del Taco designates) for direct debits from Franchisee's business bank operating account. Franchisee shall deliver to Del Taco any and all reports, statements and/or other information required under Section 7 below, at the time and in the format reasonably requested by Del Taco, which may include electronically polled data from Franchisee's Point of Sale system. Franchisee shall comply with the payment and reporting procedures specified by Del Taco in this Agreement and the Manuals. To ensure that payments are received by Del Taco on as timely basis, such policies and procedures may require that Franchisee have sufficient funds in its account by a date certain, as the EFT process may sweep such account the day before for payment on the preceding day. Franchisee's obligations for the full and timely payment of Royalty Fees and Marketing Fees, and all other amounts provided for in this Agreement, shall be absolute, unconditional, fully earned, and due upon Franchisee's generation of Net Sales. Franchisee shall not for any reason delay or withhold the payment of all or any part of those or any other payments due hereunder, put the same in escrow or set off same against any claims or alleged claims Franchisee may allege against Del Taco or others. Franchisee shall not, on grounds of any alleged nonperformance by Del Taco or others, withhold payment of any fee, including Royalty Fees or Marketing Fees, nor withhold or delay submission of any reports due hereunder. Del Taco reserves the right to change the due date of any fees upon ten (10) days' prior written notice to Franchisee.

3.6 No Subordination. Franchisee shall not subordinate to any other obligation its obligation to pay Del Taco the Royalty Fees and/or any other fee or charge payable to Del Taco, whether under this Agreement or otherwise.

3.7 Overdue Payments and Reports; Interest. Any payment or report not actually received by Del Taco on or before the date such payment or report is due shall be deemed overdue. If any payment or report is overdue, Franchisee shall pay Del Taco, in addition to the overdue amount, a late payment/late report charge of one hundred dollars ($100) for each week or part thereof that the payment or report is late, and interest on such amount from the date it was due until paid, at the rate of one and one half

percent (1.5%) per month, or the maximum rate permitted by law, whichever is less. Entitlement to such interest shall be in addition to any other remedies Del Taco may have.

3.8 Payments on Behalf of Franchisee. Franchisee shall pay to Del Taco, within fifteen (15) days of any written request by Del Taco which is accompanied by reasonable substantiating material, any monies which Del Taco has paid, or has become obligated to pay, on behalf of Franchisee, by consent or otherwise under this Agreement.

3.9 Other Payments. All payments and fees owed by Franchisee to Del Taco shall be paid by Franchisee in the manner and within the time periods as provided for in this Agreement or in the Manuals. Del Taco reserves the right to collect all fees and payments due by Franchisee by EFT as provided for in Section 3.5 or otherwise in the Manuals.

3.10 No Refunds. Upon the expiration or termination of this Agreement, Del Taco shall not refund any amounts paid pursuant to this Agreement for any reason whatsoever.

4. Services By Del Taco.

4.1 Development of the Restaurant. Del Taco or its designee shall make available to Franchisee a copy of its standard construction package as modified from time to time, including plans and specifications, site criteria, and sample site plans, which Franchisee must adapt, at Franchisee's expense, for use at the site selected by Franchisee and a copy of Del Taco's specifications for the furniture, fixtures, furnishings, equipment, signs and all other property that Del Taco may specify for use in the Restaurant. Franchisee acknowledges that such specifications shall not contain the requirements of any federal, state or local law, code or regulation (including those concerning the Americans with Disabilities Act (the "ADA") or similar rules governing public accommodations or commercial facilities for persons with disabilities), nor shall such plans contain the requirements of, or be used for, construction drawings or other documentation necessary to obtain permits or authorization to build a specific Restaurant, compliance with all of which shall be Franchisee's responsibility and at Franchisee's expense. Franchisee shall adapt, at Franchisee's expense, the standard specifications to the Restaurant location, subject to Del Taco's approval, as provided in Section 5.1 below, which will not be unreasonably withheld, provided that such plans and specifications conform to Del Taco's general criteria. Franchisee understands and acknowledges that Del Taco has the right to modify the architectural plans and specifications as Del Taco deems appropriate from time to time.

4.2 Initial and Ongoing Assistance. Prior to the Restaurant opening, Del Taco shall provide to Franchisee, its Operating Principal (as defined in Section 5.27.4.1 below), ~~General~~Restaurant Manager (as defined in Section 5.27.4.3 below), Shift Managers (as defined in Section ~~5.27.4.3~~5.27.4.4 below) and to such of Franchisee's other employees of which Del Taco shall approve for training, such training programs as Del Taco may designate, to be conducted at such time(s) and location(s) designated by Del Taco. Del Taco shall also provide such ongoing training as it may, from time to time, deem appropriate. Del Taco shall be responsible for the cost of instruction and materials, subject to the terms set forth in Section 5.4.7 below.

4.3 Opening Assistance. Del Taco shall provide such pre-opening assistance to Franchisee as Del Taco prescribes in the Manuals or otherwise in writing, including assisting Franchisee in formulating its initial opening orders for inventory and supplies. Del Taco shall have one of its representatives present at the Restaurant for such assistance and consultation as it deems appropriate. The date and time of the pre-opening support will be determined by Del Taco. Franchisee must reimburse Del Taco for its representatives' travel, meals, and lodging incurred while providing pre-opening support. Del Taco or a

third-party vendor approved by Del Taco may assist Franchisee with pre-opening technical support services. Franchisee agrees to pay Del Taco's and/or its Approved Vendor's fees associated with such technical support, which may include certain hourly fees. Del Taco will provide such additional onsite preopening and opening supervision and assistance as Del Taco deems advisable.

4.4 Manuals. Del Taco shall loan or otherwise provide Franchisee access to Del Taco's confidential Standard Operating Procedures Manual and other manuals (the "Manuals"), which may be revised from Del Taco from time to time.

4.5 Merchandising and Marketing Advice. Del Taco shall provide Franchisee such merchandising, marketing and other related advice as Del Taco deems advisable and as Del Taco may develop from time to time.

4.6 Ongoing Assistance. Del Taco shall provide such periodic individual or group advice, consultation and assistance, rendered by personal visit, telephone, mail or e-mail and made available from time to time as Del Taco deems advisable at the time(s) and in the manner determined by Del Taco.

4.7 Bulletins and Reports. Del Taco shall provide Franchisee such bulletins, intranet information, brochures and reports published by Del Taco from time to time as Del Taco deems advisable regarding its plans, policies, research, developments and activities.

4.8 Computer System. Del Taco shall have the right to specify or require that certain brands, types, makes, and/or models of communications, computer systems, kitchen display systems and hardware to be used by, between, or among Restaurants, including: (a) back office and point of sale systems, data, audio, video, and voice storage, retrieval, and transmission systems for use at Franchisee's Restaurant, between or among Restaurants, and between and among Franchisee's Restaurant and Del Taco and/or Franchisee; (b) physical, electronic, and other security systems; (c) printers and other peripheral devices; (d) archival back-up systems; (e) e mail systems; and (f) Internet access mode and speed (collectively, the "**Computer System**").

4.9 Inspection. Del Taco shall inspect the Restaurant prior to the opening of the Restaurant. Franchisee shall not commence operation of the Restaurant without Del Taco's prior written approval.

4.10 Delegation of Duties. Franchisee acknowledges and agrees that any designee, employee, or agent of Del Taco may perform any duty or obligation imposed on or available to Del Taco by the Agreement, as Del Taco may direct.

5. Obligations of Franchisee; Operational Standards.

5.1 System Standards and Development of Restaurant. Franchisee understands and acknowledges that every detail of the Restaurant is important to Franchisee, Del Taco, and other franchisees in order to develop and maintain high operating standards, to increase the demand for the products sold by all franchisees, and to protect Del Taco's reputation and goodwill. Franchisee shall construct, furnish, and open the Restaurant according to the requirements contained herein, and Franchisee shall open the Restaurant at the later of (a) one hundred eighty (180) days from the Effective Date, or (b) if upon execution of this Agreement, a location for the Restaurant has not been obtained by Franchisee and approved by Del Taco, one hundred eighty (180) days from the later of (i) Del Taco's approval of the location for the Restaurant pursuant to the Site Selection Addendum), or (ii) Franchisee's access to the leased premises as permitted by the lessor under the lease.

5.2 Pre-Opening Obligations. Before commencing any construction of the Restaurant, Franchisee, at its expense, shall comply, to Del Taco's satisfaction, with all of the following requirements:

5.2.1 Franchisee shall employ a qualified, licensed architect or engineer who is reasonably acceptable to Del Taco to prepare, for Del Taco's approval, preliminary plans and specifications for site improvement and construction of the Restaurant based upon the site construction package furnished by Del Taco or its designee pursuant to Section 4.1, and as may otherwise be authorized by Del Taco due to the particularities of the site of the proposed location. Del Taco's approval shall be limited to conformance with Del Taco's standard image specifications and layout and shall not relate to Franchisee's obligations with respect to any federal, state and local laws, codes and regulations including the applicable provisions of the ADA regarding the construction, design and operation of the Restaurant, which subjects shall be Franchisee's sole responsibility.

5.2.2 Franchisee shall comply, at Franchisee's expense, with all federal, state and local laws, codes and regulations, including the applicable provisions of the ADA regarding the construction, design and operation of the Restaurant.

5.2.3 Franchisee shall be responsible for obtaining all zoning classifications and clearances which may be required by state or local laws, ordinances, or regulations or which may be necessary or advisable owing to any restrictive covenants relating to Franchisee's location. After having obtained such approvals and clearances, Franchisee shall submit to Del Taco, for Del Taco's approval, final plans for construction based upon the preliminary plans and specifications. Del Taco's review and approval of plans shall be limited to review of such plans to assess compliance with Del Taco's design standards for Restaurants. Once approved by Del Taco, such final plans shall not thereafter be changed or modified without the prior written permission of Del Taco. Any such change made without Del Taco's prior written permission shall constitute a material default under this Agreement and Del Taco may withhold its authorization to open the Restaurant for business until the unauthorized change is rectified (or reversed) to Del Taco's reasonable satisfaction.

5.2.4 Franchisee shall obtain all permits and certifications required for the lawful construction and operation of the Restaurant and shall certify in writing to Del Taco that all such permits and certifications have been obtained. Franchisee shall provide copies of all such permits and certificates to Del Taco within ten (10) days of Del Taco's request for same.

5.2.5 Franchisee shall employ a qualified licensed general contractor who is reasonably acceptable to Del Taco to construct the Restaurant and to complete all improvements. Franchisee shall obtain and maintain in force during the entire period of construction the insurance required under Section 11 below; and Franchisee shall deliver to Del Taco such proof of such insurance as Del Taco shall require.

5.2.6 Prior to signing a lease, Franchisee shall submit to Del Taco a final draft of the lease for the Restaurant premises. The lease must contain the provisions contained in Exhibit G (Addendum to Lease) hereof and be approved in writing by Del Taco prior to Franchisee's signing of the final lease. Within fifteen (15) days following Franchisee's execution of the lease for the Restaurant premises, Franchisee shall provide to Del Taco copies of (i) the fully-executed lease for the premises and the executed Addendum to Lease and (ii) the landlord's and property management company's notice address and contact information. Further, not later than ten (10) days following Franchisee's opening of the Restaurant for business, Franchisee shall provide Del Taco with a copy of the commencement date

letter from the landlord, or similar documentary evidence which indicates the commencement date under the lease and the expiration date of the lease.

5.3 Restaurant Opening. In connection with the opening of the Restaurant:

5.3.1 Franchisee shall not open the Restaurant for business without first complying with all of Del Taco's pre-opening requirements and obligations contained in this Agreement and the Manuals.

5.3.2 Franchisee shall draw upon the Promotional Fee as described in Section 3.2 to conduct such grand opening and promotional activities as Del Taco may require.

5.3.3 Franchisee shall not open the Restaurant until Del Taco has determined that all construction has been substantially completed, and that such construction conforms to Del Taco's standards including materials, quality of work, signage, decor, paint, and equipment.

5.3.4 Franchisee shall not open the Restaurant until the Operating Principal, the ~~General~~Restaurant Manager and the Shift Managers have successfully completed all training required by Del Taco, and Franchisee has hired and trained to Del Taco's standards a sufficient number of employees to service the anticipated level of the Restaurant's customers.

5.3.5 In addition, Franchisee shall not open the Restaurant until all amounts due to Del Taco under this Agreement or any other related agreements have been paid.

5.4 Training. Franchisee acknowledges that its owners and managers must be knowledgeable regarding the operation of Del Taco Restaurants, including the preparation and delivery of Menu Items and the provision of customer service in accordance with the brand standards established by Del Taco, which may be modified by Del Taco from time to time. Franchisee acknowledges that successful completion of Del Taco's training programs by Franchisee's owners and managers is critical to properly own, operate and manage the Restaurant. Franchisee acknowledges that applicable laws and regulations require that at least one person on the staff at a food service business must satisfactorily complete state and/or local mandated food handling training, and be certified as having successfully completed the training. Franchisee and at least one of its employees that attend Del Taco's management training program must also successfully complete a state and/or local mandated food handling program before commencing training with Del Taco, and Franchisee and each trainee must provide a certificate of successful completion of such program prior to commencing training. Also, Franchisee's employees must be covered by Franchisee's workers' compensation insurance policy prior to commencing training with Del Taco, and Franchisee must provide evidence of such coverage if requested by Del Taco. With regard to training, at least ~~five~~seven individuals must attend and successfully complete Del Taco's training programs: the Franchisee's Operating Principal, one (1) full-time ~~General~~Restaurant Manager, and at least ~~four~~five (~~4~~5) Shift Managers (collectively, the "**Franchisee's Principal Trainees**").

5.4.1 Initial Training. Prior to the opening of the Restaurant, the Franchisee's Principal Trainees, and such other employees of Franchisee who Del Taco shall have the right to approve, shall attend and successfully complete, to Del Taco's satisfaction, the initial training program offered by Del Taco. All aspects of the Franchised Business shall be conducted under the management and supervision of the Operating Principal. In addition, the daily operations of the Restaurant shall be supervised under the active full-time management of the Operating Principal or ~~General~~Restaurant Manager who has successfully completed (to Del Taco's satisfaction) Del Taco's initial training program.

5.4.2 Operating Principal and ~~General~~Restaurant Manager. If the Operating Principal or the ~~General~~Restaurant Manager cease active management of or employment at the Restaurant, Franchisee shall enroll a qualified replacement (who shall be reasonably acceptable to Del Taco) in Del Taco's initial training program not more than thirty (30) days after the cessation of the former person's full-time employment and/or management responsibilities. The replacement shall attend and successfully complete the basic management training program, to Del Taco's reasonable satisfaction, as soon as it is practical to do so. Franchisee shall pay Del Taco's then-current training fees and per diem expenses.

5.4.3 Refresher Training. If Franchisee is in default of this Agreement, the Franchisee's Principal Trainees may also be required to attend such refresher courses, seminars, and other training programs as Del Taco may reasonably specify from time to time, including up to twenty (20) days of refresher programs each year during the term of the Agreement. In addition, such of the Franchisee's Principal Trainees as Del Taco may require, may be required to attend Del Taco's annual convention for up to three (3) days per year.

5.4.4 Pre-Opening Crew Training. If the Restaurant is one of the first two Del Taco restaurants that Franchisee or Franchisee's affiliate opens, after Franchisee or Franchisee's affiliate has hired the crew, Del Taco shall provide Franchisee with such assistance as Del Taco deems advisable in training the crew in opening the Restaurant. Such assistance will be for a duration of two weeks before the opening of Franchisee's or Franchisee's affiliate's first and second Del Taco restaurant. Franchisee shall be responsible for the crew training.

5.4.5 Continuing Management and Crew Training. After the Restaurant has opened, Del Taco may, at its option, assist Franchisee in the training of management and crew to promote the proper use of the System. Franchisee at all times shall maintain at least one certified ~~General~~Restaurant Manager in the Restaurant and shall have a combination of ~~five~~nine additional ~~staff comprised of shift managers and an assistant general manager~~Shift Managers trained and certified by Del Taco for the Restaurant. If Del Taco has given Franchisee written consent to operate the Restaurant less than 24 hours each day, Franchisee shall have a minimum of ~~four shift managers~~eight Shift Managers (inclusive of the ~~General~~Restaurant Manager) trained and certified by Del Taco for the Restaurant. Franchisee shall have sole authority and discretion regarding all employment matters, including hiring, firing, discipline, compensation, benefits, and scheduling. Franchisee is solely responsible for ensuring its managers and employees are adequately trained and supervised. Del Taco shall make training available to all future management employees of Franchisee. Every future manager must complete, to Del Taco's satisfaction, the pre-opening management training described in ~~subparagraph (b),~~Section 5.4 above, and receive certification by Del Taco. If a ~~general manager~~Restaurant Manager's position becomes vacant, Franchisee shall fill the vacancy within 60 days with a fully-trained and certified ~~general manager~~Restaurant Manager.

5.4.6 Training costs. The cost of all initial training instruction and required materials shall be borne by Del Taco. All other expenses incurred in connection with training and, if required, attendance at Del Taco's annual convention, including the costs of transportation, lodging, meals, wages, workers' compensation insurance and trainees' meals during training sessions, for Franchisee, its investors, and all of its employees, shall be borne by Franchisee.

5.4.7 Additional Training. If Franchisee requests that Del Taco provide on-site training in addition to that described in this Section 5.4, and Del Taco is able to do so, then Franchisee agrees that it shall pay Del Taco's then-current per diem charges and out-of-pocket expenses, which shall be as set forth in the Manual or otherwise in writing.

5.5 Restaurant Premises. Franchisee shall use the Restaurant premises solely for the operation of the Restaurant; shall keep the Restaurant open and in normal operation for such hours and days as Del Taco may from time to time specify in the Manuals or as Del Taco may otherwise approve in writing; and shall refrain from using or permitting the use of the Restaurant premises for any other purpose or activity at any time. As used in this Section 5.5, the term "premises" shall include the grounds surrounding the Restaurant. Franchisee shall comply with all terms and conditions of the lease for the Restaurant, and shall provide Del Taco with copies of all notices of default or breach of the lease, notices regarding the renewal or extension of the lease, and all other notices or correspondence related to Franchisee compliance with lease and Franchisee's right to remain in possession of the premises.

5.6 Personnel. Franchisee agrees to maintain a competent, conscientious, trained staff in numbers sufficient to promptly service customers, including at least one (1) ~~manager~~Shift Manager on duty at all times and to take such steps as are necessary to ensure that its employees preserve good customer relations and comply with such dress code as Del Taco may prescribe. Franchisee shall comply with all applicable employment and wage and hour laws and regulations. Franchisee is solely responsible for all employment decisions and functions of the Restaurant including those related to hiring, firing, training, compliance with wage and hour requirements, personnel policies, scheduling, benefits, recordkeeping, supervision, and discipline of employees, regardless of whether Franchisee receives advice from Del Taco on these subjects. Franchisee acknowledges and agrees that all personnel decisions, including hiring, firing, disciplining, compensation, benefits, and scheduling, shall be made by Franchisee, without any influence or advice from Del Taco, and such decisions and actions shall not be, nor be deemed to be, a decision or action of Del Taco. Further, it is the intention of the parties to this Agreement that Del Taco shall not be deemed an employer or joint employer with Franchisee or Franchisee's employees for any reason. If Del Taco incurs any cost, loss, or damage as a result of any actions or omissions of Franchisee or Franchisee's employees, including any that relate to any party making a finding of any joint employer status, Franchisee will fully indemnify Del Taco for such loss.

5.7 Health Standards. Franchisee shall meet and maintain the highest health standards and ratings applicable to the operation of the Restaurant. Franchisee shall furnish to Del Taco, within five (5) days after receipt thereof, a copy of all inspection reports, warnings, citations, certificates, and/or ratings resulting from inspections conducted by any federal, state or municipal agency with jurisdiction over the Restaurant. Without limiting the foregoing, Franchisee and all required personnel shall obtain and maintain all necessary and required licenses and certificates for food service and food handling as may be required by applicable local rules and regulations and/or the Manual, at Franchisee's sole expense.

5.8 Restaurant Maintenance. Franchisee shall at all times maintain the Restaurant in a high degree of sanitation, repair, and condition, and in connection therewith shall make such additions, alterations, repairs, and replacements thereto (but no others without Del Taco's prior written consent) as may be required for that purpose, including such periodic repainting or replacement of obsolete signs, furnishings, equipment, and decor as Del Taco may reasonably direct.

5.9 Remodeling. Del Taco shall have the right (the "**Remodel Right**") to require Franchisee to perform such remodeling, repairs, replacements and redecoration in and upon the premises and equipment as Del Taco may deem necessary and practical to bring the premises and equipment up to the then-current operational standards and image of Del Taco (an "Image Enhancement"). Del Taco may exercise its Remodel Right upon (a) the expiration of every ten-year period following the opening of the Restaurant for business with the public (the expenditure required to remodel the Restaurant shall be capped at $250,000 indexed pursuant to the Consumer Price Index (CPI)); (b) the sale, assignment, transfer or encumbrance (collectively, the "Transfer") of the Restaurant, any of the rights created by this Agreement, any part of the System, or any other interest created under this Agreement, including if

Franchisee is a legal entity, the sale, resale, pledge, assignment, transfer or encumbrance of any ownership interest in Franchisee that, alone or together with any other related, previous, simultaneous or proposed transfers, would result in a change in "control" of Franchisee within the meaning of the Securities Act of 1933, as amended, and the rules and regulations promulgated under that act, or a Transfer of a Restaurant from Del Taco, its affiliate, or another franchisee; or (c) the issuance of a successor franchise agreement. If Del Taco chooses to exercise its Remodel Right upon the occurrence of a Transfer, then, after the Transfer, Del Taco may exercise its Remodel Right upon the occurrence of any of the following events: (a) the expiration of every ten-year period following the Transfer; (b) a subsequent Transfer; or (c) the issuance of a successor franchise agreement. Del Taco reserves the right to designate type and scheduling of the refurbishing, remodeling and/or renovation referred to above. If Franchisee at any time deems it necessary and practical to replace any equipment or repair or remodel the premises or take any similar action, Franchisee shall perform the replacement, repairs or remodeling in accordance with Del Taco's then-current standards and specifications. The obligations imposed under this Section 5.9 supplement any obligation to maintain, restore or repair the premises imposed under any lease or sublease with respect to the Restaurant.

5.10 Franchisee Advisory Council. Del Taco has established or shall have the right to establish a franchisee advisory council or similar advisory group, for the purpose of fostering communication among and between franchisees and Del Taco, as well as to establish, modify or discuss various practices or policies applicable to Del Taco Restaurants. Franchisee may be required to participate in such franchisee advisory council meetings and programs as Del Taco shall designate. Franchisee may be required to pay such dues to the franchisee advisory council as Del Taco shall determine. Del Taco may modify or dissolve the franchisee advisory council at any time.

5.11 Equipment Upgrades. In addition to Facilities Remodeling, Franchisee shall make, from time to time, such upgrades and other changes to the kitchen equipment and electronic equipment utilized in the Restaurant and the Computer System as Del Taco may request in writing (and as also specified above) (collectively, "**Equipment Upgrades**"). Del Taco shall have the right to require any Equipment Upgrades it deems necessary for Franchisee's Restaurant.

5.12 Standards and Specifications. To ensure that the highest degree of quality and service is maintained, Franchisee shall operate the Restaurant in strict conformity with such methods, standards, and specifications as Del Taco may from time to time prescribe in the Manuals or otherwise in writing. Franchisee agrees:

5.12.1 To maintain in sufficient supply, and to use and/or sell at all times only such products, ingredients, materials, supplies, and paper goods as conform to Del Taco's written standards and specifications, and to refrain from deviating therefrom by the use or offer of any non-conforming items without Del Taco's specific prior written consent.

5.12.2 To sell or offer for sale only such products as have been expressly approved for sale in writing by Del Taco; to sell or offer for sale all such products, utilizing the ingredients and employing the preparation standards and techniques, as specified by Del Taco; to refrain from any deviation from Del Taco's standards and specifications, including the manner of preparation of products, without Del Taco's prior written consent; and to discontinue selling and offering for sale any products which Del Taco shall have the right to disapprove, in writing, at any time.

5.12.3 To permit Del Taco or its agents, at any reasonable time, to remove samples of products, without payment therefor, in amounts reasonably necessary for testing by Del Taco or an independent laboratory to determine whether said samples meet Del Taco's then current standards and

specifications. In addition to any other remedies it may have under this Agreement, Del Taco may require Franchisee to bear the cost of such testing if the supplier of the item has not previously been approved by Del Taco or if the sample fails to conform to Del Taco's specifications.

5.12.4 To purchase and install, at Franchisee's expense, all fixtures, kitchen display systems, furnishings, equipment, decor, and signs as Del Taco shall specify; and to refrain from installing or permitting to be installed on or about the Restaurant premises, without Del Taco's prior written consent, any fixtures, furnishings, equipment, decor, signs, or other items not previously approved as meeting Del Taco's standards and specifications.

5.12.5 To refrain from installing or permitting to be installed any vending machine, game or coin operated device, unless specifically approved in writing, in advance, by Del Taco.

5.12.6 To fully and faithfully comply with all applicable governing authorities, laws and regulations. Franchisee shall immediately close the Restaurant and terminate operations in the event that: (i) any products sold at the Restaurant evidence adulteration or deviation from the standards set for products by Del Taco; (ii) any products sold at the Restaurant fail to comply with applicable laws or regulations; or (iii) Franchisee fails to maintain the products, Restaurant premises, equipment, personnel, or operation of the Restaurant in accordance with any applicable law or regulations. In the event of such closing, Franchisee shall immediately notify Del Taco in writing and Franchisee shall destroy immediately in accordance with procedures set forth in the Manual, or otherwise in writing by Del Taco, all products which it knows, or should know through the exercise of reasonable care, to be adulterated, tainted, contaminated, spoiled, unsafe, or otherwise unfit for human consumption and eliminate the source thereof, and remedy any unsanitary, unsafe, or other condition or other violation of the applicable law or regulation. Franchisee shall not reopen the Restaurant until after Del Taco has inspected the Restaurant premises, and Del Taco has determined that Franchisee has corrected the condition and that all products sold at the Restaurant comply with Del Taco's standards.

5.13 Suppliers. Franchisee shall purchase all products, ingredients, supplies, materials, and other products used or offered for sale at the Restaurant solely from suppliers that Del Taco has approved in writing. In determining whether it will approve any particular supplier, Del Taco shall consider various factors, including a supplier who can demonstrate, to Del Taco's continuing reasonable satisfaction, the ability to meet Del Taco's then current standards and specifications for such items; who possesses adequate quality controls and capacity to supply Franchisee's needs promptly and reliably; who would enable the System, in Del Taco's sole opinion, to take advantage of marketplace efficiencies; and who has been approved in writing by Del Taco prior to any purchases by Franchisee from any such supplier, and have not thereafter been disapproved. For the purpose of this Agreement, the term "supplier" shall include, but not be limited to, manufacturers, distributors, resellers, and other vendors. Franchisee recognizes that Del Taco shall have the right to appoint only one manufacturer, distributor, reseller, and/or other vendor for any particular item, and that Del Taco may so designate itself or its affiliate.

5.13.1 If Franchisee wishes to purchase any products or any items from an unapproved supplier, Franchisee shall first submit to Del Taco a written request for such approval. Franchisee shall not purchase any products or services from any supplier until, and unless, such supplier has been approved in writing by Del Taco. Del Taco shall have the right to require that its representatives be permitted to inspect the supplier's facilities, and that samples from the supplier be delivered, either to Del Taco or to an independent laboratory designated by Del Taco for testing. A charge not to exceed the reasonable cost of the inspection and the actual cost of the test shall be paid by Franchisee or the supplier. Del Taco may also require that the supplier comply with such other requirements as Del Taco may deem

appropriate, including payment of reasonable continuing inspection fees and administrative costs, or other payment to Del Taco by the supplier on account of their dealings with Franchisee or other franchisees, for use, without restriction (unless otherwise instructed by the supplier) and for services that Del Taco may render to such suppliers. Del Taco reserves the right, at its option, to reinspect from time to time the facilities and products of any such approved supplier and to revoke its approval upon the supplier's failure to continue to meet any of Del Taco's then current criteria.

5.13.2 Nothing in the foregoing shall be construed to require Del Taco to approve any particular supplier, nor to require Del Taco to make available to prospective suppliers, standards and specifications for formulas, which Del Taco shall have the right to deem confidential.

5.13.3 Notwithstanding anything to the contrary contained in this Agreement, Franchisee acknowledges and agrees that, at Del Taco's sole option, Del Taco may establish one or more strategic alliances or preferred vendor programs with one or more nationally or regionally-known suppliers who are willing to supply all or some Restaurants with some or all of the products and/or services that Del Taco requires for use and/or sale in the development and/or operation of Restaurants. In this event, Del Taco may limit the number of approved suppliers with whom Franchisee may deal, designate sources that Franchisee must use for some or all products and other products and services, and/or refuse any of Franchisee's requests if Del Taco believes that this action is in the best interests of the System or the franchised network of Restaurants. Del Taco shall have unlimited discretion to approve or disapprove of the suppliers who may be permitted to sell products to Franchisee.

5.13.4 Franchisee acknowledges and agrees that Del Taco shall have the right to collect and retain all manufacturing allowances, marketing allowances, rebates, credits, monies, payments or benefits (collectively, "**Allowances**") offered by suppliers to Franchisee or to Del Taco or its affiliates based upon Franchisee's purchases of products and other goods and services. These Allowances are based on System-wide purchases of food, beverages, paper goods, merchandise and other items. Franchisee assigns to Del Taco or its designee all of Franchisee's right, title and interest in and to any and all such Allowances and authorizes Del Taco or its designee to collect and retain any or all such Allowances without restriction (unless otherwise instructed by the supplier); provided, however, that Del Taco's current policy is to utilize such funds for purposes that Del Taco believes, in its sole discretion, may enhance the "Del Taco" brand and/or public awareness of the brand.

5.13.5 Franchisee shall comply with all terms, conditions, and obligations of all contracts and arrangements with suppliers, including contracts and arrangements negotiated by Del Taco or third parties as part of a network or multiple-franchise or multiple-restaurant supply and distribution arrangement, and Franchisee's contracts with and obligations to suppliers. Franchisee shall promptly pay all suppliers in accordance with the agreed-upon terms. In the event Franchisee fails to promptly pay one or more suppliers as required, Del Taco may, but is not required to, pay such supplier(s) on behalf of Franchisee, and Franchisee shall promptly reimburse Del Taco for such payment following notice from Del Taco, or Del Taco may obtain payment through the EFT process described in Section 3.5 above and the Manuals.

5.13.6 Del Taco reserves the right to designate, specify and/or approve the manufacturer and/or supplier of all signs used or installed at the Restaurant (the "Sign Manufacturer").

5.14 Inspections. Franchisee grants Del Taco and its agents the right to enter upon the Restaurant premises at any time for the purpose of conducting inspections, for among other purposes, preserving validity of the Proprietary Marks, and verifying Franchisee's compliance with this Agreement and the policies and procedures outlined in the Manuals. Del Taco shall also have the right to take and

maintain photographs and videos, in any medium, of the Restaurant and the operations at the Restaurant. Franchisee shall cooperate with Del Taco's representatives in such inspections by rendering such assistance as they may reasonably request; and, upon notice from Del Taco or its agents and without limiting Del Taco's other rights under this Agreement, Franchisee shall take such steps as may be necessary to correct immediately any deficiencies detected during any such inspection. Franchisee shall reimburse Del Taco for all of Del Taco's costs and expenses, including labor and travel expenses, incurred in conducting all such follow-up inspections after the first follow-up inspection. Del Taco may also assess a reinspection fee of $500 per visit, in addition to a reimbursement of costs. Franchisee shall make such payments within fifteen (15) days of receipt of an invoice from Del Taco, or Del Taco may elect to obtain payment through the EFT provisions of Section 3.5.

5.15 Technology and Computer System. At Del Taco's request, Franchisee shall purchase or lease, and thereafter maintain, the Computer System, and comply with Del Taco's requirements, specifications and policies concerning the use of technology, as they may be specified in this Agreement, or specified or modified in the Manuals or otherwise in writing.

5.15.1 Del Taco shall have the right at any time to retrieve and use such data and information from Franchisee's Computer System that Del Taco deems necessary or desirable. In view of the contemplated interconnection of computer systems and the necessity that such systems be compatible with each other, Franchisee expressly agrees that it shall strictly comply with Del Taco's standards and specifications for all item(s) associated with Franchisee's Computer System, and will otherwise operate its Computer System in accordance with Del Taco's standards and specifications. To ensure full operational efficiency and optimum communication capability between and among equipment and computer systems installed by Franchisee, Del Taco, and other franchisees, Franchisee agrees, at its expense, that Franchisee shall keep its Computer System in good maintenance and repair, and, at its expense, and following the determination that Del Taco shall have the right to make, to the effect that same will prove economically or otherwise beneficial to all System franchisees, that Franchisee shall promptly install such additions, changes, modifications, substitutions and/or replacement to Franchisee's computer hardware, software, telephone and power lines, and other related facilities, as Del Taco directs periodically in writing. Franchisee shall provide to Del Taco, upon Del Taco's request, all e mail lists and customer lists used or maintained by Franchisee on the Computer System or elsewhere.

5.15.2 Del Taco has the right, but not the obligation, to develop or have developed for it, or to designate, any or all of the following: (a) computer software programs and accounting system software that Franchisee must use in connection with the Computer System ("Required Software"), which Franchisee must install; (b) updates, supplements, modifications, or enhancements to the Required Software, which Franchisee must install; (c) the tangible media upon which such Franchisee must record or receive data; (d) the database file structure of Franchisee's Computer System; (e) an Extranet for informational assistance, which may include the Manuals, training other assistance materials, and management reporting solutions; and (f) answering service requirements and/or system-wide phone order processing of all delivery orders, and/or to designate vendors that will provide such order processing.

5.15.3 Franchisee agrees to install and use the Computer System and Required Software in the manner that Del Taco requires.

5.15.4 Franchise agrees to implement and periodically upgrade and make other changes to the Computer System and Required Software as Del Taco may reasonably request in writing (collectively, "**Computer Upgrades**").

5.15.5 Franchisee agrees to comply with Del Taco's written specifications (whether in the Manuals or otherwise) with respect to the Computer System and the Required Software, and with respect to Computer Upgrades, at Franchisee's own expense.

5.15.6 Franchisee agrees to afford Del Taco unimpeded access to its Computer System and Required Software in the manner, form, and at the times that Del Taco requests.

5.15.7 Because changes to technology are dynamic and not predictable within the term of this Agreement, and in order to provide for inevitable but unpredictable changes to technological needs and opportunities, Franchisee agrees: (a) that Del Taco will have the right to establish, in writing, reasonable new standards to address new technologies, whether published in the Manuals or otherwise in writing, and that Del Taco has the right to implement those changes in technology into the System; ~~and~~ (b) to abide by Del Taco's reasonable new standards as if this Section 5.15, and other technology provisions in this Agreement, were periodically revised for that purpose, and (c) to pay any amounts to Del Taco or any third party for such new technologies and related components.

5.16 Customer Data. Franchisee agrees that all data that it collects from customers and potential customers in connection with the Franchised Business ("**Customer Data**") is deemed to be owned exclusively by Del Taco, and Franchisee also agrees to provide the Customer Data to Del Taco at any time that Del Taco requests. Franchisee has the right to use Customer Data while this Agreement or a successor or renewal Franchise Agreement is in effect, but only in connection with operating the Restaurant and only in accordance with the policies that Del Taco establishes from time to time. Franchisee may not sell, transfer, or use Customer Data for any purpose other than operating the Restaurant and marketing "Del Taco brand" products and services. However, if Franchisee Transfers the Restaurant (as provided in Section 12.3 below), as part of the Transfer, Franchisee must also Transfer use of the Customer Data to the buyer as part of the total purchase price paid for the Restaurant. Franchisee must secure from its vendors, customers, prospective customers, and others all consents and authorizations, and provide them all disclosures, that applicable law requires to transmit the Customer Data to Del Taco and its affiliates and for Del Taco and its affiliates to use that Customer Data in the manner that this Agreement contemplates.

5.17 Privacy Laws. Franchisee agrees to abide by all applicable laws pertaining to the privacy of consumer, employee, and transactional information ("**Privacy Laws**").

~~5.17.1~~ Franchisee agrees to comply with Del Taco's standards and policies pertaining to Privacy Laws. If there is a conflict between Del Taco's standards and policies pertaining to Privacy Laws and actual applicable law, Franchisee shall: (i) comply with the requirements of applicable law; (ii) immediately give Del Taco written notice of said conflict; and (iii) promptly and fully cooperate with Del Taco and its counsel in determining the most effective way, if possible, to meet its standards and policies pertaining to Privacy Laws within the bounds of applicable law.

5.17.1 ~~5.17.2~~ Franchisee agrees not to publish, disseminate, implement, revise, or rescind a data privacy policy without Del Taco's prior written consent as to said policy.

5.17.2 ~~5.17.3~~ For purposes of this Section 5.17, "**Personal Information**" means Customer Data and any other information that is received from Del Taco, or collected on Del Taco's behalf, that identifies, relates to, describes, is capable of being associated with, or is linked or could reasonably be linked, directly or indirectly, with a particular consumer or household, and including particular elements of "personal information" as defined under Cal. Civ. Code § 1798.140.

5.17.3 ~~5.17.4~~ With regard to Personal Information that Franchisee may collect, receive, or otherwise process as a result of any agreements between Franchisee and Del Taco (or its subsidiaries or affiliates), including this Agreement, Franchisee agrees and certifies that it will:

5.17.3.1 ~~5.17.4.1~~ Process Personal Information only for the limited and specified purposes of providing services requested by Del Taco.

5.17.3.2 ~~5.17.4.2~~ Notify Del Taco, and provide Del Taco with the ability to object, before transmitting Personal Information to a service provider, sub-processor, subcontractor, or other vendor.

5.17.3.3 ~~5.17.4.3~~ Require any service provider, sub-processor, subcontractor, or other vendor that receives Personal Information to agree to provisions materially similar to those found within this Section 5.17.

5.17.3.4 ~~5.17.4.4~~ Cooperate and assist Del Taco with responding to any request from an individual to exercise their rights under a data privacy or data security law or regulation.

5.17.3.5 ~~5.17.4.5~~ Comply with all applicable data privacy and data security laws including, but not limited to, Cal. Civ. Code 1798.100. et seq.

5.17.3.6 ~~5.17.4.6~~ Notify Del Taco if it believes that it can no longer meet the obligations of this Section 5.17.

5.17.3.7 ~~5.17.4.7~~ Implement and maintain reasonable and appropriate security procedures and practices designed to protect the Personal Information from unauthorized access, destruction, use, modification, or disclosure.

5.17.3.8 ~~5.17.4.8~~ Notify Del Taco immediately after becoming aware of any loss, unauthorized, or unlawful processing, destruction, damage, alteration, or unauthorized disclosure of, or access to, the Personal Information (a "**Security Breach**"), and cooperate with Del Taco in the event of a Security Breach, including by sharing information relevant to the Security Breach.

5.17.3.9 ~~5.17.4.9~~ Allow and contribute to reasonable audits by Del Taco, including inspections by the Del Taco or its auditor, to verify Franchisee's compliance with data processing and security obligations and applicable data protection statutes and regulations.

5.17.4 ~~5.17.5~~ Franchisee further agrees and certifies that it will not:

5.17.4.1 ~~5.17.5.1~~ Sell, rent, release, disclose, disseminate, make available, transfer, or otherwise communicate orally, in writing, or by electronic or other means, Personal Information to another business or a third party for monetary or other valuable consideration.

5.17.4.2 ~~5.17.5.2~~ Retain, use, disclose, collect, sell, or otherwise process Personal Information for any purpose other than for the specific purpose of, and as necessary for, performing services for Del Taco pursuant to a written agreement(s). For clarity, Franchisee may not retain, use, or disclose the Personal Information for any other commercial purposes or outside of the direct business relationship between Franchisee and Del Taco.

5.17.4.3 ~~5.17.5.3~~ Combine the Personal Information that it receives from Del Taco with the Personal Information that it receives from another company or business (or that it collects

from its own interaction with individuals), except if expressly permitted to do so by Del Taco or required to do so by law.

5.17.4.4 ~~5.17.5.4~~ Share, rent, release, disclose, disseminate, make available, transfer, or otherwise communicate orally, in writing, or by electronic or other means, Personal Information for the purpose of cross-context behavioral advertising.

5.17.5 ~~5.17.6~~ This Section 5.17 will survive expiration or termination of this Agreement and any other agreement(s) that may exist between Franchisee and Del Taco (or its subsidiaries or affiliates). Existing terms in such agreement(s) remain in effect except that this Section 5.17 controls in the event of a conflict with such terms. In the event of a breach of this Section 5.17, Del Taco may take reasonable and appropriate steps to stop and remediate the unauthorized use by Franchisee of Personal Information.

5.18 Website. Del Taco will maintain a Website for benefit of Del Taco and its franchisees. Franchisee shall not establish a Website or permit any other party to establish a Website that relates in any manner to its Restaurant or referring to the Proprietary Marks. Del Taco has the right, but not the obligation, to provide one or more references or webpage(s) to Franchisee's Restaurant, as Del Taco may periodically designate, within Del Taco's Website. (The term "Website" as used in this Agreement means one or more related documents, designs, pages, or other communications that can be accessed through electronic means, including the Internet, World Wide Web, social networking sites (including Facebook, Twitter, LinkedIn, Instagram, YouTube, etc.), blogs, vlogs, and other applications, etc.).

5.19 POS or Cash Register Systems. Franchisee agrees to record all sales on computer-based point of sale systems or such other types of cash register systems that Del Taco has the right to designate or approve in the Manual or otherwise in writing ("POS System"). The POS System is deemed to be part of Franchisee's Computer System. Franchisee must utilize computer-based point-of-sale devices that are fully compatible with any program or system that Del Taco has the right to designate, and Franchisee must record all Net Sales and all revenue information on such equipment.

5.20 Gift Cards. If Del Taco requires, Franchisee agrees to participate in the gift card program(s) that Del Taco specifies. For this purpose, Franchisee must purchase the software, hardware, blank cards, and other items needed to sell and process gift cards or stored value cards, which Del Taco may specify in the Manuals or otherwise in writing. Franchisee also agrees to pay such monthly and per-swipe transaction fees as may be required by the vendor of the gift card system. Franchisee must sell or honor gift cards only in accordance with Del Taco's written standards. Franchisee must account for all gift card sales, gift card redemptions, and other gift card transactions in the manner Del Taco specifies in the Manuals. Franchisee must maintain sufficient cash reserves to pay Del Taco or other franchisees as part of any network-wide periodic reconciliation of the gift card program. Franchisee shall pay Del Taco or make payments as specified by Del Taco, in such amounts and at such times as directed by Del Taco, in accordance with Del Taco's gift card rules, programs and policies. Franchisee agrees not to sell, issue, or redeem gift certificates other than gift cards that Del Taco has approved in writing.

5.21 E-Mail, Internet and Other Media; E-Mail and Fax Communications. Franchisee must comply with Del Taco's requirements and policies (as described in the Manuals or otherwise in writing) with respect to the transmission of all e-mails in connection with the Restaurant and the business, and in connection with discussing, advertising, or disseminating any information, or otherwise having a presence, on the Internet, or in any other media, regarding the Restaurant and the business. Such activities include participation in any Internet "blogs" or social networking sites. Any such activities which are not expressly permitted in the Manuals or otherwise in writing, or for which Franchisee has not

previously received approval from Del Taco, shall be subject to Del Taco's approval as described in Section 6 below.

5.21.1 Franchisee agrees that exchanging information with Del Taco by e-mail and fax is an important way to enable quick, effective, and efficient communication, and that Del Taco and Franchisee are entitled to rely upon each other's use of e-mail and faxes for communicating as part of the economic bargain underlying this Agreement. To facilitate the use of e-mail and fax to exchange information, Franchisee authorizes the transmission of e-mail by Del Taco and Del Taco's employees, vendors, and affiliates (on matters pertaining to the business contemplated hereunder) (together, "**Official Senders**") to Franchisee and Franchisee's employees during the term of this Agreement. Del Taco's list of Official Senders shall be the master and official list of Official Senders.

5.21.2 Franchisee agrees not to transmit or cause any other party to transmit advertisements or solicitations by telephone, text, or e-mail or other electronic media without Del Taco's prior written consent as to: (a) the content of such advertisements or solicitations; and (b) Franchisee's plan for transmitting such advertisements or solicitations. Del Taco's review of Franchisee's advertisements or solicitations, or of Franchisee's plan for transmitting such advertisements or solicitations, is only for Del Taco's benefit and Del Taco's review will pertain to whether the proposed advertisements or solicitations comply with Del Taco's specifications. Franchisee agrees that it will be solely responsible for complying with any laws pertaining to sending such advertisements and solicitations, including the Controlling the Assault of Non-Solicited Pornography and Proprietary Marketing Act of 2003 (known as the "CAN-SPAM Act of 2003") and the Telephone Consumer Protection Act of 1991.

5.21.3 Franchisee agrees that: (a) Official Senders are authorized to send e-mails and faxes to Franchisee and its employees; (b) Franchisee will cause its officers, directors, and employees (as a condition of their employment or position with Franchisee) to give their consent (in an e-mail, electronically, or in a pen-and-paper writing, as Del Taco may reasonably require) to Official Senders' transmission of e-mails and faxes to those persons, and that such persons shall not opt-out, or otherwise ask to no longer receive e-mails, from Official Senders during the time that such person works for or is affiliated with Franchisee; and (c) Franchisee will not opt-out, or otherwise ask to no longer receive e-mails and/or faxes, from Official Senders during the term of this Agreement.

5.21.4 The consent given above in this Section 5.21 will not apply to the provision of formal notices under this Agreement by either party using e-mail unless and until the parties have otherwise agreed, in a pen-and-paper writing that both parties have signed.

5.22 Credit Cards and Other Methods of Payment. At all times, Franchisee must maintain credit-card relationships with the credit- and debit-card issuers or sponsors, check or credit verification services, financial-center services, and electronic-funds-transfer systems that Del Taco designates as mandatory, and Franchisee must not use any such services or providers that Del Taco has not approved in writing or for which Del Taco has revoked its approval. Del Taco has the right to modify its requirements and designate additional approved or required methods of payment and vendors for processing such payments, and to revoke its approval of any service provider. Franchisee must comply with all credit-card policies as prescribed in the Manuals. Franchisee must comply with the Payment Card Industry Data Security Standards ("PCI DSS") as they may be revised and modified by the Payment Card Industry Security Standards Council (see www.pcisecuritystandards.org), or such successor or replacement organization and/or in accordance with other standards as Del Taco may specify, and the Fair and Accurate Credit Transactions Act ("FACTA"). Franchisee shall also upgrade periodically its POS

System and related software, at Franchisee's expense, to maintain compliance with PCI DSS, FACTA, and all related laws and regulations.

5.23 Uniforms. To promote a uniform System image, Franchisee shall require all of its Restaurant personnel to dress during business hours in the attire specified in the Manuals. Franchisee shall purchase such attire only from approved suppliers.

5.24 Incentive Programs. Franchisee shall offer for sale, and will honor for purchases by customers, any incentive or convenience programs which Del Taco may institute from time to time, and Franchisee shall do so in compliance with Del Taco's standards and procedures for such programs.

5.25 Prices. With respect to the sale of all Menu Items, products, or services, Franchisee shall have sole discretion as to the prices to be charged to customers; provided, however, that Del Taco may establish, advertise, and promote maximum prices on such Menu Items, products, and services, subject to compliance with applicable laws. If Del Taco has imposed such a maximum price on a particular Menu Item, product, or service, and subject to applicable law, Franchisee may not charge a price for such Menu Item, product, or service in excess of the maximum price set by Del Taco.

5.26 Compliance with Laws and Good Business Practices. Franchisee shall operate the Restaurant in full compliance, subject to its right to contest, with all applicable laws, ordinances and regulations including all government regulations relating to handling of food products, occupational hazards and health, workers' compensation insurance, unemployment insurance and withholding and payment of federal and state income taxes, social security taxes and sales taxes. All advertising and promotion by Franchisee shall be factually accurate and conform to the highest standards of ethical advertising. Franchisee shall in all dealings with its customers, suppliers and the public adhere to the highest standards of honesty, integrity, fair dealing and ethical conduct, and shall comply with all consumer protection and unfair competition laws and regulations. Franchisee agrees to refrain from any business or advertising practice which may be injurious to the business of Del Taco and the goodwill associated with the Proprietary Marks and other Restaurants.

5.27 Franchisee Structure; Operating Principal and Owners.

5.27.1 Except as otherwise approved in writing by Del Taco, if Franchisee is a corporation, it shall: (i) be newly organized, and confine its activities, and its governing documents shall at all times provide that its activities are confined, exclusively to operating the Restaurant; (ii) furnish Del Taco with a copy of its articles or certificates of incorporation and bylaws, as well as such other documents as Del Taco may reasonably request, and any amendment thereto; (iii) maintain stop transfer instructions on its records against the transfer of any equity securities and shall only issue securities upon the face of which a legend, in a form satisfactory to Del Taco, appears which references the transfer restrictions imposed by this Agreement; (iv) not issue any voting securities or securities convertible into voting securities; and (v) maintain a current list of all owners of record and all beneficial owners of any class of voting stock of Franchisee and furnish the list to Del Taco upon request, which list shall be amended to reflect changes in ownership, as permitted under this Agreement.

5.27.2 If Franchisee is a partnership or limited liability partnership it shall: (i) be newly organized, and confine its activities, and its governing documents shall at all times provide that its activities are confined, exclusively to operating the Restaurant; (ii) furnish Del Taco with its partnership agreement as well as such other documents as Del Taco may reasonably request, and any amendments thereto; (iii) prepare and furnish to Del Taco, upon request, a current list of all general and limited partners in Franchisee, which list shall be amended to reflect changes in ownership, as permitted under

this Agreement; and (iv) maintain stop transfer instructions on its records and in its partnership agreement against the transfer of partnership interests and equity securities, and shall only issue securities or partnership interests with documentation which bears a notice or legend, in a form satisfactory to Del Taco, which references the transfer restrictions imposed by this Agreement.

5.27.3 If a Franchisee is a limited liability company, Franchisee shall: (i) be newly organized, and confine its activities, and its governing documents shall at all times provide that its activities are confined, exclusively to operating the Restaurant; (ii) furnish Del Taco with a copy of its articles of organization and operating agreement, as well as such other documents as Del Taco may reasonably request, and any amendments thereto; (iii) prepare and furnish to Del Taco, upon request, a current list of all members and managers in Franchisee, which list shall be amended to reflect changes in ownership, as permitted under this Agreement; and (iv) maintain stop transfer instructions on its records against the transfer of equity securities and shall only issue securities upon the face of which bear a legend, in a form satisfactory to Del Taco, which references the transfer restrictions imposed by this Agreement.

5.27.4 Franchisee shall designate, subject to the review and approval or disapproval by Del Taco, individuals to serve in the following positions:

5.27.4.1 Operating Principal. An Operating Principal shall participate personally in the direct operation of the Restaurant. If Franchisee is an individual and meets the required qualifications, Franchisee may serve as the Operating Principal for the Restaurant. Franchisee shall notify Del Taco promptly if the individual serving as the Operating Principal for the Restaurant no longer serves as an employee of Franchisee or no longer meets the requirements of being an Operating Principal for the Restaurant. "Operating Principal" shall mean an individual who (1) has at least five years of management experience in the operation of a quick service restaurant (or, if Franchisee or Franchisee's affiliate operates at least one Del Taco Restaurant as of the Effective Date, the Operating Principal of the Restaurant must have at least two years of management experience in the operation of a quick service restaurant), (2) has completed Del Taco's required training program, (3) Del Taco has approved to supervise the day-to-day operations of the Restaurant, (4) owns at least 10% of the equity interest in Franchisee if Franchisee is a business entity, and (5) lives no more than a three-hour drive from the Restaurant.

5.27.4.2 Owners: An "owner" is any person that has any direct or indirect interest in Franchisee, or in any entity that has any direct or indirect ownership interest in Franchisee. All owners along with their ownership interests, shall be identified in Exhibit E hereto, and any change in ownership, whether subject to Section 12.3 or not, shall be provided to Del Taco, in advance and in writing, and Exhibit E shall be amended to reflect all changes in ownership.

5.27.4.3 ~~General~~Restaurant Manager: Franchisee shall designate a Restaurant ~~general manager~~Manager, subject to approval by Del Taco, and satisfactory completion of Del Taco's training programs, who shall be responsible for the direct oversight and management of the day-to-day operations and personnel at the Restaurant (the "~~General~~Restaurant Manager"). The ~~General~~Restaurant Manager and the Principal Operator may be the same person, if he/she is qualified to perform both roles and duties, and is approved by Del Taco.

5.27.4.4 ~~General Manager~~Other Managers: Franchisee shall designate shift managers, subject to approval by Del Taco, and satisfactory completion of Del Taco's training programs, who shall be responsible for oversight and management of the day-to-day shift operations and personnel

at the Restaurant under the supervision of the ~~General~~Restaurant Manager and Operating Principal (the "Shift Managers").

5.28 Personal Guarantee. Concurrent with its execution of this Agreement, if Franchisee is a business entity, each owner shall execute the Guarantee, Indemnification and Acknowledgement in the form attached to this Agreement as Exhibit D, provided, however, that no guarantee shall be required from a person who acquires Franchisee's securities (other than a controlling interest) if and after Franchisee becomes registered under the Securities Exchange Act of 1934.

5.29 System Modifications. Franchisee acknowledges and agrees that from time to time hereafter Del Taco may change or modify the System as Del Taco deems appropriate, including to reflect the changing market and/or to meet new and changing consumer demands, and that variations and additions to the System may be required from time to time to preserve and enhance the public image of the System and operations of Del Taco Restaurants. Del Taco's changes to the System may include the adoption and use of new or modified products, services, equipment and furnishings and new techniques and methodologies relating to the preparation, sale, promotion and marketing of food and beverage products and services, and new trademarks, service marks and copyrighted materials. Notwithstanding the provisions and limitations of Section 5.9, Franchisee shall, upon reasonable notice, accept, implement, use and display in the operation of the Restaurant any such changes in the System, as if they were part of this Agreement at the time of execution hereof, at Franchisee's sole expense. Additionally, Del Taco reserves the right, in its sole discretion, to vary the standards throughout the System, as well as the services and assistance that Del Taco may provide to some franchisees based upon the peculiarities of a particular site or circumstance, existing business practices, or other factors that Del Taco deems to be important to the operation of any Del Taco Restaurant or the System. Franchisee shall have no recourse against Del Taco on account of any variation to any franchisee and shall not be entitled to require Del Taco to provide Franchisee with a like or similar variation hereunder.

5.30 No Third-Party Management. The Restaurant shall be operated under the control and supervision of Franchisee, its Principal Operator, the ~~General~~Restaurant Manager or another ~~general~~ manager hired by and employed by Franchisee and approved by Del Taco. Franchisee shall not hire or retain a management company, manager (other than an employee manager trained and approved by Del Taco), or third party to undertake any of the management or operational functions of the Restaurant.

6. Advertising and Marketing.

Recognizing the value of advertising and marketing, and the importance of the standardization of advertising and marketing programs to the furtherance of the goodwill and public image of the System, the parties agree as follows:

6.1 Marketing Fee Expenditure. Del Taco shall use the Marketing Fee for any and all costs of maintaining, administering, directing, conducting, creating and/or otherwise preparing advertising, marketing, public relations and/or promotional programs and materials, and any other activities which Del Taco believes will enhance the image of the System, including the costs of preparing and/or conducting: media advertising campaigns; social media campaigns; direct mail advertising; marketing surveys and other public relations activities; employing advertising and/or public relations agencies to assist therein; brand research and development; developing and hosting marketing, brand development and enhancement, and customer engagement seminars for franchisees; purchasing promotional items; creating menu boards; developing new or modified trade dress and marks; point-of-purchase (POP) materials; design and photographs; conducting and administering visual merchandising, and other merchandising programs; purchasing media space or time (including all associated fees and expenses); administering

regional and multi-regional marketing and advertising programs; market research and customer satisfaction surveys; developing and implementing customer loyalty and gift card programs; customer retention programs; the creative development of, and actual production associated with, premium items, giveaways, promotions, contests, public relation events, and charitable or non-profit events; developing, implementing and maintaining an electronic commerce website and/or related strategies; maintaining and developing one or more websites devoted to the System and/or the "Del Taco" brand; providing promotional and other marketing materials and services to the Del Taco restaurants operated under the System; the salaries of Del Taco's employees to the extent such employees provide services in conjunction with the System marketing activities; and all administrative and internal costs and expenses incurred in connection with the above. Del Taco or its designee shall have the right to direct all advertising programs, as well as all aspects thereof, including the concepts, materials, and media used in such programs and the placement and allocation thereof. Franchisee agrees and acknowledges that Del Taco's expenditures from the marketing fees are intended to maximize general public recognition, acceptance, perception of, and use of the System; and that Del Taco and its designee are not obligated, in administering the marketing fee expenditures, to make expenditures for Franchisee which are equivalent or proportionate to Franchisee's contribution, or to ensure that any particular franchisee benefits directly or pro rata from such expenditures.

6.2 Local Advertising and Promotion. All local advertising and promotion by Franchisee shall be in such media, and of such type and format as Del Taco may approve; shall be conducted in a dignified manner; shall conform to such standards and requirements as Del Taco may specify; and shall comply with all applicable laws. Franchisee shall not use any advertising or promotional plans or materials unless and until Franchisee has received written approval from Del Taco, pursuant to the procedures and terms set forth in Section 6.4 below. Franchisee shall comply with all of Del Taco's written instructions, policies, procedures, and restrictions regarding advertising and marketing within the Protected Area, outside of Franchisee's Protected Area, and in areas that may be territories assigned to other Del Taco Restaurants or franchisees (including, without limitation, rules regarding honoring of gift certificates, stored value cards, and promotions).

6.3 Costs of Local Advertising and Promotion. As used in this Agreement, the term "**Local Advertising and Promotion**" shall consist only of the direct costs of purchasing and producing advertising materials (including, but not limited to, camera ready advertising and point of sale materials), media (space or time), and those direct out of pocket expenses related to costs of advertising and sales promotion spent by Franchisee in the Protected Area, advertising agency fees and expenses, postage, shipping, telephone, and photocopying; however, the parties expressly agree that advertising and sales promotion shall not include costs or expenses incurred by or on behalf of Franchisee in connection with any of the following:

6.3.1 Salaries and expenses of any employees of Franchisee, including salaries or expenses for attendance at advertising meetings or activities, or incentives provided or offered to such employees, including discount coupons;

6.3.2 Charitable, political, or other contributions or donations, whether in cash, food, or services;

6.3.3 The value of discounts provided to customers;

6.3.4 The cost of food items.

6.4 Approvals. For all proposed Local Advertising and Promotion, Franchisee shall submit samples of such plans and materials to Del Taco in the manner that Del Taco prescribes, for Del Taco's review and prior written approval (except with respect to prices to be charged by Franchisee). If written approval is not received by Franchisee from Del Taco within fifteen (15) days of the date of receipt by Del Taco of such samples or materials, Del Taco shall be deemed to have disapproved them. Franchisee acknowledges and agrees that any and all copyright in and to advertising and promotional materials developed by or on behalf of Franchisee shall be the sole property of Del Taco, and Franchisee agrees to execute such documents (and, if necessary, require its independent contractors to execute such documents) as may be deemed reasonably necessary by Del Taco to give effect to this provision.

6.5 Promotional Materials. Del Taco may make available to Franchisee from time to time, at Franchisee's expense, advertising plans and promotional materials, including newspaper mats, coupons, merchandising materials, sales aids, point of purchase materials, special promotions, direct mail materials, community relations programs, and similar advertising and promotional materials. Del Taco may provide periodic marketing assistance to Franchisee, including telephone and email marketing assistance, and templates or other materials for email-based marketing. Del Taco shall have the right to require all advertising and promotional materials, signs, decorations, paper goods (including disposable food and beverage containers, bags, napkins, menus, and all forms and stationery used in the Restaurant), any and all replacement trade dress products, and other items which may be designated by Del Taco, to bear the Del Taco's then-current Proprietary Marks and logos in the form, color, location, and manner then-prescribed by Del Taco.

7. Records and Reports.

7.1 Records. Franchisee shall maintain for a period of not less than three (3) years during the term of this Agreement, and, for not less than three (3) years following the termination, expiration, or non-renewal of this Agreement, full, complete, and accurate books, records, and accounts in accordance with generally accepted accounting principles, as required by law, and in the form and manner prescribed by Del Taco from time to time in the Manuals or otherwise in writing. Franchisee shall prepare and maintain all books and records required under this Agreement and as prescribed by Del Taco during each fiscal year during the Term of this Agreement and for the three years prior to each fiscal year. To the extent books and records are created and/or maintained in an electronic form, all such books and records must be capable of being reviewed by Del Taco or its designee without special hardware or software.

7.2 Periodic Reports. Franchisee shall, at its expense, provide to Del Taco, in a format specified by Del Taco, such financial and operating reports that Del Taco prescribes.

7.3 Reporting Requirements. In addition to the Sales Reports required pursuant to Section 3.5, Franchisee shall submit to Del Taco a copy of their Profit and Loss Statement for each restaurant on an annual basis by March of the following year, and on a quarterly basis as requested by Del Taco. Additionally, Franchisee shall provide such other forms, reports, records, information, and data as and when Del Taco may reasonably designate, in the form and format, and at the times and places reasonably required by Del Taco, upon request and as specified from time to time in the Manuals or otherwise in writing, restated in accordance with Del Taco's financial reporting periods, consistent with Del Taco's then current financial reporting periods and accounting practices and standards.

7.4 Audit. Del Taco or its designated agents shall have the right at all reasonable times to examine, copy, and/or personally review or audit, at Del Taco's expense, all books, records, and sales and income tax returns of Franchisee. Franchisee shall cooperate fully with all audits and requests for information made by Del Taco or its designees. Del Taco shall also have the right, at any time, to have an

independent audit made of the books of Franchisee. If an inspection should reveal that any payments have been understated or overstated in any report to Del Taco, then Franchisee shall immediately pay Del Taco, in the event of an understatement, the amount understated upon demand, in addition to interest from the date such amount was due until paid, at the rate of one and one half percent (1.5%) per month, or the maximum rate permitted by law, whichever is less. If an inspection is necessitated because Franchisee fails to timely provide Sales Reports or if an inspection discloses an understatement in any report by Franchisee of two percent (2%) or more, Franchisee shall, in addition, reimburse Del Taco for any and all costs and expenses connected with the inspection (including, without limitation, travel, lodging and wages expenses, and reasonable accounting and legal costs). The foregoing remedies shall be in addition to any other remedies Del Taco may have.

7.5 Data. All data provided by Franchisee in any form, and whether required by this Section 7.5 or any other requirement under the System or in the Manuals, including data uploaded to Del Taco's computer system from the Franchisee's Computer System, and/or downloaded from the Franchisee's Computer System to Del Taco's computer system, is and will be owned exclusively by Del Taco, including without limitation, Customer Data (described in Section 5.16 above), customer lists and e mail lists, and Del Taco will have the right to use such data in any manner that Del Taco deems appropriate without compensation to Franchisee. In addition, all other data created or collected by Franchisee in connection with the System, or in connection with Franchisee's operation of the business (including but not limited to consumer and transaction data), is and will be owned exclusively by Del Taco during the term of, and following termination or expiration of, this Agreement. Copies and/or originals of such data must be provided to Del Taco upon Del Taco's request. Del Taco hereby licenses use of such data back to Franchisee, at no additional cost, solely for the term of this Agreement and solely for Franchisee's use in connection with the business franchised under this Agreement. Del Taco may use all such information, data, and reports in any manner, including, without limitation, providing financial and operating reports to franchisees and operators operating under the System, preparing franchise disclosure documents, and providing information to prospective franchisees, and/or in complying with government regulations.

7.6 Accounting and Bookkeeping Services. Del Taco reserves the right to require that Franchisee retain and utilize an accounting and bookkeeping service or company that is designated, specified or approved by Del Taco, from the Effective Date of this Agreement through the period that is ninety (90) days after the completion of Franchisee's second full calendar year of operation of the Restaurant following the opening of the business. Franchisee shall pay such service or company the fees and costs charged by the service or company, shall use such on-line, electronic, and paper reporting systems specified by such service or company, and shall submit reports to Del Taco as required under this Agreement or in the Manual. In addition, in the event Franchisee fails to comply with any reporting requirement under this Section 7.6 or in the Manuals, or fails to make timely, accurate and complete payments as required under this Agreement, Del Taco has the right to require that Franchisee utilize an accounting or bookkeeping service or company designated or specified by Del Taco for a period of not less than two (2) years. Franchisee will provide to the service or company complete and accurate information required by Del Taco and the service or company, and Franchisee acknowledges and agrees that Del Taco will have full access to the data and information that Franchisee provides to the accounting or bookkeeping service or company.

8. Proprietary Marks.

8.1 Ownership of the Proprietary Marks. Del Taco represents with respect to the Proprietary Marks that:

8.1.1 Del Taco is the owner of all right, title, and interest in and to the Proprietary Marks.

8.1.2 Del Taco has taken and will take all steps reasonably necessary to preserve and protect Del Taco's ownership of, and validity in, the Proprietary Marks.

8.2 Use of the Proprietary Marks. With respect to Franchisee's use of the Proprietary Marks, Franchisee agrees that:

8.2.1 Franchisee shall use only the Proprietary Marks designated by Del Taco, and shall use them only in the manner authorized and permitted by Del Taco; all items bearing the Proprietary Marks shall bear the then-current logo.

8.2.2 Franchisee shall use the Proprietary Marks only for the operation of the business franchised hereunder and only at the location authorized hereunder, or in Del Taco approved advertising for the business conducted at or from that location.

8.2.3 Unless Del Taco otherwise directs Franchisee, in writing, to do so, Franchisee shall operate and advertise the Restaurant only under the name "Del Taco," without prefix or suffix.

8.2.4 During the term of this Agreement and any renewal of this Agreement, Franchisee shall identify itself (in a manner reasonably acceptable to Del Taco) as the owner of the Restaurant in conjunction with any use of the Proprietary Marks, including uses on invoices, order forms, receipts, and contracts, as well as the display of a notice in such content and form and at such conspicuous locations on the premises of the Restaurant as Del Taco may designate in writing.

8.2.5 Franchisee's right to use the Proprietary Marks is limited to such uses as are authorized under this Agreement, and any unauthorized use thereof shall constitute an infringement of Del Taco's rights.

8.2.6 Franchisee shall not use the Proprietary Marks to incur any obligation or indebtedness on behalf of Del Taco.

8.2.7 Franchisee shall not use the Proprietary Marks or any variant thereof as part of its corporate or other legal name, or as part of any e-mail address, domain name, websites or other identification of Franchisee in any electronic medium (including e-mail addresses, account names in a social media site, and the like) of Franchisee or the Restaurant in any forum or medium.

8.2.8 Franchisee shall execute any documents deemed necessary by Del Taco to obtain protection for the Proprietary Marks or to maintain their continued validity and enforceability.

8.2.9 With respect to litigation involving the Proprietary Marks, the parties agree that:

8.2.9.1 Franchisee shall promptly notify Del Taco of any suspected infringement of the Proprietary Marks, any known challenge to the validity of the Proprietary Marks, or any known challenge to Del Taco's ownership of, or Franchisee's right to use, the Proprietary Marks

licensed hereunder. Franchisee acknowledges that Del Taco shall have the right to direct and control any administrative proceeding or litigation involving the Proprietary Marks, including any settlement thereof. Del Taco shall also have the right, but not the obligation, to take action against uses by others that may constitute infringement of the Proprietary Marks.

8.2.9.2 Except to the extent that any litigation involving the Proprietary Marks is the result of Franchisee's use of the Proprietary Marks in a manner inconsistent with the terms of this Agreement or involving any other claim against Del Taco, Del Taco agrees to reimburse Franchisee for its out of pocket litigation costs in doing such acts and things, except that Franchisee shall bear the salary costs of its employees, and Del Taco shall bear the costs of any judgment or settlement but only if the claim on which the judgment or settlement is made is only related to the validity or ownership of the mark. To the extent that such litigation is the result of Franchisee's use of the Proprietary Marks in a manner inconsistent with the terms of this Agreement, Franchisee shall reimburse Del Taco for the cost of such litigation (or, upon Del Taco's written request, pay Del Taco's legal fees directly), including attorney's fees, as well as the cost of any judgment or settlement.

8.2.9.3 If Del Taco undertakes the defense or prosecution of any litigation relating to the Proprietary Marks, Franchisee shall execute any and all documents and do such acts and things as may, in the opinion of counsel for Del Taco, be necessary to carry out such defense or prosecution, including becoming a nominal party to any legal action.

8.3 Franchisee Acknowledgements. Franchisee expressly understands and acknowledges that:

8.3.1 The Proprietary Marks are valid, owned by Del Taco, and serve to identify the System and those who are authorized to operate under the System.

8.3.2 Neither Franchisee nor any Principal of Franchisee shall directly or indirectly contest the validity or Del Taco's ownership of the Proprietary Marks, nor shall Franchisee, directly or indirectly, seek to register the Proprietary Marks with any government agency, except with Del Taco's express prior written consent.

8.3.3 Franchisee's use of the Proprietary Marks does not give Franchisee any ownership interest or other interest in or to the Proprietary Marks, except the license granted by this Agreement.

8.3.4 The right and license of the Proprietary Marks granted hereunder to Franchisee is nonexclusive, and Del Taco thus has and retains the rights, among others:

8.3.4.1 To use the Proprietary Marks itself in connection with selling products and services;

8.3.4.2 To grant other licenses for the Proprietary Marks, in addition to those licenses already granted to existing franchisees or other licensees authorized to operate using the Proprietary Marks;

8.3.4.3 To develop and establish other systems using the same or similar Proprietary Marks, or any other proprietary marks, and to grant licenses or franchises thereto without providing any rights therein to Franchisee.

8.3.5. Del Taco reserves the right to substitute different proprietary marks for use in identifying the System and the businesses operating thereunder if the Proprietary Marks no longer can be used, or if Del Taco, exercising its right to do so, determines that substitution of different proprietary marks will be beneficial to the System. In such circumstances, Franchisee shall implement at Franchisee's expense such substituted proprietary marks in such ways as Del Taco may direct, and the use of the substituted proprietary marks shall be governed by the terms of this Agreement.

9. Manuals.

9.1 Manuals. In order to protect the reputation and goodwill of Del Taco and to maintain high standards of operation under Del Taco's Proprietary Marks, Franchisee shall conduct its business in accordance with the Manuals, one (1) copy of which Franchisee acknowledges having received electronically from Del Taco for the term of this Agreement. The Manuals may consist of multiple electronic files, including videos and other electronically stored data, and various and periodic or episodic operational and/or management electronic bulletins, and Franchisee acknowledges and agrees that Del Taco may provide a portion or all of the Manuals (including updates and amendments), and other instructional information and materials in, or via, electronic media, including through the Internet.

9.2 Confidentiality of the Manuals. Franchisee shall at all times treat the Manuals, any other manuals created for or approved for use in the operation of the Restaurant, and the information contained therein, as confidential, and shall use best efforts to maintain such information as secret and confidential, protect it from viewing by others, and treat the Manuals with the same degree of care as it would treat its most highly confidential documents. Franchisee shall not at any time copy, duplicate, record, or otherwise reproduce the foregoing materials, in whole or in part, nor otherwise make the same available to any unauthorized person.

9.3 Protection of the Manuals. The Manuals shall at all times remain the sole property of Del Taco and shall at all times be kept in a secure place on the Restaurant premises. Franchisee shall ensure that the Manuals are kept current and up to date; and, in the event of any dispute as to the contents of the Manuals, the terms of the master copy of the Manuals maintained by Del Taco at Del Taco's home office shall be controlling.

9.4 Revisions to the Manuals. Del Taco may from time to time revise the contents of the Manuals, and Franchisee expressly agrees to make corresponding revisions to its copy of the Manuals and to comply with each new or changed standard immediately upon receipt of such revision.

10. Confidentiality and Covenants Not To Compete.

10.1 Confidential Information. Franchisee shall not, during the term of this Agreement or thereafter, communicate, divulge, or use for the benefit of any other person, persons, partnership, entity, association, or corporation any confidential information, trade secrets, knowledge, or know-how concerning the methods of operation of the business franchised hereunder which may be communicated to Franchisee or of which Franchisee may be apprised by virtue of Franchisee's operation under the terms of this Agreement (the "**Confidential Information**"). Franchisee shall divulge such Confidential Information only to such of its employees as must have access to it in order to operate the Restaurant. Any and all information, knowledge, know-how, and techniques which Del Taco designates as confidential shall be deemed confidential for purposes of this Agreement, except information which Franchisee can demonstrate came to its attention prior to disclosure thereof by Del Taco; or which, at or after the time of disclosure by Del Taco to Franchisee, had become or later becomes a part of the public domain, through publication or communication by others. Any employee who may have access to any

Confidential Information regarding the Restaurant shall execute a covenant that s/he will maintain the confidentiality of information they receive in connection with their association with Franchisee. Such covenants shall be on a form provided by Del Taco, which form shall, among other things, designate Del Taco as a third party beneficiary of such covenants with the independent right to enforce them. Notwithstanding any other provision of this Agreement, there may be certain, limited circumstances where applicable law allows for the disclosure of certain trade secrets, as specified in the Manuals.

10.2 Irreparable Injury. Franchisee acknowledges that any failure to comply with the requirements of this Section 10 will cause Del Taco irreparable injury, and Franchisee agrees to pay all court costs and reasonable attorney's fees incurred by Del Taco in obtaining specific performance of, or an injunction against violation of, the requirements of this Section 10.

10.3 Information Exchange. Franchisee agrees to disclose to Del Taco all ideas, concepts, methods, techniques and products conceived or developed by Franchisee, its affiliates, owners, agents, or employees during the term of this Agreement relating to the development and/or operation of the Restaurant. Franchisee hereby grants to Del Taco and agrees to procure from its affiliates, owners, agents, or employees a perpetual, non-exclusive, and worldwide right to use any such ideas, concepts, methods, techniques and products in all food service businesses operated by Del Taco or its affiliates, franchisees and designees. Del Taco shall have no obligation to make any payments to Franchisee with respect to any such ideas, concepts, methods, techniques or products. Franchisee agrees that Franchisee will not use or allow any other person or entity to use any such concept, method, technique or product without obtaining Del Taco's prior written approval.

10.4 Full Time and Best Efforts. During the term of this Agreement, except as otherwise approved in writing by Del Taco, the Operating Principal or a Manager appointed in accordance with Section 5 shall devote full time, energy, and best efforts to the management and operation of the Restaurant.

10.5 In-Term Covenants. Franchisee specifically acknowledges that, pursuant to this Agreement, Franchisee will receive valuable specialized training and Confidential Information, including information regarding Del Taco's operational, sales, promotional, and marketing methods and techniques and the System. During the term of this Agreement, except as otherwise approved in writing by Del Taco, Franchisee shall not (a) within the Protected Area or (b) within two (2) miles of any other Del Taco restaurant owned and/or operated or then under construction by Del Taco or any other franchisee or licensee of Del Taco, either directly or indirectly, for Franchisee, or through, on behalf of, or in conjunction with any person, persons, partnership, corporation, or entity:

10.5.1 Divert or attempt to divert any business or customer of the Restaurant or of any Del Taco Restaurant using the System to any competitor, by direct or indirect inducement or otherwise, or do or perform, directly or indirectly, any other act injurious or prejudicial to the goodwill associated with the Proprietary Marks and the System.

10.5.2 Except as otherwise approved in writing by Del Taco directly or indirectly own, maintain, operate, engage in, have any interest in or provide any assistance to (whether as owner, stockholder, partner, officer, director, employee, consultant, franchisor, lessor, or otherwise) any "**Competitive Business**," which shall mean a restaurant or food service business that offers one or more Mexican or similar style menu items, and is operated in a quick service, fast food, or fast casual format.

10.6 Post-Term Covenants. Except as otherwise approved in writing by Del Taco, Franchisee shall not, for a continuous uninterrupted period of two (2) years from the date of: (a) a transfer permitted

under Section 12.3 above; (b) expiration or termination of this Agreement (regardless of the cause for termination); or (c) a final order of a duly authorized arbitrator, panel of arbitrators, or a court of competent jurisdiction (after all appeals have been taken) with respect to any of the foregoing or with respect to the enforcement of this Section 10.6; either directly or indirectly own, maintain, operate, engage in, have any interest in, or provide any assistance to (whether as owner, stockholder, partner, officer, director, employee, consultant, franchisor, lessor or otherwise) any Competitive Business which is, or is intended to be, located: (a) within the Protected Area of the Restaurant or (b) within two (2) miles of any other Del Taco restaurant owned and/or operated or then under construction by Del Taco or any other franchisee or licensee of Del Taco as of the time that the obligations under this Section 10.6 commence. If Franchisee does not comply with the post-term covenants as specified in this Section 10.6, the post-term non-compete period shall not begin to run until Franchisee begins to comply.

10.7 Publicly-Held Corporations. Section 10.6 above shall not apply to ownership by Franchisee of less than a five percent (5%) beneficial interest in the outstanding equity securities of any publicly held corporation. As used in this Agreement, the term "**publicly held corporation**" shall be deemed to refer to a corporation which has securities that have been registered under the Securities Exchange Act of 1934.

10.8 Individual Covenants. Franchisee shall require and obtain execution of covenants similar to those set forth in Sections 8, 9, 10, 12, and 14 (as modified to apply to an individual, if applicable) from any or all of Franchisee's owners holding a ten percent (10%) or greater interest in Franchisee and the Operating Principal. The covenants required by this Section 10.8 shall be in the form provided in Exhibit F to this Agreement. Franchisee shall deliver to Del Taco copies of such executed covenants immediately upon Del Taco's request. Failure by Franchisee to obtain execution of a covenant required by this Section 10.8 shall constitute a default under Sections 10.5 and 10.6 above.

10.9 Severability. The parties agree that each of the foregoing covenants shall be construed as independent of any other covenant or provision of this Agreement. If all or any portion of a covenant in this Section 10 is held unreasonable or unenforceable by a court or agency having valid jurisdiction in an unappealed final decision to which Del Taco is a party, Franchisee agrees to be bound by any lesser covenant subsumed within the terms of such covenant that imposes the maximum duty permitted by law, as if the resulting covenant were separately stated in and made a part of this Section 10.

10.10 Scope of Covenants. Del Taco shall have the right to reduce the scope of any covenant set forth in Sections 10.5 and 10.6 in this Agreement, or any portion thereof, without Franchisee's consent, effective immediately upon receipt by Franchisee of written notice thereof; and Franchisee agrees that it shall comply forthwith with any covenant as so modified, which shall be fully enforceable notwithstanding the provisions of Section 24 and 24.2 below.

10.11 Enforcement of Claims. The existence of any claims Franchisee may have against Del Taco, whether or not arising from this Agreement, shall not constitute a defense to the enforcement by Del Taco of the covenants in this Section 10. Franchisee agrees to pay all costs and expenses (including reasonable attorneys' fees, costs, and expenses (and interest on such fees, costs, and expenses)) incurred by Del Taco in connection with the enforcement of this Section 10.

10.12 Irreparable Injury. Franchisee acknowledges that Franchisee's violation of the terms of this Section 10 would result in irreparable injury to Del Taco for which no adequate remedy at law may be available, and Franchisee accordingly consents to the issuance of an injunction prohibiting any conduct by Franchisee in violation of the terms of this Section 10.

10.13 Remedies Not Exclusive. The remedies in this Section 10 are in addition to the other right and remedies available to Del Taco and shall not serve as an election of remedies or a waiver of any other rights.

11. Insurance.

11.1 Franchisee shall comply with the following indemnification and insurance provisions:

11.1.1 Insurance Requirements. Prior to the commencement of any activities or operations pursuant to this Agreement, Franchisee shall procure and maintain in full force and effect during the term of this Agreement (and for such period thereafter as is necessary to provide the coverages required hereunder for events having occurred during the Term of this Agreement), at Franchisee's expense, the following insurance policy or policies in connection with the Restaurant or other facilities on premises, or by reason of the construction, operation, or occupancy of the Restaurant or other facilities on premises. Such policy or policies shall be written by an insurance company or companies approved by Del Taco, having a rating of at least "A" in the most recent Key Rating Guide published by the A.M. Best Company (or another rating that Del Taco reasonably designates if A.M. Best Company no longer publishes the Key Rating Guide) and licensed to do business in the state in which the Restaurant is located. Such policy or policies shall include, at a minimum (except as additional coverages and higher policy limits may reasonably be specified for all franchisees from time to time by Del Taco in the Manuals or otherwise in writing to reflect inflation, identification of new risks, changes in the law or standards of liability, higher damage awards and other relevant changes in circumstances), the following:

11.1.1.1 Liability. A comprehensive general liability policy in the amount of not less than $2,000,000 combined single limit bodily injury liability per person and per occurrence and property damage liability per occurrence, including premises, operations, products and completed operations, broad form property damage, blanket contractual owner's and contractor's protective, personal injury, and non-owned or hired automobiles.

11.1.1.2 Fire. Fire, extended coverage and "**all risk**" or direct physical loss, subject to standard exclusions, in an amount not less than 100% of the replacement value of the premises (exclusive of foundation and excavation costs), including all Equipment and any additions to or substitutions for the premises and Equipment. The replacement cost values as defined in said policy shall include the replacement value of stated items then being constructed or purchased by Del Taco at the time of loss.

11.1.1.3 Business Interruption. Business interruption insurance in an amount not less than adequate to pay for the monthly rent reserved under any real property lease or sublease, restaurant equipment lease or sublease, sign lease or sublease, and other continuing expenses up to six months without possibility of co-insurance penalty.

11.1.1.4 Business Automobile Liability Insurance. Business automobile liability insurance, including a combined single bodily injury and property damage coverage for all owned, non-owned, and hired vehicles, with limits of liability not less than One Million Dollars ($1,000,000) per occurrence for both bodily injury and property damage.

11.1.1.5 Statutory Workers' Compensation Insurance. Statutory workers' compensation insurance and employer's liability insurance for a minimum limit of at least One Million Dollars ($1,000,000), as well as such other disability benefits type insurance as may be required by statute or rule of the state in which the Restaurant is located. Franchisee shall have and maintain such

insurance for all of its employees prior to any employee commencing any training with Del Taco. Franchisee agrees to obtain a waiver of subrogation endorsement on its workers' compensation policy, and shall provide to Del Taco proof of both (i) the effective workers' compensation policy, and (ii) the endorsement to such policy waiving the insurer's right of subrogation.

11.1.1.6 Commercial Umbrella Liability Insurance. Commercial umbrella liability insurance with limits which bring the total of all primary underlying coverages to not less than Three Million Dollars ($3,000,000) total limit of liability.

11.1.1.7 Property Insurance. Property insurance providing coverage for direct physical loss or damage to real and personal property for all risk perils, including the perils of flood and earthquake.

11.1.1.8 Products Liability Insurance. Products liability insurance in an amount not less than One Million Dollars ($1,000,000), which policy shall be considered primary.

11.1.1.9 Cyber Liability Insurance. Cyber liability insurance in an amount that Del Taco designates.

11.1.1.10 Other Insurance. Any other insurance coverage that is required by federal, state, or municipal law.

11.2 Referenced in Manuals. All policies listed in Section 11.1 (unless otherwise noted below) shall contain such endorsements as shall, from time to time, be provided in the Manuals.

11.3 Policy Cancellation. In the event of cancellation, material change, or non-renewal of any policy, sixty (60) days' advance written notice must be provided to Del Taco in the manner provided in Section 11.7 below. Franchisee shall arrange for a copy of such notification to be sent to Del Taco by the insurance company.

11.4 Construction and Remodeling Insurance. In connection with all significant construction, reconstruction, or remodeling of the Restaurant during the term of this Agreement, Franchisee will cause the general contractor, its subcontractors, and any other contractor, to effect and maintain at general contractor's and all other contractor's own expense, such insurance policies and bonds with such endorsements as are set forth in the Manuals, all written by insurance or bonding companies approved by Del Taco, having a rating as set forth in Section 11.1.1 above.

11.5 No Waiver of Obligations. Franchisee's obligation to obtain and maintain the foregoing policy or policies in the amounts specified shall not be limited in any way by reason of any insurance which may be maintained by Del Taco, nor shall Franchisee's performance of that obligation relieve it of liability under the indemnity provisions set forth in Section 16.1.3 below.

11.6 Del Taco to be Additional Named Insured. All insurance policies shall list Del Taco and its affiliates, and their respective officers, directors, employees, partners, members, subsidiaries, employees and agents as additional named insureds, and shall also contain a provision that Del Taco, although named as an insured, shall nevertheless be entitled to recover under said policies on any loss occasioned to Del Taco or its servants, agents, or employees by reason of the negligence of Franchisee or its servants, agents, or employees. Additional insured status shall include coverage for ongoing and completed operations. The additional insured endorsement form shall be ISO CG 20-26 or such other form that Del Taco approves in writing that provides comparable coverage. Additional insured coverage shall not be limited to vicarious liability and shall extend to (and there shall be no endorsement limiting

coverage for) Del Taco's negligent acts, errors or omissions or other additional insureds. Franchisee shall maintain such additional insured status for Del Taco on Franchisee's general liability policies continuously during the term of the Franchise Agreement.

11.7 Evidence of Insurance. At least thirty (30) days prior to the time any insurance is first required to be carried by Franchisee, and thereafter at least thirty (30) days prior to the expiration of any such policy, Franchisee shall deliver to Del Taco, certificates of insurance, endorsements, insurance declarations and/or other documents requested by Del Taco (collectively, "**certificates**"), evidencing the proper coverage with limits not less than those required hereunder. All certificates shall expressly provide that no less than thirty (30) days' prior written notice shall be given Del Taco in the event of material alteration to, cancellation, or non-renewal of the coverages evidenced by such certificates. Further certificates evidencing the insurance required by Section 11.1.1 above shall name Del Taco, and each of its affiliates, directors, agents, and employees as additional insureds, and shall expressly provide that any interest of same therein shall not be affected by any breach by Franchisee of any policy provisions for which such certificates evidence coverage. In the event that Franchisee fails to obtain the required insurance or to provide evidence reasonably satisfactory to Del Taco of the insurance policies required by this Section 11.1, Del Taco shall have the right to obtain such required policies on Franchisee's behalf, and Franchisee agrees that it will promptly reimburse Del Taco for all costs related to obtaining such policies upon notice from Del Taco.

11.8 Proof of Insurance. In addition to its obligations under Section 11.7 above, on the first (1st) anniversary of the Effective Date, and on each subsequent anniversary thereof during the term of this Agreement and any renewal hereof, Franchisee shall provide Del Taco with proof of insurance evidencing the proper coverage with limits not less than those required hereunder, in such form as Del Taco may reasonably require.

11.9 Policy Limit Changes. Del Taco shall have the right, from time to time, to make such changes in minimum policy limits and endorsements as it deems advisable.

11.10 Del Taco's Insurance. Franchisee acknowledges and agrees that any insurance policies maintained by Del Taco for Del Taco's benefit shall have no effect upon Franchisee's obligation to obtain any insurance required by this Section 11.

12. Transfer of Interest.

12.1 Del Taco Transfers. Del Taco has the right to transfer or assign this Agreement, the System, Confidential Information, and all or any part of Del Taco's rights or obligations under this Agreement or Del Taco's interest in the System and Confidential Information to any person or legal entity without Franchisee's consent. Any transferee or assignee of this Agreement from Del Taco will become solely responsible for all of Del Taco's obligations under this Agreement from the date of the transfer or assignment. Without limiting the foregoing, Del Taco may sell its assets (including its rights in the Proprietary Marks and the System) to a third party; may offer its securities privately or publicly; may merge with or acquire other legal entities, or be acquired by another legal entity; and may undertake a refinancing, recapitalization, leveraged buyout, or other economic or financial restructuring. With regard to any or all of the above transfers, sales, assignments, and dispositions, Franchisee waives any claims, demands, or damages against Del Taco or its affiliates arising from or related to Del Taco's transfer of its rights in this Agreement, the System, or Confidential Information to any other party. Nothing contained in this Agreement will require Del Taco to remain in the business of operating or licensing the operation of Del Taco Restaurants or other businesses or to offer any services or products to Franchisee, whether or

not bearing the Proprietary Marks, if Del Taco transfers or assigns its rights in or obligations under this Agreement and the System.

12.2 Owners. If Franchisee is a business entity, each owner and the interest of each of them in Franchisee, is identified in Exhibit A hereto. Franchisee represents and warrants that its owners are set forth on Exhibit A attached to this Agreement, and covenant that Franchisee will not permit the identity of such owners, or their respective interests in Franchisee, to change without complying with this Agreement.

12.3 Franchisee Transfers. Franchisee understands and acknowledges that the rights and duties set forth in this Agreement are personal to Franchisee, and that Del Taco has granted this franchise in reliance on Franchisee or its owners' business skill, financial capacity, and personal character. Accordingly:

12.3.1 Franchisee shall not, without Del Taco's prior written consent, transfer, pledge or otherwise encumber: (a) this Agreement or any of Del Taco's rights and obligations under this Agreement; (b) all or substantially all of the assets of the Restaurant; (c) the leases or any other interest in the Restaurant; or (d) any direct or indirect ownership interest in Franchisee.

12.3.2 If Franchisee is a corporation or limited liability company, Franchisee shall not, without Del Taco's prior written consent, issue any voting securities or securities convertible into voting securities, and the recipient of any such securities shall become an owner under this Agreement, if so designated by Del Taco.

12.3.3 If Franchisee is a partnership or limited partnership, the partners of the partnership shall not, without Del Taco's prior written consent, admit additional general partners, remove a general partner, or otherwise materially alter the powers of any general partner.

12.3.4 Franchisee's owner shall not, without Del Taco's prior written consent, transfer, pledge or otherwise encumber any interest of an owner in Franchisee as shown in Exhibit A.

12.3.5 Franchisee shall not transfer or assign the lease for the Restaurant, or permit a default or surrender of the lease that will or may cause the Restaurant to be owned, leased, or operated by, any person or entity that will not operate a Del Taco Restaurant, without Del Taco's prior written consent.

12.4 Conditions for Approval. Del Taco shall not unreasonably withhold any consent required by Section 12.3.4 above; provided, that if Franchisee proposes to transfer its obligations hereunder or any interest in all or substantially all of the assets of the Restaurant, or if Franchisee or an owner proposes to transfer any direct or indirect interest in Franchisee, or if Franchisee or any owner proposes to undertake any transfer that is subject to Section 12.3, Del Taco shall have the right to require, among other things, any or all of the following as conditions of Del Taco's approval:

12.4.1 Franchisee shall comply with Del Taco's then-current transfer policies. Franchisee and the proposed transferee shall provide Del Taco with all information and documents requested by Del Taco for its evaluation of the proposed transfer, transaction, and transferee, including the business and financial terms of the proposed transaction including the leases and/or any assignments, renewal or extension of the leases and any necessary landlord consents, financial and operational information regarding the proposed transferee, and evidence of any financing that may be required to complete the transaction and/or fund the transferee's operation after the transfer.

12.4.2 The transferor shall have executed a general release (which shall include a release from the transferor, Franchisee, Franchisee's owners, and guarantors), in a form satisfactory to Del Taco, of any and all claims against Del Taco and its affiliates, successors, and assigns, and their respective directors, officers, shareholders, partners, agents, representatives, servants, and employees in their corporate and individual capacities including claims arising under this Agreement, any other agreement between Del Taco and Franchisee or their affiliates, and federal, state, and local laws and rules.

12.4.3 The transferee of an owner shall be designated as an owner and each transferee who is designated as an owner shall enter into a written agreement, in a form satisfactory to Del Taco, agreeing to be bound as an owner under the terms of this Agreement as long as such person or entity owns any interest in Franchisee; and, if Franchisee's obligations were guaranteed by the transferor, the owner shall guarantee the performance of all such obligations in writing in a form satisfactory to Del Taco.

12.4.4 Prior to and after the transfer, Franchisee's new owners shall meet Del Taco's educational, managerial, and business standards; each shall possess a good moral character, business reputation, and credit rating; have the aptitude and ability to operate the Restaurant, as may be evidenced by prior related business experience or otherwise; Franchisee's Operating Principal, and such other owners and employees as specified by Del Taco, shall satisfactorily complete Del Taco's initial training program; and have adequate financial resources and capital to operate the Restaurant. The price, consideration, and other proposed terms of the proposed transfer must not, in Del Taco's reasonable business judgment, have the effect of negatively impacting the future viability of the Restaurant.

12.4.5 If a proposed transfer would result in a change of control in Franchisee, at Del Taco's option, Franchisee (or transferee) shall execute the form of franchise agreement then being offered to new franchisees, and such other ancillary agreements required by Del Taco for the business franchised hereunder, which agreements shall supersede this Agreement and its ancillary documents in all respects, and the terms of which may differ from the terms of this Agreement including higher Royalty Fees and Marketing Fees, and a different or modified Protected Area, provided however that the term of such franchise agreement shall be equal to the then unexpired term of this Agreement.

12.4.6 If a proposed transfer would result in a change in Franchisee's control, and if so requested by Del Taco, Franchisee, at Franchisee's expense, shall upgrade the Restaurant to conform to the then-current standards and specifications of new Restaurant then being established in the System, and shall complete the upgrading and other requirements set forth in this Section 12.4.6 or as required under Section 5.9 above within the time specified by Del Taco.

12.4.7 All of Franchisee's monetary obligations hereunder shall be paid in full on a current basis, and Franchisee must not be otherwise in default of any of Franchisee's obligations hereunder including Franchisee's reporting obligations.

12.4.8 The transferor shall remain liable for all of the obligations to Del Taco in connection with the Restaurant that arose prior to the effective date of the transfer, and any covenants that survive the termination or expiration of this Agreement, and shall execute any and all instruments reasonably requested by Del Taco to evidence such liability.

12.4.9 At Franchisee's expense, one (1) owner designated by Del Taco to be a new Operating Principal and any of Franchisee's ~~General~~Restaurant Managers that Del Taco designates shall successfully complete (to Del Taco's satisfaction) all training programs required by Del Taco upon such terms and conditions as Del Taco may reasonably require (and while Del Taco will not charge a fee for

attendance at such training programs, the transferee shall be responsible for the salary and all expenses of the person who attends training).

12.4.10 If a proposed transfer would result in a change in Franchisee's control, and to compensate Del Taco for Del Taco's legal, accounting, training, and other expenses incurred in connection with the transfer, Franchisee shall pay Del Taco a non-refundable transfer fee in the amount of Five Thousand Dollars ($5,000). The transfer fee shall be paid at the earlier of (a) when the transferee signs the new franchise agreement, or (b) when the transferee begins training. The transfer fee is non-refundable. In addition, in the event a proposed transfer is not consummated or closed, for any reason except for disapproval by Del Taco, Franchisee or the proposed transferee shall reimburse Del Taco for all of Del Taco's costs and expenses incurred in connection with Del Taco's evaluation of the proposed transfer, including attorneys' and accountants' fees, background checks, site evaluation, and training, if applicable, to the extent the portion of the transfer fee paid does not cover those costs and expenses.

12.4.11 The transferor and/or the transferring franchisee must certify to Del Taco that the transferring franchisee has provided to the transferee true, complete and accurate copies of Franchisee's financial information and documents regarding the operation of the Restaurant, including the trailing two years of financial statements and monthly cash reports, the lease for the Restaurant premises, material contracts, and such other information as may be specified by Del Taco.

12.4.12 The transferor must acknowledge and agree that the transferor shall remain bound by the covenants contained in Section 10 above.

12.5 Transfers to Entities for the Convenience of Ownership. If Franchisee desires to transfer all of Franchisee's interest in this Agreement, or if all of Franchisee's owners desire to transfer all of their ownership interests in Franchisee, to a corporation, limited liability company, or other entity, solely for the convenience of ownership and/or for tax or estate planning reasons, Del Taco shall not unreasonably withhold Del Taco's consent to such transfer, and Del Taco shall not require that Franchisee comply with the provisions and conditions of Section 12.4 or 12.6, if Franchisee complies with all of the following conditions:

12.5.1 Franchisee shall provide written notice to Del Taco not less than thirty (30) days prior to the date of the proposed transfer, and shall provide Del Taco with such documents and information as Del Taco may request in support of Franchisee's request, which may include, among other things, entity formation and good standing certifications, evidence of insurance in the name of the new franchisee entity, and bank information for the new franchisee entity.

12.5.2 Franchisee and Franchisee's owners shall own all of the outstanding equity interests in the new franchisee entity, and shall own the same percentage ownership interests in the new franchisee entity as they own in Franchisee, and if Franchisee is an individual, Franchisee shall own 100% of the outstanding voting equity interests in the new franchisee entity.

12.5.3 Each owner who owns at least twenty percent (20%) of the outstanding equity interests in the new franchisee entity shall execute a Guarantee in the form attached as Exhibit E hereto.

12.5.4 Franchisee and Franchisee's owners shall comply with the provisions of Sections 12.4.1, 12.4.2, 12.4.6, 12.4.7, and 12.4.11 of this Agreement, and the new entity and its owners shall comply with Sections 5.27 and 5.28 of this Agreement.

12.5.5 Franchisee and Franchisee's owners shall execute such transfer documents, agreements and other materials as Del Taco may require.

12.6 Right of First Refusal.

12.6.1 If Franchisee or any owner desires to accept any *bona fide* offer from a third party to purchase Franchisee, all or substantially all of the assets of the Restaurant, or any direct or indirect interest in Franchisee, Franchise or such owner shall promptly notify Del Taco of such offer and shall provide such information and documentation relating to the offer as Del Taco may require. Del Taco shall have the right and option, exercisable within thirty (30) days after receipt of all such information, to send written notice to the seller that Del Taco intends to purchase the seller's interest on the same terms and conditions offered by the third party. If Del Taco elects to purchase the seller's interest, the closing on such purchase shall occur within sixty (60) days from the date of notice to the seller of the election to purchase by Del Taco.

12.6.2 Any material change in the terms of the *bona fide* offer prior to closing shall constitute a new offer subject to the same rights of first refusal by Del Taco as in the case of the third party's initial offer. Del Taco's failure to exercise the option afforded by this Section 12.6 shall not constitute a waiver of any other provision of this Agreement, including all of the requirements of this Section 12.6, with respect to a proposed transfer, or a waiver of any subsequent offer.

12.6.3 In the event the consideration, terms, and/or conditions offered by a third party are such that Del Taco may not reasonably be required to furnish the same consideration, terms, and/or conditions, then Del Taco may purchase the interest proposed to be sold for the reasonable equivalent in cash. If the parties cannot agree within a reasonable time on the reasonable equivalent in cash of the consideration, terms, and/or conditions offered by the third party, they must attempt to appoint a mutually-acceptable independent appraiser to make a binding determination. If the parties are unable to agree upon one (1) independent appraiser, then an independent appraiser shall be promptly designated by Del Taco and another independent appraiser shall be promptly designated by Franchisee, which two (2) appraisers shall, in turn, promptly designate a third appraiser; all three (3) appraisers shall promptly confer and reach a single determination, which determination shall be binding upon Del Taco and Franchisee. The cost of any such appraisal shall be shared equally by Del Taco and Franchisee. If Del Taco elects to exercise its right under this Section 12.6, Del Taco shall have the right to set off all amounts due from Franchisee, and one-half (½) of the cost of the appraisal, if any, against any payment to the seller.

12.7 Transfer Upon Death. Within six (6) months after Franchisee's death (if a natural person) or the death of an owner, the executor, administrator, or other personal representative of the deceased will transfer the interest of the deceased in this Agreement or Franchisee to a third party approved by Del Taco. If no personal representative is designated or appointed and no probate proceedings are instituted with respect to the estate of the deceased, the distributee of the interest of the deceased must be approved by Del Taco. If the distributee is not approved by Del Taco, the distributee will transfer the interest of the deceased to a third party approved by Del Taco within six (6) months after the date of death of the deceased.

12.8 Transfer Upon Permanent Disability. Upon Franchisee's permanent disability or the permanent disability of any owner with a controlling interest in Franchisee, Del Taco may require Franchisee's or the owner's interest to be transferred to a third party approved by Del Taco within six (6) months after notice to Franchisee. "**Permanent Disability**" shall mean any physical, emotional, or mental injury, illness, or incapacity that would prevent a person from performing the obligations set forth in this

Agreement for at least six (6) consecutive months and from which condition recovery within six (6) consecutive months from the date of determination of disability is unlikely. If Del Taco and Franchisee or Franchisee's representative disagree as to whether a person has a permanent disability, the existence of the permanent disability shall be determined by a licensed practicing physician selected by Del Taco upon examination of such person or, if such person refuses to be examined, then such person shall automatically be deemed permanently disabled for the purposes of this Section 12.8 as of the date of refusal. Del Taco shall pay the cost of the required examination.

12.9 Notification Upon Death or Permanent Disability. Within ten (10) days after the death or permanent disability of Franchisee (if a natural person) or an owner, Franchisee or Franchisee's representative shall notify Del Taco of the death or permanent disability in writing. Any transfer upon death or permanent disability will be subject to the same terms and conditions set out in this Section 12 for any *inter vivos* transfer.

12.10 No Waiver of Claims. Del Taco's consent to a transfer which is the subject of this Section 12 shall not constitute a waiver of any claims Del Taco may have against the transferring party, nor shall it be deemed a waiver of Del Taco's right to demand exact compliance with any of the terms of this Agreement by the transferor or transferee.

12.11 Insolvency. If Franchisee or any person holding any interest (direct or indirect) in Franchisee becomes a debtor in a proceeding under the U.S. Bankruptcy Code or any similar law in the U.S. or elsewhere, it is the parties' understanding and agreement that any transfer in Franchisee, Franchisee's obligations and/or rights hereunder, all or substantially all of the assets of the Restaurant, or any indirect or direct interest in Franchisee shall be subject to all of the terms of this Section 12.

12.12 Securities Offerings. All materials for an offering of stock or partnership interests in Franchisee or any of Franchisee's affiliates which are required by federal or state law shall be submitted to Del Taco for review as described below before such materials are filed with any government agency. Any materials to be used in any exempt offering shall be submitted to Del Taco for such review prior to their use. No offering by Franchisee or any of Franchisee's affiliates shall imply (by use of the Proprietary Marks or otherwise) that Del Taco is participating in an underwriting, issuance, or offering of the securities of Franchisee or Franchisee's affiliates; and Del Taco's review of any offering shall be limited solely to the relationship between Del Taco and Franchisee and any subsidiaries and affiliates, if applicable, and shall not constitute any opinion as to any legal requirement. Del Taco may, at its option, require the offering materials to contain a written statement prescribed by Del Taco concerning the limitations stated in the preceding sentence. Franchisee (and the offeror if not Franchisee), the owners, and all other participants in the offering must fully indemnify Del Taco, its subsidiaries, affiliates, successor, and assigns, and their respective directors, officers, shareholders, partners, agents, representatives, servants, and employees in connection with the offering and shall execute any and all documents required by Del Taco to endorse such indemnification. For each proposed offering, Franchisee shall pay Del Taco a non-refundable fee of Five Thousand Dollars ($5,000) or such greater amount as is necessary to reimburse Del Taco for its reasonable costs and expenses (including legal and accounting fees) for reviewing the proposed offering. Franchisee shall give Del Taco written notice at least thirty (30) days before the date that any offering or other transaction described in this Section 12 commences. Any such offering shall be subject to all of the other provisions of this Section 12; and further, without limiting the foregoing, it is agreed that any such offering shall be subject to Del Taco's approval as to the structure and voting control of the offeror (and Franchisee, if Franchisee is not the offeror) after the financing is completed.

13. Default and Termination.

13.1 Automatic Termination. Franchisee shall be deemed to be in default under this Agreement, and all rights granted herein shall automatically terminate without notice to Franchisee, if Franchisee shall become insolvent or make a general assignment for the benefit of creditors; or if a petition in bankruptcy is filed by Franchisee or such a petition is filed against and not opposed by Franchisee; or if Franchisee is adjudicated bankrupt or insolvent; or if a bill in equity or other proceeding for the appointment of a receiver or other custodian for Franchisee's business or assets is filed and consented to by Franchisee; or if a receiver or other custodian (permanent or temporary) of Franchisee's assets or property, or any part thereof, is appointed by any court of competent jurisdiction; or if proceedings for a composition with creditors under any state or federal law should be instituted by or against Franchisee; or if a final judgment of $10,000 or more against Franchisee or Franchisee's affiliate remains unsatisfied or of record for thirty (30) days or longer (unless unappealed or a supersedeas bond is filed); or if Franchisee is dissolved; or if an attachment or execution is levied against Franchisee's business or property, including Franchisee's bank accounts, property or any receivables and is not dismissed within thirty (30) days; or if suit to foreclose any lien or mortgage against the Restaurant premises or equipment is instituted against Franchisee and not dismissed within five (5) days; or if the real or personal property of the Restaurant shall be sold after levy thereupon by any sheriff, marshal, or constable.

13.2 Termination Upon Notice Without Opportunity to Cure. Franchisee shall be deemed to be in default and Del Taco may, at its option, terminate this Agreement and all rights granted hereunder, without affording Franchisee any opportunity to cure the default, effective immediately upon the delivery of written notice to Franchisee by Del Taco (in the manner set forth under Section 20 below), upon the occurrence of any of the following events:

13.2.1 If Franchisee fails to obtain approval of the site for the Restaurant pursuant to this Agreement or the Site Selection Addendum;

13.2.2 If Franchisee fails to construct, maintain, repair or renovate the Restaurant in accordance with this Agreement or Del Taco's plans and specifications or fails to equip the Restaurant in accordance with Del Taco's standards and specifications;

13.2.3 If Franchisee, its Operating Principal, or managers fail to complete the initial training program pursuant to Section 5.4 of this Agreement;

13.2.4 If Franchisee at any time without the written consent of Del Taco ceases to operate or otherwise abandons the Restaurant for three (3) consecutive business days, or loses the right to possession of the Restaurant, or otherwise forfeits the right to do or transact business in the jurisdiction where the Restaurant is located; provided, however, that if, through no fault of Franchisee, the premises are damaged or destroyed by an event such that repairs or reconstruction cannot be completed within ninety (90) days thereafter, then Franchisee shall have thirty (30) days after such event in which to apply for Del Taco's approval to relocate and/or reconstruct the Restaurant, which approval shall not be unreasonably withheld;

13.2.5 If Franchisee defaults under any lease or sublease for the Restaurant (the "**Lease**") and fails to cure the default within the time period specified in the Lease, or if the Lease is terminated, for any reason, or expires;

13.2.6 If Franchisee, any owner of Franchisee, or any affiliate of Franchisee is convicted of a felony, a crime involving moral turpitude, or any other crime or offense that Del Taco believes is reasonably likely to have an adverse effect on the System, the Proprietary Marks, the goodwill associated therewith, or Del Taco's interest therein;

13.2.7 If Franchisee engages in any conduct or practice that is fraudulent, unfair, unethical, or a deceptive practice;

13.2.8 If a threat or danger to public health or safety results from the construction, maintenance, or operation of the Restaurant;

13.2.9 If Franchisee or any of Franchisee's owners purports to transfer any rights or obligations under this Agreement or any interest to any third party in a manner that is contrary to the terms of Section 12;

13.2.10 If Franchisee fails to permit an inspection pursuant to Section 5.14 or an audit pursuant to Section 7.4;

13.2.11 If Franchisee fails to comply with the covenants in Section 10.5 or fails to timely obtain execution of the covenants required under Section 10.8;

13.2.12 If, contrary to the terms of Sections 9 or 10 above, Franchisee discloses or divulges the contents of the Manuals or other Confidential Information provided to Franchisee by Del Taco;

13.2.13 If Franchisee knowingly maintains false books or records, or submits any false reports (including information provided as part of Franchisee's application for this franchise) to Del Taco;

13.2.14 If Franchisee makes, or has made, any misrepresentation or engaged in any act of fraud in connection with obtaining this Agreement or in conducting the business franchised and licensed under this Agreement;

13.2.15 If Franchisee fails to pay any supplier or vendor when due, and fails to cure such default within the time period specified by the supplier or vendor, or in the applicable supply contract;

13.2.16 If Franchisee fails to pay any third party, including a lender, seller or lessor of products, services or equipment, any amount due by Franchisee to such parties on any note, financing, obligation, or financial instrument when due, and such failure to pay the full amount owed is not cured after any notice required by the contract or under applicable law;

13.2.17 If Franchisee makes any unauthorized or improper use of the Proprietary Marks, or if Franchisee or any owner of Franchisee fails to utilize the Proprietary Marks solely in the manner and for the purposes directed by Del Taco, or directly or indirectly contests the validity of Del Taco's ownership of the Proprietary Marks or Del Taco's right to use and to license others to use the Proprietary Marks;

13.2.18 If Franchisee fails to make any payments when due to Del Taco;

13.2.19 If Franchisee fails to submit to Del Taco any financial or other information required under this Agreement;

13.2.20 If Franchisee fails to operate the Restaurant in accordance with this Agreement, including operating the Restaurant in compliance with the operating standards and specifications established from time to time by Del Taco as to the quality of service, specifications and use of computer hardware and software, cleanliness, health and sanitation, or if Franchisee receives a failing score on any inspection conducted in accordance with Section 5.14 hereof;

13.2.21 If Franchisee defaults in the performance of any other obligation under this Agreement or any other agreement with Del Taco or any of its affiliates;

13.2.22 If Franchisee fails on more than two occasions during any 12-month period to comply with one or more requirements of this Agreement or any other agreement with Del Taco;

13.2.23 If Franchisee fails to comply with any laws as more specifically set forth in Section 5.26;

13.2.24 If Franchisee, prior to operating the Restaurant, does not obtain Del Taco's prior written approval of an Operating Principal if (1) Franchisee is not an individual or (2) Franchisee does not participate personally in the direct operation of the Restaurant;

13.2.25 If the right of Franchisee to possess the Restaurant terminates for any reason whatsoever.

13.3 Termination With Opportunity to Cure. Except as otherwise provided in Sections 13.1 and 13.2 above, upon any other default by Franchisee of Franchisee's obligations hereunder, Del Taco may terminate this Agreement by giving written notice of termination (in the manner set forth under Section 20 below) setting forth the nature of such default to Franchisee at least thirty (30) days prior to the effective date of termination (or, with respect to monetary defaults, five (5) days); provided, however, that Franchisee may avoid termination by immediately initiating a remedy to cure such default, curing it to Del Taco's satisfaction, and by promptly providing proof thereof satisfactory to Del Taco, all within the thirty (30) (or five (5)) day period. If any such default is not cured within the specified time, this Agreement shall terminate without further notice to Franchisee effective immediately upon the expiration of the thirty (30) (or five (5)) day period or such longer period as applicable law may require.

13.4 Extended Notice of Termination. If any law applicable to this Section 13 requires a longer notice period prior to termination of this Agreement, or prior to a refusal to enter into a successor or renewal franchise, than is required hereunder, a different standard of "**good cause**", or the taking of some other action not required hereunder, the prior notice, "good cause" standard, and/or other action required by such law shall be substituted for the comparable provisions hereof.

13.5 Assignment Upon Bankruptcy. If, for any reason, this Agreement is not terminated pursuant to this Section 13, and the Agreement is assumed, or assignment of the same to any person or entity who has made a bona fide offer to accept an assignment of the Agreement is contemplated, pursuant to the United States Bankruptcy Code, then notice of such proposed assignment or assumption, setting forth: (i) the name and address of the proposed assignee; and (ii) all of the terms and conditions of the proposed assignment and assumption, shall be given to Del Taco within twenty (20) days after receipt of such proposed assignee's offer to accept assignment of this Agreement, and, in any event, within ten (10) days prior to the date application is made to a court of competent jurisdiction for authority and approval to enter into such assignment and assumption, and Del Taco shall thereupon have the prior right and option, to be exercised by notice given at any time prior to the effective date of such proposed assignment and assumption, to accept an assignment of this Agreement to Del Taco upon the same terms

and conditions and for the same consideration, if any, as in the bona fide offer made by the proposed assignee, less any brokerage commissions which may be payable by Franchisee out of the consideration to be paid by such assignee for the assignment of this Agreement. In the event Del Taco does not elect to exercise the options described in this Section 13.5, any transfer or assignment pursuant to the United States Bankruptcy Code shall be subject to the same terms and conditions of any other transfer or assignment set forth in Section 12.

13.6 Other Remedies. Del Taco has the right to undertake any one or more of the following actions in addition to terminating this Agreement:

13.6.1 Del Taco may require Franchisee to close the Restaurant and take the necessary steps to bring the Restaurant (including the operation, maintenance of the equipment and premises, repair and restoration of the Restaurant) into strict conformity with Del Taco's standards and specifications and the requirements of this Agreement. Franchisee shall not reopen the Restaurant until Franchisee has brought it into conformity with Del Taco's standards and specifications;

13.6.2 Del Taco may modify, or eliminate completely, the Protected Area described in Section 1.2 above;

13.6.3 Del Taco may elect, but has no obligation, to assume complete operating control and possession of the Restaurant and operate the same in the capacity of a receiver. Del Taco shall apply funds received from that operation, first to the payment of all of Del Taco's costs and expenses of operation, then to the current obligations of Franchisee to Del Taco or any third party, and then to the past due obligations of Franchisee to Del Taco or any third party, with any remaining funds paid over to Franchisee;

13.6.4 Del Taco may disable access to or remove all or any references to the Restaurant or webpage(s) of the Restaurant from the Authorized Website, until such time as the default is fully cured;

If any of such rights, options, arrangements, or areas are terminated or modified in accordance with this Section 13.6, such action shall be without prejudice to Del Taco's right to terminate this Agreement in accordance with Sections 13.2 or 13.3 above, and/or to terminate any other rights, options or arrangements under this Agreement at any time thereafter for the same default or as a result of any additional defaults of the terms of this Agreement.

14. Obligations Upon Termination or Expiration.

14.1 Upon termination or expiration of this Agreement, all rights granted hereunder to Franchisee shall forthwith terminate, and:

14.1.1 Cease Operations. Franchisee shall immediately cease to operate the Restaurant, and shall not thereafter, directly or indirectly, represent to the public or hold Franchisee out as a present or former franchisee of Del Taco.

14.1.2 Cease Use of Proprietary Marks. Franchisee shall immediately and permanently cease to use, in any manner whatsoever, any confidential methods, procedures and techniques associated with the System, the mark "Del Taco" and all other Proprietary Marks and distinctive forms, slogans, signs, symbols, and devices associated with the System. In particular, Franchisee shall cease to use all signs, advertising materials, displays, stationery, forms, and any other articles that display the Proprietary Marks, remove all such articles and/or permit Del Taco to enter the Restaurant and remove or

permanently cover all signs or advertisements identifiable in any way with Del Taco's name or business, at Franchisee's expense.

14.1.3 Cancellation of Assumed Names. Franchisee shall take such action as may be necessary to cancel any assumed name or equivalent registration which contains the Proprietary Mark "Del Taco" and all other Proprietary Marks, and/or any other service mark or trademark, and Franchisee shall furnish Del Taco with evidence satisfactory to Del Taco of compliance with this obligation within five (5) days after termination or expiration of this Agreement.

14.1.4 Pay Monies Owed; Liquidated Damages. Franchisee shall pay Del Taco all sums then due plus damages for the right to receive the Royalty Fees for the remaining term of this Agreement, together with any other damages suffered by Del Taco as a result of the default. The damages for royalties due during the remainder of the term of this Agreement shall equal the product of the average yearly amount of all fees paid or payments by Franchisee under Section 3 of this Agreement during the three years immediately preceding the termination (or such period as the Restaurant was open for business, if the Restaurant was not open for business during the entire three year period), multiplied by the number of years remaining in the term, minus 20%. The payments called for in this Section 14.1.4 are not a penalty. A precise calculation of the full extent of damages that Del Taco will incur if this Agreement terminates because Franchisee defaults cannot be reasonably determined. Nevertheless, the parties agree that the lump-sum payment provided under this Section 14.1.4 is reasonable in light of the damages for premature termination that may reasonably be expected to occur in such event. Franchisee shall also pay to Del Taco, in addition to any amounts then due and owing, all expenses incurred by Del Taco as a result of any default, including reasonable attorneys' fees, expenses, and costs, and interest on such attorneys' fees, expenses, and costs.

14.1.5 Return of Manuals and Other Materials. Franchisee shall immediately deliver to Del Taco the Manuals, plans and specifications, designs, records, data, samples, models, programs, handbooks and drawings relating to Del Taco's operations or business, and all other materials containing Confidential Information (including any copies thereof, even if such copies were made in violation of this Agreement), all of which are acknowledged to be Del Taco's property.

14.1.6 No Confusion. Franchisee agrees that, if it continues to operate or subsequently begins to operate any other business, Franchisee shall not use any reproduction, counterfeit copy, or colorable imitation of the Proprietary Marks, either in connection with such other business or the promotion thereof, which is likely to cause confusion, mistake, or deception, or which is likely to dilute Del Taco's rights in and to the Proprietary Marks, and further agree not to utilize any designation of origin, description, trademark, service mark, or representation which suggests or represents a present or past association or connection with Del Taco, the System, or the Proprietary Marks.

14.1.7 Assign Leases; Modification of Premises. Del Taco shall have the right and option, but not the obligation, to acquire the Leases for the Restaurant, or otherwise acquire the right to occupy the premises. Del Taco may assign or delegate this right or option to any of Del Taco's affiliates or a third party designee, without notice to, or request for approval from, the landlord or lessor of the premises. If Del Taco or its assignee or delegatee does not elect or is unable to exercise any option Del Taco may have to acquire the leases or subleases for the premises of the Restaurant, or otherwise acquire the right to occupy the premises, Franchisee shall make such modifications or alterations to the premises operated hereunder (including the changing of the telephone number) immediately upon termination or expiration of this Agreement as may be necessary to distinguish the appearance of said premises from that of other Del Taco Restaurants, and shall make such specific additional changes thereto as Del Taco may reasonably request for that purpose. In addition, Franchisee shall cease use of, and if Del Taco requests

shall transfer to Del Taco, all telephone numbers, customer "**loyalty**" lists, and any domain names, websites, email addresses, and any other identifiers, whether or not authorized by Del Taco, used by Del Taco while operating the Restaurant, and shall promptly execute such documents or take such steps necessary to remove reference to the Restaurant from all trade or business telephone directories, including "**yellow**" and "**white**" pages, or at Del Taco's request transfer same to Del Taco. If Franchisee fails or refuses to comply with the requirements of this Section 14.1.7, Del Taco (or its designee) shall have the right to enter upon the premises of the Restaurant, without being guilty of trespass or any other tort, for the purpose of making or causing to be made such changes as may be required, at Franchisee's expense, which expense Franchisee agrees to pay upon demand.

14.1.8 Option to Purchase Equipment and Furnishings. Del Taco shall have the option, to be exercised within thirty (30) days after termination or expiration of this Agreement, to purchase from Franchisee any or all of the equipment or inventory related to the operation of the Restaurant, at the lesser of the fair market value or Franchisee's book value. The book value shall be determined based upon a five (5) year straight line depreciation of original costs. For equipment that is five (5) or more years old, the parties agree that fair market value shall be deemed to be ten percent (10%) of the equipment's original cost. If Del Taco elects to exercise any option to purchase herein provided, Del Taco shall set off all amounts due from Franchisee. Notwithstanding any term or provision in this subparagraph to the contrary, Del Taco expressly reserves the right, but not the obligation, to negotiate to purchase the equipment directly from the lessor of the equipment. The transfer of the equipment from Franchisee to Del Taco shall take place within sixty (60) days after the expiration or termination of this Agreement upon receipt of payment or any applicable transfer and release documents from Del Taco; provided, however, that if the transfer cannot take place within that time period because of delays caused by Franchisee's lender or lessor, the time period shall extend by a like number of days. If Del Taco exercises the foregoing option, Franchisee shall leave all of the equipment at the Restaurant in good working order and repair and shall allow Del Taco to use the equipment without charge until the transfer of the equipment takes place.

14.1.9 Damages and Costs. Franchisee shall pay Del Taco all damages, costs, interest, and expenses, including reasonable attorneys' fees, costs, and expenses (and interest on such fees, costs, and expenses), incurred by Del Taco subsequent to the termination or expiration of this Agreement in obtaining injunctive or other relief for the enforcement of any provisions of this Section 14.1.9.

14.1.10 Other Rights of Franchisee. The termination of this Agreement shall not affect the rights of Franchisee to operate other Del Taco restaurants in accordance with the terms of any other applicable franchise agreements with Del Taco until and unless the other franchise agreements, or any of them, terminate or expire.

15. Taxes, Permits and Indebtedness

15.1 Taxes. Franchisee shall promptly pay when due all taxes levied or assessed, including unemployment and sales taxes, and all accounts and other indebtedness of every kind incurred by Franchisee in the conduct of the Restaurant. If Franchisee is required to deduct any sales tax, gross receipts tax, income tax, withholding tax or similar tax from any payment to Del Taco, then, to the extent that Del Taco is not able to successfully obtain and utilize a tax credit from the applicable taxing authorities, the amount payable by Del Taco shall be increased by such amount as is necessary to make the actual amount received (after such withholding tax and after any additional taxes on account of such additional payment) equal to the amount that Del Taco would have received had no tax payment been

required, provided that such shortfall is not caused by Del Taco's negligence in filing the claims, or for reasons that can be solely attributable to Del Taco.

15.2 Tax Disputes. In the event of any bona fide dispute as to Franchisee's liability for taxes assessed or other indebtedness, Franchisee may contest the validity or the amount of the tax or indebtedness in accordance with procedures of the taxing authority or applicable law; however, in no event shall Franchisee permit a tax sale or seizure by levy of execution or similar writ or warrant, or attachment by a creditor, to occur against the premises of the Restaurant, or any improvements thereon.

15.3 Compliance With Laws. Franchisee shall comply with all federal, state, and local laws, rules, and regulations, including employment, labor, and wage and hour laws, tax laws, and local operating regulations. Franchisee shall timely obtain any and all permits, certificates, or licenses necessary for the full and proper conduct of the Restaurant, including licenses to do business, health certificates, fictitious name registrations, sales tax permits, and fire clearances. To the extent that the requirements of said laws are in conflict with the terms of this Agreement, the Manuals, or Del Taco's other instructions, Franchisee shall: (a) comply with said laws; and (b) immediately provide written notice describing the nature of such conflict to Del Taco.

15.4 Notification of Claims. Franchisee shall notify Del Taco in writing within three (3) days of receipt of notice of any health or safety violation, the commencement of any action, suit, or proceeding, and of the issuance of any order, writ, injunction, award, or decree of any court, agency, or other governmental instrumentality, or within three (3) days occurrence of any accident or injury which may adversely affect the operation of the Restaurant or Franchisee's financial condition, or give rise to liability or a claim against Franchisee or Del Taco.

16. Independent Contractor and Indemnification.

16.1 It is understood and agreed by the parties hereto that this Agreement does not in any way create the relationship of principal, agent, fiduciary, joint venture, joint employer, or employer/employee between Del Taco and Franchisee; that Franchisee shall be an independent contractor; and that nothing in this Agreement is intended to constitute either party an agent, legal representative, subsidiary, joint venturer, joint employer, partner, employee, or servant of the other for any purpose whatsoever. For the avoidance of doubt, Del Taco is not the employer or joint employer of Franchisee or Franchisee's employees.

16.1.1 Identification as Independent Contractor. At all times during the term of this Agreement and any extensions hereof, Franchisee shall hold itself out to the public as an independent contractor operating the business pursuant to a franchise from Del Taco.

16.1.2 No Agency. Franchisee shall not act or attempt to act or represent itself, directly or by implication, as an agent of Del Taco. It is understood and agreed that nothing in this Agreement authorizes Franchisee to make any contract, agreement, warranty, or representation on Del Taco's behalf, or to incur any debt or other obligation in Del Taco's name; and that Del Taco shall in no event assume liability for, or be deemed liable hereunder as a result of, any such action; nor shall Del Taco be liable by reason of any act or omission by Franchisee in Franchisee's conduct of the Restaurant or for any claim or judgment arising therefrom against Franchisee or Del Taco. Franchisee shall not have the authority, express or implied, to bind or obligate Del Taco in any way.

16.1.3 Indemnification. Franchisee shall, to the fullest extent permissible under applicable law, indemnify and hold Del Taco and its affiliates, and each of Del Taco's respective officers,

directors, employees, and agents harmless against any and all claims, obligations, and damages arising directly or indirectly from, as a result of, or in connection with this Agreement, the Restaurant, Franchisee's operation of the Restaurant, Franchisee and its employees' actions and inaction, or Franchisee's breach of this Agreement, including those alleged to be caused by Del Taco's negligence, as well as the costs, including attorneys' fees, costs, and expenses (and interest on such fees, costs, and expenses), of defending against them, unless (and then only to the extent that) the claims, obligations, and damages are determined to be caused solely by Del Taco's gross negligence or willful misconduct according to a final, unappealable ruling issued by a court or arbitrator with competent jurisdiction. In the event Del Taco incurs any costs or expenses, including legal fees (including attorneys' fees, costs, and expenses (and interest on such fees, costs, and expenses)), travel expenses, and other charges, in connection with any proceeding involving Franchisee in which Del Taco are not a party, Franchisee shall reimburse Del Taco for all such costs and expenses promptly upon presentation of invoices. Franchisee acknowledges and agrees that Franchisee's indemnification and hold harmless obligations under this Section 16 shall survive the termination or expiration of this Agreement.

17. Governing Law and Dispute Resolution.

17.1 Governing Law. This Agreement shall be governed and construed in accordance with the laws of California, without regard to its conflicts of laws provisions. However, the laws of the state in which the Restaurant operates shall govern the enforcement of the non-compete provisions of Section 10 of this Agreement. Nothing in this Section 17 is intended by the parties to subject this Agreement to any franchise, business opportunity, antitrust, consumer protection, or any other law, rule, or regulation of the State of California to which this Agreement would not otherwise be subject.

17.2 Venue. Subject to the terms and provisions of Section 17.3 below, the parties agree that any action brought by one party against the other in any court, whether federal or state, shall be brought only before a court of competent jurisdiction in Orange County, California. The parties agree that this Section 17.2 shall not be construed as preventing either party from removing an action from state to federal court; provided, however, that venue shall be as set forth above. Franchisee and its owners hereby waive all questions of personal jurisdiction or venue for the purpose of carrying out this provision. Any such action shall be conducted on an individual basis, and not as part of a consolidated, common, or class action, and Franchisee and its owners waive any and all rights to proceed on a consolidated, common, or class basis.

17.3 Arbitration. Except as otherwise provided in this Agreement, any claim, controversy or dispute arising out of or relating to this Agreement, the Restaurant, or the relationship created by this Agreement, including any claim by Franchisee or its owners, concerning the entry into, the performance under, or the termination of this Agreement, or any other agreement between the parties will be resolved via binding arbitration under the authority of the Federal Arbitration Act in accordance with the following provisions:

17.3.1 Any arbitration will be administered by the American Arbitration Association (or its successor) pursuant to its then-current commercial arbitration rules and procedures. The arbitrator will have the authority to decide issues regarding arbitrability and the scope of the arbitrator's jurisdiction. The arbitration must take place in the county in which our headquarters are located at the time of the dispute (currently Orange County, California).

17.3.2 Any arbitration must be on an individual basis, and not as part of a common, consolidated, or class action. The parties and the arbitrator will have no authority or power to proceed with any claim as a class action or otherwise to join or consolidate any claim with any other claim or any

other proceeding involving third parties. If a court determines that this limitation on joinder of or class action certification of claims is unenforceable, then this entire commitment to arbitrate will become null and void and the parties will submit all claims to the jurisdiction of the courts.

17.3.3 The arbitrator must follow the law and not disregard the terms of this Agreement or its related agreements. Except as otherwise provided in this Agreement, the arbitrator will have the authority to award any interim, interlocutory, or final remedy or relief that a court of the State of California could order or grant, including, without limitation, general damages, specific performance of any obligation created under this Agreement, the issuance of an injunction or other extraordinary relief, or the imposition of sanctions for abuse or frustration of the arbitration process; however, the arbitrator may not under any circumstances: (i) stay the effectiveness of any pending termination of this Agreement; (ii) assess punitive or other prohibited damages; or (iii) make an award that extends, modifies, or suspends any lawful term of this Agreement or its related agreements or any reasonable standard of business performance that we set. A judgment may be entered upon the arbitration award by any state or federal court of competent jurisdiction. The decision of the arbitrator will be binding and final on all parties to the dispute.

17.3.4 Except as necessary to obtain interim or provisional relief, to enforce any arbitration award or order, or to comply with any franchise-specific disclosure obligation, the arbitration proceeding and award will be maintained as strictly confidential and neither party hereto nor the arbitrator may disclose the existence, content, or results of any arbitration hereunder without the prior written consent of both parties hereto.

17.3.5 Each party will bear its share of the costs of the arbitration proceeding. The prevailing party to the arbitration will have the right to an award of its reasonable attorneys' fees and costs incurred after the filing of the demand for arbitration. If either Del Taco or Franchisee seeks to enforce this Agreement in any arbitral or other proceeding, the prevailing party will be entitled to recover its reasonable costs and expenses (including reasonable attorneys' fees, costs, and expenses (and interest on such fees, costs, and expenses) and expert witness fees, costs of investigation and proof of facts, court costs, other litigation expenses and travel or living expenses) incurred in connection with such judicial or other proceeding.

17.3.6 This agreement to arbitrate will survive the expiration or termination of this Agreement.

17.4 Injunctive Relief. Notwithstanding anything to the contrary contained in this Section 17, either party may file suit in a court of competent jurisdiction (pursuant to Section 17.2) for the entry of temporary or preliminary injunctive relief, restraining orders, and orders of specific performance, including injunctive relief pertaining to Franchisee's use of the System, including Del Taco's trademarks and service marks.

17.5 Limitation of Actions**. EXCEPT AS OTHERWISE PROVIDED IN THIS SECTION 17.5, ANY AND ALL CLAIMS AND ACTIONS ARISING OUT OF OR RELATING TO THIS AGREEMENT, THE FRANCHISE RELATIONSHIP, OR FRANCHISEE'S OPERATION OF THE FRANCHISED BUSINESS, (INCLUDING ANY DEFENSES AND ANY CLAIMS OF SET-OFF OR RECOUPMENT), SHALL BE IRREVOCABLY BARRED UNLESS BROUGHT OR ASSERTED BEFORE THE EXPIRATION OF THE EARLIER OF (A) THE TIME PERIOD FOR BRINGING AN ACTION UNDER ANY APPLICABLE STATE OR FEDERAL STATUTE OF LIMITATIONS; (B) ONE (1) YEAR AFTER THE DATE UPON WHICH A PARTY DISCOVERED, OR SHOULD HAVE DISCOVERED, THE FACTS GIVING RISE TO AN**

ALLEGED CLAIM; OR (C) TWO (2) YEARS AFTER THE FIRST ACT OR OMISSION GIVING RISE TO AN ALLEGED CLAIM. CLAIMS ATTRIBUTABLE TO UNDERREPORTING OF SALES, AND CLAIMS OF THE PARTIES FOR FAILURE TO PAY MONIES OWED AND/OR INDEMNIFICATION SHALL BE SUBJECT ONLY TO THE APPLICABLE STATE OR FEDERAL STATUTE OF LIMITATIONS.

17.6 Waiver of Damages. **EXCEPT AS OTHERWISE DESCRIBED IN THIS AGREEMENT (INCLUDING, WITHOUT LIMITATION, AS TO INDEMNIFICATION UNDER SECTION 16.1.3), DEL TACO, FRANCHISEE, AND FRANCHISEE'S OWNERS HEREBY WAIVE TO THE FULLEST EXTENT PERMITTED BY LAW ANY RIGHT TO OR CLAIM FOR ANY LOST FUTURE PROFITS OR PUNITIVE, EXEMPLARY, CONSEQUENTIAL, OR MULTIPLE DAMAGES AGAINST THE OTHER, AND AGREE THAT IN THE EVENT OF A DISPUTE AMONG THEM EACH SHALL BE LIMITED TO THE RECOVERY ONLY OF DIRECT DAMAGES SUSTAINED BY DEL TACO, FRANCHISEE, OR FRANCHISEE'S OWNERS.**

17.7 Waiver of Jury Trial. The parties hereto irrevocably waive trial by jury in any action, proceeding, or counterclaim in connection with any matter or dispute of any kind arising under or in any way connected with this Agreement or any right or remedy hereunder, whether at law or in equity, brought by either party hereto.

18. Time is of the Essence.

As to all reports and fees payable to or to be made to Del Taco and any inspections initiated by Del Taco under Section 5.14, time shall be of the essence.

19. Approvals, Waivers and Binding Effects.

19.1 Approvals. Whenever this Agreement requires Del Taco's prior approval or consent, Franchisee shall make a timely written request to Del Taco for the approval or consent, which Del Taco shall grant, if at all, only in writing.

19.2 No Warranties. Del Taco makes no warranties or guarantees, and assumes no liability or obligation to Franchisee, by providing any waiver, approval, consent or suggestion to Franchisee in connection with this Agreement or by reason of any neglect, delay or denial of any request.

> DEL TACO DISCLAIMS ALL WARRANTIES FOR THE GOODS, EXPRESS OR IMPLIED, INCLUDING THE WARRANTIES OF FITNESS FOR PARTICULAR PURPOSE, MERCHANTABILITY, AND NONINFRINGEMENT. DEL TACO WILL NOT BE LIABLE TO FRANCHISEE RELATING TO THE RESALE OF ANY OF THE GOODS FURNISHED, WHETHER SUCH CLAIM IS BASED ON BREACH OF WARRANTY, CONTRACT, TORT OR OTHER LEGAL THEORY AND REGARDLESS OF THE CAUSES OF SUCH LOSS OR DAMAGES OR WHETHER ANY OTHER REMEDY PROVIDED IN THIS AGREEMENT FAILS AND IN NO EVENT WILL ANY SUCH LIABILITY UNDER THIS SECTION 19.2 EXCEED THE PURCHASE PRICE PAID FOR THE PRODUCTS.

19.3 Waivers. Except as set forth in this Agreement, no rights or remedies set forth in this Agreement shall exclude any other right or remedy allowed by law or in equity. No waiver by a party of any covenant or condition or breach of any covenant or condition of this Agreement shall constitute a waiver of any subsequent breach or nonobservance on any other occasion of the same or any other

covenant or condition of this Agreement. Subsequent acceptance by Del Taco of payments due it shall not constitute a waiver by Del Taco of any prior breach.

19.4 Binding Effect; No Other Rights. This Agreement shall bind the parties and their respective executors, administrators, successors and assigns. Except as expressly provided to the contrary herein, nothing in this Agreement is intended, nor shall be deemed, to confer upon any person or legal entity other than Franchisee, Del Taco, and such of the parties' respective successors and assigns as may be contemplated (and, as to Franchisee, permitted) by Section 12.3 above, any rights or remedies under or by reason of this Agreement.

20. Notices.

20.1 Any and all notices required or permitted under this Agreement shall be in writing and shall be personally delivered, sent by registered mail, a recognized overnight delivery service (e.g., UPS, FedEx, etc.), or by other means which affords the sender evidence of delivery, or of rejected delivery, to the respective parties at the addresses below, unless and until a different address has been designated by written notice to the other party. Any notice by a means which affords the sender evidence of delivery, or rejected delivery, shall be deemed to have been given at the date and time of receipt or rejected delivery.

Del Taco:	25521 Commercentre Drive, Suite ~~200~~150 Lake Forest, California 92630 Fax Number: (949) 616-5002
Franchisee:	Franchisee's notice address set forth on Exhibit A to this Agreement

21. Force Majeure.

No failure by any party to this Agreement to take action on account of any default by any other party, or to exercise any right hereunder, whether in a single instance or repeatedly, shall constitute a waiver of any such default or right or the performance required of such other party. Except as otherwise provided in this Agreement, neither Del Taco nor Franchisee shall be liable for loss or damage or deemed to be in breach of this Agreement if the failure to perform the obligations of Del Taco or Franchisee results from: transportation shortages, inadequate supply of equipment, merchandise, supplies, labor, material or energy, or the voluntary foregoing of the right to acquire or use any of the foregoing in order to accommodate or comply with the orders, requests, regulations, recommendations or instructions of any federal, state, or municipal government or any department or agency thereof; compliance with any law; epidemic; pandemic; public health emergency; or act of God. Any delay resulting from any of such causes shall extend performance accordingly or excuse performance, in whole or in part, as may be reasonable, except that such causes shall not excuse payments of amounts owed at the time of such occurrence or payment of fees and all other amounts due to Del Taco and its affiliates thereafter. The party whose performance is affected by any of such causes shall give prompt written notice of the circumstances of such event to the other party, but in no event more than five (5) days after the commencement of such event. The notice shall describe the nature of the event and an estimate as to its duration.

22. Immunity for Certain Limited Disclosures.

Notwithstanding anything in this Agreement to the contrary, Franchisee and its affiliates may, in accordance with any applicable law, including the federal Defend Trade Secrets Act, disclose Confidential Information, including Del Taco's trade secrets, (a) in confidence, to federal, state, or local

government officials, or to an attorney of Franchisee, for the sole purpose of reporting or investigating a suspected violation of law; or (b) in a document filed in a lawsuit or other legal proceeding, but only if the filing is made under seal and protected from public disclosure. Nothing in this Agreement is intended to conflict with any applicable law or create liability for disclosures expressly allowed by law.

23. Entire Agreement and Amendment.

This Agreement and the exhibits referred to in this Agreement constitute the entire, full, and complete Agreement between Del Taco and Franchisee concerning the Agreement's subject matter, and supersede any and all prior or contemporaneous negotiations, discussions, understandings and agreements. There are no other oral or written understandings or agreements between Del Taco and Franchisee relating to the subject matter of this Agreement. Nothing in this Franchise Agreement is intended to disclaim any representations made by Del Taco in the Franchise Disclosure Document that Del Taco furnished to Franchisee, if any. Except for those permitted to be made unilaterally by Del Taco hereunder, no amendment, change, or variance from this Agreement shall be binding on either party unless mutually agreed to by the parties and executed by their authorized officers or agents in writing. The System and Manuals are subject to change by Del Taco at any time, at Del Taco's option.

24. Severability; Enforcement of Covenants; Construction.

24.1 Severability. If any of the provisions of this Agreement may be construed in more than one way, one of which would render the provision illegal or otherwise voidable or unenforceable, such provision shall have the meaning which renders it valid and enforceable. The language of all provisions of this Agreement shall be construed according to its fair meaning and not strictly against any party. In the event any court or other government authority shall determine that any provision in this Agreement is not enforceable as written, the parties agree that the provision shall be amended so that it is enforceable to the fullest extent permissible under the laws and public policies of the jurisdiction in which enforcement is sought and affords the parties the same basic rights and obligations and has the same economic effect. If any provision in this Agreement is held invalid or otherwise unenforceable by any court or other government authority or in any other proceeding, such findings shall not invalidate the remainder of the agreement.

24.2 Enforceability of Covenants. Franchisee agrees to be bound by any promise or covenant imposing the maximum duty permitted by law which is subsumed within the terms of any provision of this Agreement, as though it were separately articulated in and made a part of this Agreement, that may result from striking from any of the provisions hereof any portion or portions which a court may hold to be unenforceable in a final decision to which Del Taco and Franchisee are a party, or from reducing the scope of any promise or covenant to the extent required to comply with such a court order.

24.3 Construction. All captions and headings in this Agreement are intended solely for the convenience of the parties, and none shall be deemed to affect the meaning or construction of any provision. Each pronoun used in this Agreement shall include the other numbers and genders, as appropriate. The words "**include**" and "**including**" will be construed to include the words "**without limitation**."

25. Joint and Several Obligation.

If Franchisee consists of more than one person or entity, each person and entity shall have joint and several liability for Franchisee's obligations under this Agreement.

26. Incorporation of Exhibits.

All exhibits referred to in this Agreement constitute an integral part of this Agreement.

27. Counterparts.

This Agreement may be executed in any number of counterparts each of which when so executed will be an original, but all of which together will constitute one (1) and the same instrument.

28. Survival of Provisions.

All provisions of this Agreement which, by their terms or intent, are designed to survive the expiration or termination of this Agreement, shall so survive the expiration and/or termination of this Agreement.

29. Representations, Warranties and Acknowledgments.

29.1 Franchisee represents, warrants and acknowledges to Del Taco as follows:

~~29.1.1 Independent Investigation. Franchisee has conducted an independent investigation of the business contemplated by this Agreement.~~

~~29.1.2 Receipt of Documents. Franchisee acknowledges receipt of a copy of this Agreement, the exhibit(s) hereto, and agreements relating hereto, if any, with all of the blank lines therein filled in, at least seven (7) days prior to the date on which this Agreement was executed. Franchisee further acknowledges receipt of the franchise disclosure document required by the Federal Trade Commission's Franchise Rule at least fourteen (14) days prior to the date on which this Agreement was executed.~~

29.1.1 ~~29.1.3~~ Modification of Offers. Franchisee understands that present and future franchisees of Del Taco may operate under different forms of agreements and, consequently, the obligations and rights of the parties to those agreements may differ materially from the obligations and rights contained in this Agreement. Franchisee also acknowledges and agrees that Del Taco may modify the offer of Del Taco franchises to other franchisees in any manner and at any time, which offers and agreements have or may have terms, conditions, and obligations that may differ from the terms, conditions, and obligations in this Agreement.

29.1.2 ~~29.1.4~~ Development Agreement Terms. Franchisee understands that a franchisee who is a party to a Del Taco Development Agreement may enjoy significantly more favorable terms and conditions under its Del Taco Franchise Agreement than the terms and conditions contained in this Agreement.

29.1.3 ~~29.1.5~~ No Other Obligations. Each party represents and warrants to the others that his/her/its execution of this Agreement and all exhibits and addenda hereto do not violate or breach any other agreement, contract or covenant to which such party is bound, and further represents and warrants to the other parties that there are no other agreements, court orders, or any other legal obligations that would preclude or in any manner restrict such party from: (a) negotiating and entering into this Agreement; (b) exercising its rights under this Agreement; and/or (c) fulfilling its responsibilities under this Agreement.

29.1.4 ~~29.1.6~~ Restaurant Location. Franchisee acknowledges having sole and complete responsibility for the choice of the location of the Restaurant; and that Del Taco has not (and shall not be deemed to have, even by Del Taco's approval of the location) given any representation, promise, or guarantee of Franchisee's success at the location.

29.1.5 ~~29.1.7~~ Compliance with Anti-Terrorism Laws and Other Laws. Franchisee and its owners represent and warrant to Del Taco that: (a) neither Franchisee nor any of its owners have made any untrue statement of any material fact nor omitted to state any material fact in Franchisee and their franchise application and other documents and information submitted to Del Taco, or in obtaining the rights granted herein; (b) neither Franchisee nor any of its owners have any direct or indirect legal or beneficial interest in any business that may be deemed a Competitive Business, except as otherwise completely and accurately disclosed in Franchisee's franchise application materials; (c) Franchisee and its owners have a legal right to own and operate the Restaurant, and the owner or officer that executes this Franchise Agreement on Franchisee's behalf has all legal right an authority to execute on Franchisee's behalf and to legally and contractually bind Franchisee; and (d) neither Franchisee nor its owners (i) have been designated as suspected terrorists under U.S. Executive Order 13244; (ii) is identified, either by name or an alias, pseudonym or nickname, on the lists of "**Specially Designated Nationals**" or "**Blocked Persons**" maintained by the U.S. Treasury Department's Office of Foreign Assets Control (texts currently available at https://www.treasury.gov/resource-center/sanctions/SDN-List/Pages/default.aspx /); (iii) have not violated and will not violate any law (in effect now or which may become effective in the future) prohibiting corrupt business practices, money laundering or the aid or support of persons who conspire to commit acts of terror against any person or government, including acts prohibited by the U.S. Patriot Act (text currently available at http://www.epic.org/privacy/terrorism/hr3162.html), U.S. Executive Order 13244 (text currently available at http://www.treas.gov/offices/enforcement/ofac/sanctions/terrorism.html), the Foreign Corrupt Practices Act, or any similar law.

30. Business Judgment.

Franchisee understands and agrees that Del Taco may operate and change the System in any manner that is not expressly and specifically prohibited by this Agreement. Whenever Del Taco has expressly reserved in this Agreement or is deemed to have a right and/or discretion to take or withhold an action, or to grant or decline to grant Franchisee a right to take or withhold an action, except as otherwise expressly and specifically provided in this Agreement, Del Taco may make such decision or exercise its right and/or discretion on the basis of Del Taco's sole judgment of what is in Del Taco's best interest of Del Taco and the System and brand overall, including Del Taco, its affiliates, and the franchise network, at the time Del Taco's decision is made or Del Taco's right or discretion is exercised, without regard to whether: (1) other reasonable alternative decisions or actions, or even arguably preferable alternative decisions or actions, could have been made by Del Taco; (2) Del Taco's decision or the action taken promotes Del Taco's financial or other individual interest; (3) Del Taco's decision or the action it takes applies differently to Franchisee and one or more other franchisees or Del Taco company-owned or affiliate-owned operations; or (4) Del Taco's decision or the exercise of its right or discretion is adverse to Franchisee's interests. If applicable law implies a covenant of good faith and fair dealing in this Agreement, Del Taco and Franchisee agree that such covenant shall not imply any rights or obligations that are inconsistent with the express wording of the terms of this Agreement and that this Agreement grants Del Taco the right to make decisions, take actions and/or refrain from taking actions not inconsistent with Franchisee's rights and obligations hereunder.

[Signature Page Follows]

Executed as of the day and year first set forth above.

Franchisor: Del Taco LLC

By: _____
Jack Tang, Vice President, General Counsel

Franchisee: _____

By: _____

Its: _____

Date: _____

Exhibit A

Identification of Franchisee

1. Name of Franchisee: _____

2. Notice Address of Franchisee: _____
_____
E-Mail: _____
Fax Number: _____

3. Location of Restaurant: _____
_____

4. Protected Area: A circular area within a one-mile radius from the front door of the Restaurant, subject to Section 1.2. of the Franchise Agreement.

5. Date of Opening: _____

Exhibit B

Site Selection Addendum

Del Taco LLC ("**Del Taco**"), a California limited liability company, and the undersigned (the "**Franchisee**") have this ____ day of _____, 20___ (the "**Effective Date**") entered into a Del Taco Franchise Agreement ("**Franchise Agreement**") and desire to supplement its terms as set out below in this Site Selection Addendum (this "**Site Selection Addendum**").

1. **Time to Locate Site**: Within one hundred eighty days (180) days after the Effective Date (the "**Search Period**"), Franchisee shall acquire or lease/sublease, at Franchisee's expense, commercial real estate that is properly zoned for the use of the business to be conducted by Franchisee under the Franchise Agreement (a "**Restaurant**") at a site consented to Del Taco as hereinafter provided. Such location shall be within the following area: _____

_____ (the "**Site Selection Area**"). The Site Selection Area is described solely for the purpose of selecting a site for the Restaurant. Del Taco shall not establish, nor franchise another to establish, a Del Taco Restaurant operating under the System within the Site Selection Area until Del Taco consents to a location for the Restaurant, or until the expiration of the Search Period, whichever event first occurs. If a suitable site has not been identified and consented to by the end of the Search Period, Del Taco may, at its option, extend the Search Period by up to sixty (60) days. Franchisee acknowledges and agrees that Del Taco shall have no responsibility for, or liability to Franchisee for, any site review, analysis, evaluation, or recommended undertaken by or on behalf of any real estate broker or advisor used or retained by Franchisee. Failure by Franchisee to acquire or lease an approved site for the Franchised Business within the Search Period shall constitute a default under Section 13 of the Franchise Agreement and under this Addendum, and Del Taco may terminate the Franchise Agreement and this Addendum, pursuant to the terms of Section 13 of the Franchise Agreement.

2. **Site Evaluation Services**: Del Taco shall furnish to Franchisee suggested site selection criteria, which is currently reflected in advice based on site and demographic factors, and will include Del Taco's minimum standards for a location for the Restaurant. Del Taco will also provide such site selection counseling and assistance as Del Taco may deem advisable. Del Taco shall perform any on-site evaluation as Del Taco may deem advisable in response to Franchisee's requests for site approval; provided, however, that Del Taco shall not be required to provide on-site evaluation for any proposed site. If on-site evaluation is deemed necessary and appropriate by Del Taco (on its own initiative or at Franchisee's request) for any Restaurant to be established, Franchisee shall reimburse Del Taco for all reasonable expenses incurred by Del Taco in connection with such on-site evaluation, including, without limitation, the cost of travel, lodging and meals.

3. **Additional Site Evaluation Services**: Del Taco recommends, but does not require, that Franchisee engage the services of a third-party real estate or site evaluation professional or business, to assist with the analysis and evaluation of a particular site, and/or to utilize competitive sales data from a third-party. Franchisee acknowledges and agrees that any site evaluation model or service is only one tool or factor that may be used to evaluate a potential site, and it is not a predictor of future sales. ~~Further, Franchisee acknowledges that Del Taco does not represent or guarantee that any particular site will achieve any level of sales, revenues or profits.~~

4. **Site Selection Package Submission and Approval**: Franchisee shall submit to Del Taco, in the form specified by Del Taco, such site approval forms and data that Del Taco may specify, which may include a copy of the site plan, financial information, and such other information or materials

as Del Taco may reasonably require, together with an option contract, letter of intent or other evidence satisfactory to Del Taco which confirms Franchisee's favorable prospects for obtaining the site. Franchisee acknowledges that time is of the essence. Del Taco shall have thirty (30) days after receipt of a complete site selection package and request for approval and such information and materials as Del Taco may request to approve or disapprove the proposed site in writing as the location for the Restaurant, in Del Taco's sole discretion. In the event Del Taco does not disapprove a proposed site by written notice to Franchisee within said thirty (30) days, such site shall be deemed approved by Del Taco.

5. **Business Impact Analysis**. As a condition of Del Taco's review of a proposed site, Del Taco may require Franchisee to pay for (or reimburse Del Taco for the costs of) a trade area survey analysis if the proposed site is within certain distance of any existing Restaurant as specified in Del Taco's then-current business impact policy. Depending on the results of any such trade area survey analysis, Del Taco may (a) reject a proposed site, or (b) as a condition for Del Taco's approval of the proposed site, (i) require Franchisee to make a business impact payment to any affected franchisee(s) in accordance with Del Taco's then-current business impact policy, or (ii) notwithstanding any prior agreement to the contrary, reduce or withhold any development incentives to offset projected impacts upon any existing company-owned Restaurants in accordance with the then-current business impact policy.

6. **Lease Responsibilities**: Within sixty (60) days after site approval by Del Taco, Franchisee shall execute a lease which shall be coterminous with the Franchise Agreement, or a binding agreement to purchase the site. Del Taco's approval of any lease is conditioned upon inclusion in the lease of the Addendum to Lease attached to the Franchise Agreement as Exhibit G. However, Del Taco shall not be responsible for review of the Lease for any terms other than those contained in the Addendum to Lease.

7. **Approved Location**: After the location for the Restaurant is consented to by Del Taco pursuant to Section 4 hereof and leased or acquired by Franchisee pursuant to Section 5 hereof, the location shall constitute the approved location described in Section 1.1 of the Franchise Agreement. The Location shall be specified on Exhibit A to the Franchise Agreement, and shall become a part the Franchise Agreement. The Protected Area, as defined under Section 1.2 of the Franchise Agreement, shall be the geographic area thereafter described in Exhibit A to the Franchise Agreement, and shall become a part of the Franchise Agreement. Franchisee hereby acknowledges and agrees that consent by Del Taco of a site does not constitute an assurance, representation, or warranty of any kind, express or implied, as to the suitability of the site for the Restaurant or for any other purpose. Consent by Del Taco of the site indicates only that Del Taco believes the site complies with acceptable minimum criteria established by Del Taco solely for its purposes as of the time of the evaluation. Both Franchisee and Del Taco acknowledge that application of criteria that have been effective with respect to other sites and premises may not be predictive of potential for all sites and that, subsequent to approval by Del Taco of a site and demographic factors, such as competition from other similar businesses, included in or excluded from criteria used by Del Taco could change, thereby altering the potential of a site. Such factors are unpredictable and are beyond the control of Del Taco. Del Taco shall not be responsible for the failure of a site approved by Del Taco to meet Franchisee's expectations as to revenue or operational criteria. Franchisee further acknowledges and agrees that its acceptance of a franchise for the operation of the Restaurant at the site is based on its own independent investigation of the suitability of the site.

8. **Entire Agreement**: This Addendum shall be considered an integral part of the Franchise Agreement between the parties hereto, and the terms of this Addendum shall be controlling with respect to the subject matter hereof. All capitalized terms not otherwise defined herein shall have the same

meaning as set forth in the Franchise Agreement. Except as modified or supplemented by this Addendum, the terms of the Franchise Agreement are hereby ratified and confirmed.

[Signature Page Follows]

Executed as of the day and year first set forth above.

Franchisor: Del Taco LLC

By: _____
Jack Tang, Vice President, General Counsel

Franchisee: _____

By: _____

Its: _____

Date: _____

Exhibit C

Authorization Agreement for Prearranged Payments
(Direct Debits)

The undersigned depositor ("Depositor") hereby authorizes Del Taco LLC ("Del Taco") to initiate debit entries and/or credit correction entries to the Depositor's checking and/or savings account(s) indicated below and the depository ("Depository") to debit such account pursuant to Del Taco's instructions.

_____	_____
Depository	Branch
_____	
Street Address, City, State, Zip Code	
_____	_____
Bank Transit/ABA Number	Account Number

This authority is to remain in full force and effect until Depository has received joint written notification from Del Taco and Depositor of the Depositor's termination of such authority in such time and in such manner as to afford Depository a reasonable opportunity to act on it. Notwithstanding the foregoing, Depository shall provide Del Taco and Depositor with 30 days' prior written notice of the termination of this authority. If an erroneous debit entry is initiated to Depositor's account, Depositor shall have the right to have the amount of such entry credited to such account by Depository, if within 15 calendar days following the date on which Depository sent to Depositor a statement of account or a written notice pertaining to such entry or 45 days after posting, whichever occurs first, Depositor shall have sent to Depository a written notice identifying such entry, stating that such entry was in error and requesting Depository to credit the amount thereof to such account. These rights are in addition to any rights Depositor may have under federal and state banking laws.

_____
Depositor

By: _____

Title: _____

Date: _____

Exhibit D

Statement of Ownership Interests

The following is a list of all of Franchisee's owners, the percentage of their ownership interest and a description of the nature of their ownership interest:

Individual/Entity Name	Percentage of Ownership/Nature of Interest*

* Must equal 100%.

Exhibit E

Guarantee, Indemnification, and Acknowledgment

As an inducement to Del Taco, LLC ("Del Taco" or "Franchisor") to execute the Del Taco Franchise Agreement between Del Taco and _____ ("Franchisee"), dated _____, 20 (the "Agreement"), the undersigned jointly and severally, hereby unconditionally guarantee to Del Taco and its successors and assigns that all of Franchisee's monetary and other obligations under the Agreement will be punctually paid and performed.

Upon demand by Del Taco, the undersigned each hereby jointly and severally agree to immediately make each payment required of Franchisee under the Agreement and waive any right to require Del Taco to: (a) proceed against Franchisee for any payment required under the Agreement; (b) proceed against or exhaust any security from Franchisee; (c) pursue or exhaust any remedy, including any legal or equitable relief, against Franchisee; or (d) give notice of demand for payment by Franchisee. Without affecting the obligations of the undersigned under this Guarantee, Del Taco may, without notice to the undersigned, extend, modify, or release any indebtedness or obligation of Franchisee, or settle, adjust, or compromise any claims against Franchisee, and the undersigned each hereby jointly and severally waive notice of same and agree to remain and be bound by any and all such amendments and changes to the Agreement.

The undersigned each hereby jointly and severally agree to defend, indemnify and hold Del Taco harmless against any and all losses, damages, liabilities, costs, and expenses (including, but not limited to, reasonable attorney's fees, reasonable costs of financial and other investigation, court costs, and fees and expenses) resulting from, consisting of, or arising out of or in connection with any failure by Franchisee to perform any obligation of Franchisee under the Agreement, any amendment thereto, or any other agreement executed by Franchisee referred to therein.

The undersigned each hereby jointly and severally acknowledge and expressly agree to be individually bound by all of the covenants contained in Sections 8, 9, and 10 of the Agreement, and acknowledge and agree that this Guarantee does not grant the undersigned any right to use the "Del Taco" Marks or System licensed to Franchisee under the Agreement.

This Guarantee shall terminate upon the termination or expiration of the Agreement, except that all obligations and liabilities of the undersigned which arose from events which occurred on or before the effective date of such termination shall remain in full force and effect until satisfied or discharged by the undersigned, and all covenants which by their terms continue in force after the expiration or termination of the Agreement shall remain in force according to their terms. Upon the death of an individual guarantor, the estate of such guarantor shall be bound by this Guarantee, but only for defaults and obligations hereunder existing at the time of death; and the obligations of the other guarantors will continue in full force and effect.

If Del Taco is required to enforce this Guarantee in a judicial or arbitration proceeding, and prevails in such proceeding, Del Taco shall be entitled to reimbursement of its costs and expenses, including, but not limited to, reasonable accountants', attorneys', attorneys' assistants', arbitrators', and expert witness fees, costs, and expenses, costs of investigation and proof of facts, court costs, other litigation expenses, travel and living expenses, and interest, whether incurred prior to, in preparation for, or in contemplation of the filing of any such proceeding. If Del Taco is required to engage legal counsel in connection with any failure by the undersigned to comply with this Guarantee, the undersigned shall reimburse Del Taco for any of the above-listed costs and expenses Del Taco incurs.

Subject to the obligations and provisions below, each of the undersigned agrees that all actions arising under this Guarantee or the Agreement, or otherwise as a result of the relationship between Del Taco and the undersigned, shall be governed by the provisions of Section 17 of the Agreement, and must be commenced in the state or federal court of general jurisdiction in California and each of the undersigned irrevocably submits to the jurisdiction of those courts and waives any objection he or she might have to either the jurisdiction of or venue in those courts. Nonetheless, each of the undersigned agrees that Del Taco may enforce this Guarantee and any orders and awards in the courts of the state or states in which he or she is domiciled.

Unless specifically stated otherwise, the terms used in this Guarantee shall have the same meaning as in the Agreement, and shall be interpreted and construed in accordance with Section 17 of the Agreement. This Guarantee shall be interpreted and construed under the laws of the State of California. In the event of any conflict of law, the laws of the State of California shall prevail (without regard to, and without giving effect to, the application of California conflict of law rules).

IN WITNESS WHEREOF, each of the undersigned has signed this Guarantee as of the date of the Agreement.

GUARANTOR(S)

(Seal)

Signed:_____
(In his/her individual capacity)

Name:_____

Address:_____

_____

(Seal)

Signed:_____
(In his/her individual capacity)

Name:_____

Address:_____

_____

(Seal)

Signed:_____
(In his/her individual capacity)

Name:_____

Address:_____

_____

Exhibit F

Non-Disclosure and Non-Competition Agreement

THIS NON-DISCLOSURE AND NON-COMPETITION AGREEMENT ("**Agreement**") is made this ___ day of _____, 20___, by and between _____ (the "Franchisee"), and _____, who is an owner, manager, supervisor, member, partner, or a person in a managerial position with, Franchisee (the "Obligee").

BACKGROUND:

A. Del Taco, as the result of the expenditure of significant time, skill, effort and money, has developed a distinctive and proprietary system (the "**Del Taco System**" or "**System**") for establishing and operating restaurant businesses, which specialize in the sale of Mexican-American foods such as tacos and burritos, along with burgers, shakes and desserts, French fries, breakfast items, soft drinks, and such additional or alternate menu and other items as Del Taco may designate from time to time for on-premises and off-premises consumption ("**Menu Items**");

B. Del Taco and Franchisee have executed a Franchise Agreement ("Franchise Agreement") granting Franchisee the right to operate one (1) Del Taco restaurant (the "Restaurant") and to produce and distribute products and services approved by Del Taco and use the Proprietary Marks in connection therewith under the terms and conditions of the Franchise Agreement;

C. The Member, by virtue of his or her position with Franchisee, will gain access to certain of Del Taco's Confidential Information, as defined herein, and must therefore be bound by the same confidentiality and non-competition agreement that Franchisee is bound by.

IN CONSIDERATION of these premises, the conditions stated herein, and for other good and valuable consideration, the sufficiency and receipt of which are hereby acknowledged, the parties agree as follows:

1. Confidential Information. Obligee shall not, during the term of the Franchise Agreement or thereafter, communicate, divulge, or use for the benefit of any other person, persons, partnership, entity, association, or corporation any confidential information, trade secrets, knowledge, or know how concerning the methods of operation of the Restaurant which may be communicated to Obligee or of which Obligee may be apprised by virtue of Franchisee's operation under the terms of this Agreement. Any and all information, knowledge, know how, and techniques which Del Taco designates as confidential shall be deemed confidential for purposes of this Agreement, except information which Obligee can demonstrate came to its attention prior to disclosure thereof by Del Taco; or which, at or after the time of disclosure by Del Taco to Franchisee, had become or later becomes a part of the public domain, through publication or communication by others. Notwithstanding any other provision of this Agreement, there may be certain, limited circumstances where applicable law allows for the disclosure of certain trade secrets, as specified in the Manuals.

2. Covenants Not to Compete.

(a) Obligee specifically acknowledges that, pursuant to the Franchise Agreement, and by virtue of its position with Franchisee, Obligee will receive valuable specialized training and confidential information, including information regarding the operational, sales, promotional, and marketing methods and techniques of Del Taco and the System.

(b) Obligee covenants and agrees that during the term of Obligee's employment with, or ownership interest in, Franchisee, and except as otherwise approved in writing by Del Taco, Obligee shall not, either directly or indirectly, for itself, or through, on behalf of, or in conjunction with any person, persons, partnership, corporation, or entity:

(i) Divert or attempt to divert any business or customer of the Restaurant or of any Restaurant using the System to any competitor, by direct or indirect inducement or otherwise, or do or perform, directly or indirectly, any other act injurious or prejudicial to the goodwill associated with Del Taco's Proprietary Marks and the System; or

(ii) Own, maintain, operate, engage in, be employed by, or have any interest in any business that it offers one or more Mexican or similar style menu items, and is operated in a quick service, fast food, or fast casual format ("**Competitive Business**").

(c) Obligee covenants and agrees that during the Post-Term Period (defined below), except as otherwise approved in writing by Del Taco, Obligee shall not, either directly or indirectly, for itself, or through, on behalf of, or in conjunction with any person, persons, partnership, corporation, or entity, own, maintain, operate, engage in, or have any interest in any Competitive Business which is, or is intended to be, located: (a) within the Protected Area of the Restaurant or (b) within two (2) miles of any other Del Taco restaurant owned and/or operated or then under construction by Del Taco or any other franchisee or licensee of Del Taco as of the time that the obligations under this Section commence.

(d) As used in this Agreement, the term "Post-Term Period" shall mean a continuous uninterrupted period of two (2) years from the date of: (a) a transfer permitted under Section 12.3 of the Franchise Agreement with respect to Obligee; and/or (b) termination of Obligee's employment with, and/or ownership interest in, Franchisee.

3. Injunctive Relief. Obligee acknowledges that any failure to comply with the requirements of this Agreement will cause Del Taco irreparable injury, and Obligee agrees to pay all court costs and reasonable attorney's fees incurred by Del Taco in obtaining specific performance of, or an injunction against violation of, the requirements of this Agreement.

4. Severability. All agreements and covenants contained herein are severable. If any of them, or any part or parts of them, shall be held invalid by any court of competent jurisdiction for any reason, then the Obligee agrees that the court shall have the authority to reform and modify that provision in order that the restriction shall be the maximum necessary to protect Del Taco's and/or Franchisee's legitimate business needs as permitted by applicable law and public policy. In so doing, the Obligee agrees that the court shall impose the provision with retroactive effect as close as possible to the provision held to be invalid.

5. Delay. No delay or failure by Del Taco or the Franchisee to exercise any right under this Agreement, and no partial or single exercise of that right, shall constitute a waiver of that or any other right provided herein, and no waiver of any violation of any terms and provisions of this Agreement shall be construed as a waiver of any succeeding violation of the same or any other provision of this Agreement.

6. Jurisdiction, Venue and Choice of Law. This agreement shall be interpreted and construed in accordance with Section 17 of the Franchise Agreement. In the event of any conflict of law, the laws of the State of California shall prevail (without regard to, and without giving effect to, the application of California conflict of law rules).

7. Third-Party Beneficiary. Obligee hereby acknowledges and agrees that Del Taco is an intended third-party beneficiary of this Agreement with the right to enforce it, independently or jointly with Franchisee.

IN WITNESS WHEREOF, the Franchisee and the Obligee attest that each has read and understands the terms of this Agreement, and voluntarily signed this Agreement on this ____ day of _____ _____, 20___.

FRANCHISEE	OBLIGEE
_____	_____
By:_____	By:_____
Name:_____	Name:_____
Title:_____	Title:_____

Exhibit G

ADDENDUM TO LEASE

This Addendum to Lease ("Addendum") is dated _____ and is entered into by and between _____ ("Landlord") and _____ ("Tenant").

WHEREAS Landlord and Tenant have entered into a Lease dated _____ (the "Lease"), for Tenant's operation of a Del Taco Restaurant ("Restaurant") at _____.

WHEREAS Tenant has requested and Landlord has agreed to incorporate certain provisions into the Lease required by Tenant's franchisor, Del Taco LLC, a California limited liability company ("Franchisor").

NOW, THEREFORE, notwithstanding anything to the contrary contained in the Lease, for valuable consideration, the Landlord and Tenant agree as follows:

1. In the event of Tenant's default under the Lease for which Landlord is obligated to give Tenant written notice, at the same time that Landlord sends notice to Tenant, Landlord shall send notice to Franchisor at the following address:

   Del Taco LLC
   25521 Commercentre Drive, Suite 150
   Lake Forest, California 92630
   Attn: Jack Tang, General Counsel

2. In the event of Tenant's default under the Lease, and within thirty (30) days of its receipt of written notice thereof, Franchisor shall have the right, but not the obligation, to cure Tenant's default, to assume Tenant's position under the Lease, to take over the operation of the Restaurant, and/or to assign its rights under the Lease to an approved franchisee of Franchisor in which event Franchisor will be relieved from any further liability.

3. The use of the real property shall be restricted to a Del Taco Restaurant, during the term of the Franchise Agreement.

4. Landlord consents to Tenant's use in the Restaurant and on the premises of the signage, interior and exterior design, including graphics, logos and all other decorative features as may be required by Franchisor (collectively the "Proprietary Marks"), provided that said Proprietary Marks meet all current governmental agency requirements.

5. All furniture, fixtures and equipment installed by Tenant in the Demised Premises shall at all times be and remain personal property, regardless of the method in which the same is affixed to the Demised Premises, and shall remain the personal property of Tenant and/or the equipment-lessor or conditional landlord of such furniture, fixtures and equipment, as the case may be. Landlord specifically agrees that Landlord's rights and the rights of any holder of any present or future encumbrance on the Demised Premises, if any, in any such furniture, fixtures and equipment shall at all times be subject and subordinate to the rights of Tenant and any equipment-lessor or equipment-landlord of such furniture, fixtures, and equipment, or other person or entity who acquires a security interest in the same as a result of a financial transaction with Tenant. Landlord shall, upon request of Tenant, promptly furnish a Landlord's Waiver and/or Mortgagee's Waiver or similar document as may be reasonably required by an equipment-landlord and approved by Franchisor, equipment-lessor or other person or entity in

connection with Tenant's acquisition or financing respecting such personal property, equipment, furniture and fixtures.

6. Tenant shall have the unrestricted right to assign the Lease to Franchisor or its designee during the term of the Lease.

7. Upon the expiration of every ten (10) year period following the opening of the Restaurant for business, Tenant shall have the right, subject to Landlord's prior written consent not to be unreasonably withheld, to remodel the Restaurant to bring the Restaurant up to the then current standards of Franchisor as required under the Franchise Agreement, provided that said remodeling meets all current governmental agency requirements.

8. Within thirty (30) days of expiration or early termination of the Lease, should the Tenant fail to do so, Franchisor shall have the right but not the obligation to enter upon the premises and make such changes to the Restaurant building as are necessary to protect its Proprietary Marks, including, if determined necessary by Franchisor, the right to remodel the Restaurant building to such an extent that it is no longer confusingly similar in color or design to any then-existing Del Taco restaurant.

9. Landlord, its affiliates, its successors or assigns agree, during the term of this Lease and any extension thereof, to hold any land now or hereafter owned or controlled by Landlord within a radius of one (1) mile of the Demised Premises subject to the following restrictions for the benefit of Tenant: No part of such land shall be sold, leased or used for a Mexican quick service restaurant which competes with Tenant including, but not limited to, Taco Bell, Green Burrito, El Pollo Loco, etc. Such restrictions shall be included in and recorded with the Memorandum of Lease.

10. The term of the lease will provide for a minimum term of 20 years with four options to renew for an additional five (5) years each.

11. The Lease is contingent upon Franchisor's written approval of the site.

12. Landlord consents to the operation of the Restaurant on a 24-hour basis.

The provisions of this Addendum shall not be modified or terminated without the prior written consent of Franchisor.

[Signature Page Follows]

IN WITNESS THEREOF, Landlord and Tenant have executed this Addendum.

Landlord	**Tenant**
By:_____	By:_____
Its:_____	Its:_____
Date:_____	Date:_____

EXHIBIT E-1

DEVELOPMENT INCENTIVE PROGRAM
ADDENDUM TO FRANCHISE AGREEMENT

DEVELOPMENT INCENTIVE PROGRAM
ADDENDUM TO FRANCHISE AGREEMENT

Del Taco LLC ("Del Taco") and _____ (the "Franchisee") hereby enter into this Addendum to that certain Franchise Agreement dated _____, 20___, by and between Del Taco and the Franchisee (the "Franchise Agreement").

W I T N E S S E T H:

Whereas, Del Taco and the Franchisee have entered into a Development Agreement for the development of at least 5 or more Del Taco Restaurants (the "Restaurant(s)"); and

Whereas, Del Taco and the Franchisee wish to modify certain provisions of the Franchise Agreement as set forth below;

Now, therefore, in consideration of the covenants and agreements set forth in the Franchise Agreement and this Addendum, the parties hereby agree as follows:

Development Incentive Program. For so long as Franchisee and its affiliates are fully compliant with the terms of the Development Agreement, Franchise Agreement and any other agreements entered into with Del Taco and its affiliates, the following provision shall apply to the first two Restaurants opened under the Development Agreement:

> The Royalty Fee (which is currently 5% of Net Sales) will be reduced to: (i) 1% of Net Sales for the first year of a Restaurant's operations; (ii) 2% of Net Sales for the second year of a Restaurant's operations; (iii) 3% of Net Sales for the third year of a Restaurant's operations; (iv) 4% of Net Sales for the fourth year of a Restaurant's operations; and (v) 5% of Net Sales for all subsequent years.
>
> In addition, for so long as Franchisee and its affiliates are fully compliant with the terms of the Development Agreement, Franchise Agreement and any other agreements entered into with Del Taco and its affiliates, the following provision shall apply to each Restaurant opened pursuant to the Development Agreement:

Adherence to Development Schedule. The Franchisee must develop each Restaurant according to the development schedule of the Development Agreement to qualify for the development incentives described in this Addendum. In the event the Franchisee breaches the Development Agreement or Franchise Agreement, in addition to the other rights and remedies available to Del Taco under the Development Agreement and Franchise Agreement, Franchisee shall immediately pay to Del Taco the amount of any reduction in the Initial Franchise Fees or Royalty Fees.

Transferability. The Franchisee shall not have any rights to transfer this Addendum or the rights granted to the Franchisee by it.

No Other Modifications. Except as specifically set forth in this Addendum, the terms of the Franchise Agreement shall remain unchanged and in full force and effect.

Executed and delivered as of the date of the Franchise Agreement.

Del Taco:

Del Taco LLC

By:_____
Jack Tang, Vice President, General Counsel

Franchisee:

_____

By:_____

Its:_____

Date:_____

EXHIBIT F

STATE SPECIFIC ADDENDA

CALIFORNIA

1. The California Franchise Investment Law requires a copy of all proposed agreements relating to the sale of the franchise be delivered together with the Disclosure Document.

2. Neither the franchisor, nor any person or franchise broker identified in Item 2 of this Disclosure Document is subject to any currently effective order of any national securities association or national securities exchange, as defined in the Securities Exchange Act of 1934, 15 U.S.C.A. 78a et seq., suspending or expelling the person from membership in the association or exchange.

3. California Business and Professions Code Sections 20000 through 20043 provide rights to the franchisee concerning termination, transfer, or non-renewal of a franchise. If the Franchise Agreement contains a provision that is inconsistent with the law, the law will control.

4. The Franchise Agreement provides for termination upon bankruptcy. This provision may not be enforceable under federal bankruptcy law. (11 U.S.C.A. Sec. 101 et seq.)

5. The Franchise Agreement and Development Agreement contains a covenant not to compete which extends beyond the termination of the franchise. This provision may not be enforceable under California law.

6. The Franchise Agreement contains a liquidated damages clause. Under California Civil Code Section 1671, certain liquidated damages clauses are unenforceable.

7. Prospective franchisees are encouraged to consult private legal counsel to determine the applicability of California and federal laws (such as Business and Professional Code Section 20040.5, Code of Civil Procedure Section 1281, and the Federal Arbitration Act) to any provisions of a Franchise Agreement restricting venue to a forum outside the state of California.

8. Section 31125 of the California Corporations Code requires us to give you a disclosure document, in a form containing the information that the commissioner may by rule or order require, before a solicitation of a proposed material modification of an existing franchise.

9. You must sign a general release of claims if you renew or transfer your franchise. California corporations code §31512 voids a waiver of your rights under the franchise investment law (California corporations code §§31000 through 31516). Business and professions code §20010 voids a waiver of your rights under the franchise relations act (business and professions code §§20000 through 20043).

10. Item 19 of the Disclosure Document is supplemented by the following language:

    The earnings claims figure does not reflect the costs of sales, operating expenses, or other costs or expenses that must be deducted from the gross revenue or gross sales figures to obtain your net income or profit. You should conduct an independent investigation of the costs and expenses you will incur in operating your franchise business. Franchisees or former franchisees, listed in the Disclosure Document, may be one source of this information.

11. No disclaimer, questionnaire, clause, or statement signed by a franchisee or prospective franchisee in connection with the commencement of the franchise relationship shall be construed or interpreted as waiving any claim of fraud in the inducement, whether common law or statutory,

or as disclaiming reliance on or the right to rely upon any statement made or information provided by any franchisor, broker or other person acting on behalf of the franchisor that was a material inducement to a franchisee's investment. This provision supersedes any other or inconsistent term of any document executed in connection with the franchise.

12. OUR WEBSITE, www.deltaco.com, HAS NOT BEEN REVIEWED OR APPROVED BY THE CALIFORNIA DEPARTMENT OF FINANCIAL PROTECTION AND INNOVATION. ANY COMPLAINTS CONCERNING THE CONTENT OF THIS WEBSITE MAY BE DIRECTED TO THE CALIFORNIA DEPARTMENT OF FINANCIAL PROTECTION AND INNOVATION at www.dfpi.ca.gov.

13. THE CALIFORNIA FRANCHISE INVESTMENT LAW REQUIRES THAT A COPY OF ALL PROPOSED AGREEMENTS RELATING TO THE SALE OF THE FRANCHISE BE DELIVERED TOGETHER WITH THE DISCLOSURE DOCUMENT.

~~14. No statement, questionnaire, or acknowledgment signed or agreed to by a franchisee in connection with the commencement of the franchise relationship shall have the effect of (i) waiving any claims under any applicable state franchise law, including fraud in the inducement, or (ii) disclaiming reliance on any statement made by any franchisor, franchise seller, or other person acting on behalf of the franchisor. This provision supersedes any other term of any document executed in connection with the franchise.~~

~~15~~. The California Department of Financial Protection and Innovation has determined that we, the franchisor, have not demonstrated we are adequately capitalized and/or that we must rely on franchise fees to fund our operations. The Commissioner has imposed a fee deferral condition, which requires that we defer the collection of all initial fees from California franchisees until we have completed all of our pre-opening obligations and you are open for business. For California franchisees who sign a development agreement, the payment of the development and initial fees attributable to a specific unit in your development schedule is deferred until that unit is open.

The registration of this franchise offering by the California Department of Financial Protection and Innovation does not constitute approval, recommendation, or endorsement by the commissioner.

{See the last page of this Exhibit F for your Signature.}

HAWAII

1. Release. The language contained in Section 2.2.7 of the Franchise Agreement is hereby deleted in its entirety and the following is substituted in its place:

   Franchisee and Franchisor shall execute a mutual general release, in a form prescribed by Franchisor, of any and all claims which each may have against the other and their affiliates (except as to amounts then due to Franchisor for royalties, advertising contributions, materials, and the like), and their respective shareholders, directors, employees, and agents in their corporate and individual capacities, excluding only such claims as each may have that arise under the Hawaii Franchise Investment Law.

2. Conditions for Approval of Transfer. The language contained in Section 12.4 of the Franchise Agreement and Section 12 of the Development Agreement are hereby deleted in its entirety and the following is substituted in its place:

   Franchisor and the transferor shall have executed a mutual general release, in a form prescribed by Franchisor, of any and all claims which each may have against the other and their affiliates, and their respective shareholders, directors, employees, and agents in their corporate and individual capacities, excluding only such claims as each may have that arise under the Hawaii Franchise Investment Law.

3. The fees payable under Section 3 of the Franchise Agreement shall not become due until the opening of the business at the Franchised Site.

4. Notwithstanding the provisions of Section 5 of the Development Agreement to the contrary, the development fee shall become due, on a pro rata basis based on the number of Del Taco Restaurants scheduled for development within the Territory, only upon the opening of each licensed Del Taco Restaurant built within the Territory.

5. No statement, questionnaire, or acknowledgment signed or agreed to by a franchisee in connection with the commencement of the franchise relationship shall have the effect of (i) waiving any claims under any applicable state franchise law, including fraud in the inducement, or (ii) disclaiming reliance on any statement made by any franchisor, franchise seller, or other person acting on behalf of the franchisor. This provision supersedes any other term of any document executed in connection with the franchise.

{See the last page of this Exhibit F for your Signature.}

ILLINOIS

In recognition of the Illinois Franchise Disclosure Act and the Rules and Regulations promulgated thereunder, the Disclosure Document, Franchise Agreement and Development Agreement shall be modified as follows:

1. Illinois law shall apply to and govern the Franchise Agreement and Development Agreement.

2. In conformance with Section 4 of the Illinois Franchise Disclosure Act, any provision in a franchise agreement and Development Agreement that designates jurisdiction and venue in a forum outside of the State of Illinois is void. However, a franchise agreement development agreement may provide for arbitration to take place outside of Illinois.

3. Franchisees' right upon Termination and Non-Renewal are set forth in Sections 19 and 20 of the Illinois Franchise Disclosure Act.

4. In conformance with Section 41 of the Illinois Franchise Disclosure Act, any condition, stipulation, or provision purporting to bind any person acquiring any franchise to waive compliance with the Illinois Franchise Disclosure Act or any other law of Illinois is void.

5. Item 5 of the Disclosure Document, Section 3 of the Franchise Agreement, and Section 5 of the Development Agreement are amended to state that the initial franchise fee, development fee, and all other initial payments owed by franchisee to the Franchisor under the Franchise Agreement or Development Agreement will be deferred until the Franchisor has completed its pre-opening obligations and franchisee has commenced business operations of the Restaurant (as to the Franchise Agreement) or first Restaurant (as to the Development Agreement). The Illinois Attorney General's Office imposed this deferral requirement due to Franchisor's financial condition.

No statement, questionnaire, or acknowledgment signed or agreed to by a franchisee in connection with the commencement of the franchise relationship shall have the effect of (i) waiving any claims under any applicable state franchise law, including fraud in the inducement, or (ii) disclaiming reliance on ~~any statement made by any franchisor, franchise seller, or other person acting~~ on behalf of the franchisor. This provision supersedes any other term of any document executed in connection with the franchise.

{See the last page of this Exhibit F for your Signature.}

INDIANA

It is unlawful for any franchise agreement and development agreement between any franchisor and a franchisee who is a resident of Indiana or a non-resident who is to operate the franchise in Indiana to contain a provision that requires a franchisee not to compete with the franchisor in an area greater than the exclusive territory granted in the franchise agreement or, if no exclusive territory is granted, in an area of more than reasonable size, upon Termination of a franchise agreement. (Ind. Code § 23-2-2.7-1(9)). Accordingly, the Franchise Agreement and Item 17 of the Disclosure Document are amended to apply to the area within a 50-mile radius of the Del Taco LLC

The Franchise Agreement requires binding arbitration. The arbitration will occur in a state other than Indiana, with costs being borne by the non-prevailing party. The provision concerning the place where arbitration will occur is deleted from the Franchise Agreement.

The Franchise Agreement and Development Agreement requires application of the laws of another state. This provision is deleted from the Indiana Franchise Agreement and Development Agreement.

Item 17 of the Disclosure Document, Sections (u), (v), and (w), is amended to omit any reference to selection of an out-of-Indiana forum or choice of law.

The Franchise Agreement and Development Agreement requires you to sign a general release of claims as a condition of renewing or reselling the franchise. Under the law of Indiana any provision that purports to bind a person acquiring a franchise to waive compliance with the franchise laws of Indiana is void. The Franchise Agreement and Development Agreement, Item 17 of the Disclosure Document, Sections (b) (renewal) and (k) (transfer) are amended to omit the requirement that an Indiana franchisee sign a general release of claims as a condition of renewal or resale. This will not prevent Franchisor from requiring you to sign a general release of claims as part of a settlement of a dispute.

No statement, questionnaire, or acknowledgment signed or agreed to by a franchisee in connection with the commencement of the franchise relationship shall have the effect of (i) waiving any claims under any applicable state franchise law, including fraud in the inducement, or (ii) disclaiming reliance on any statement made by any franchisor, franchise seller, or other person acting on behalf of the franchisor. This provision supersedes any other term of any document executed in connection with the franchise.

MARYLAND

In recognition of the requirements of the Maryland Franchise Registration and Disclosure Law, the Disclosure Document, Franchise Agreement and Development Agreement shall be modified as follows:

Item 17 of the Disclosure Document provides for termination upon bankruptcy. This provision may not be enforceable under Federal Bankruptcy Law (11 U.S.C.A Sec. 101 et seq.).

Item 17 of the Disclosure Document is amended to state "The general release required as a condition of renewal, sale, and/or assignment/transfer shall not apply to any liability under the Maryland Franchise Registration and Disclosure Law."

Item 17 of the Disclosure Document is amended to state "Any claim arising under the Maryland Franchise and Disclosure Law must be brought within 3 years after the grant of the franchise."

Item 17(v) of the Disclosure Document is amended to state "A Franchisee may bring a lawsuit in Maryland for claims arising under the Maryland Franchise Registration and Disclosure Law."

In recognition of the requirements of the Maryland Franchise Registration and Disclosure Law, the Franchise Agreement shall be modified as follows:

A Franchisee may bring a lawsuit in Maryland for claims arising under the Maryland Franchise Registration and Disclosure Law.

The parties amend Section 20 of the Development Agreement by adding the following sentence: "This section shall not abrogate or reduce any rights of the Developer as provided for under the Maryland Franchise Registration and Disclosure Law, including the right to submit matters to the jurisdiction of the courts of Maryland." Any risk factor warnings included on the cover page of the Franchisor's Franchise Disclosure Document inconsistent with the Maryland Franchise Registration and Disclosure Law shall not apply to Maryland franchisees.

Payment of the Initial Franchise Fee and other initial fees owing to us under the Franchise Agreement and Development Agreement are hereby deferred and will be payable upon completion of Franchisor's pre-opening obligations for your Restaurant (or your first Restaurant as to the Development Agreement).

The general release required as a condition of renewal, sale, and/or assignment/transfer shall not apply to any liability under the Maryland Franchise Registration and Disclosure Law.

Any provision contained in the Section 17.1 of the Franchise Agreement that requires the Franchisee to assent to a release, estoppel, or waiver of liability is not intended to nor shall it act as a release estoppel or waiver of any liability incurred under the Maryland Franchise Registration and Disclosure Law.

No statement, questionnaire, or acknowledgment signed or agreed to by a franchisee in connection with the commencement of the franchise relationship shall have the effect of (i) waiving any claims under any applicable state franchise law, including fraud in the inducement, or (ii) disclaiming reliance on any

statement made by any franchisor, franchise seller, or other person acting on behalf of the franchisor. This provision supersedes any other term of any document executed in connection with the franchise.

{See the last page of this Exhibit F for your Signature.}

DISCLOSURES REQUIRED BY MICHIGAN LAW

To the extent the Michigan Franchise Investment Law, Mich. Comp. Laws §§445.1501 – 445.1546 applies, the terms of this Addendum apply.

THE STATE OF MICHIGAN PROHIBITS CERTAIN UNFAIR PROVISIONS THAT ARE SOMETIMES IN FRANCHISE DOCUMENTS. IF ANY OF THE FOLLOWING PROVISIONS ARE IN THESE FRANCHISE DOCUMENTS, THE PROVISIONS ARE VOID AND CANNOT BE ENFORCED AGAINST YOU.

(a) A prohibition on the right of a franchisee to join an association of franchisees.

(b) A requirement that a franchisee assent to a release, assignment, novation, waiver, or estoppel which deprives a franchisee of rights and protections provided in this act. This shall not preclude a franchisee, after entering into a franchise agreement, from settling any and all claims.

(c) A provision that permits a franchisor to terminate a franchise prior to the expiration of its term except for good cause. Good cause shall include the failure of the franchisee to comply with any lawful provision of the franchise agreement and to cure such failure after being given written notice thereof and a reasonable opportunity, which in no event need be more than 30 days, to cure such failure.

(d) A provision that permits a franchisor to refuse to renew a franchise without fairly compensating the franchisee by repurchase or other means for the fair market value at the time of expiration of the franchisee's inventory, supplies, equipment, fixtures, and furnishings. Personalized materials which have no value to the franchisor and inventory, supplies, equipment, fixtures, and furnishings not reasonably required in the conduct of the franchise business are not subject to compensation. This subsection applies only if: (i) the term of the franchise is less than 5 years, and (ii) the franchisee is prohibited by the franchise or other agreement from continuing to conduct substantially the same business under another trademark, service mark, trade name, logotype, advertising, or other commercial symbol in the same area subsequent to the expiration of the franchise or the franchisee does not receive at least 6 months advance notice of franchisor's intent not to renew the franchise.

(e) A provision that permits the franchisor to refuse to renew a franchise on terms generally available to other franchisees of the same class or type under similar circumstances. This section does not require a renewal provision.

(f) A provision requiring that arbitration or litigation be conducted outside this state. This shall not preclude the franchisee from entering into an agreement, at the time of arbitration, to conduct arbitration at a location outside this state.

(g) A provision which permits a franchisor to refuse to permit a transfer of ownership of a franchise, except for good cause. This subdivision does not prevent a franchisor from exercising a right of first refusal to purchase the franchise. Good cause shall include, but is not limited to:

(i) The failure of the proposed transferee to meet the franchisor's then-current reasonable qualifications or standards.

(ii) The fact that the proposed transferee is a competitor of the franchisor or subfranchisor.

(iii) The unwillingness of the proposed transferee to agree in writing to comply with all lawful obligations.

(iv) The failure of the franchisee or proposed transferee to pay any sums owing to the franchisor or to cure any default in the franchise agreement existing at the time of the proposed transfer.

(h) A provision that requires the franchisee to resell to the franchisor items that are not uniquely identified with the franchisor. This subdivision does not prohibit a provision that grants to a franchisor a right of first refusal to purchase the assets of a franchise on the same terms and conditions as a bona fide third party willing and able to purchase those assets, nor does this subdivision prohibit a provision that grants the franchisor the right to acquire the assets of a franchise for the market or appraised value of such assets if the franchisee has breached the lawful provisions of the franchise agreement and has failed to cure the breach in the manner provided in subdivision (c).

(i) A provision which permits the franchisor to directly or indirectly convey, assign, or otherwise transfer its obligations to fulfill contractual obligations to the franchisee unless provision has been made for providing the required contractual services.

THE FACT THAT THERE IS A NOTICE OF THIS OFFERING ON FILE WITH THE ATTORNEY GENERAL DOES NOT CONSTITUTE APPROVAL, RECOMMENDATION, OR ENDORSEMENT BY THE ATTORNEY GENERAL.

If the franchisee has any questions regarding this notice, those questions should be directed to the Michigan Department of Attorney General, Consumer Protection Division, Attn.: Franchise, 670 G. Mennen Williams Building, Lansing, Michigan 48913, telephone: (517) 373-7117.

MINNESOTA

We will comply with Minnesota Statute 80C.14 subdivisions 3, 4, and 5, which require (except in certain specific cases) that you be given 90 days' notice of termination (with 60 days to cure) and 180 days' notice for non-renewal of the Franchise Agreement, and that consent to transfer of the franchise will not be unreasonably withheld.

Minn. Stat. Sec. 80C.21 and Minn. Rule Part 2860.4400(J) may prohibit us from requiring litigation to be conducted outside Minnesota. In addition, nothing in the Disclosure Document or Franchise Agreement can abrogate or reduce any of your rights as provided for in Minnesota Statutes Chapter 80C, or your rights to any procedure, forum, or remedies provided for by the laws of the jurisdiction. Notwithstanding the foregoing, this shall not bar enforcement of an arbitration clause.

In accordance with Minnesota Rule 2860.4400(J), to the extent required by law, the Disclosure Document and Franchise Agreement are modified so that we cannot require you to waive your rights to a jury trial or to consent to liquidated damages, termination penalties, or judgment notes.

Minnesota Rule 2860.4400(D) prohibits us from requiring you to assent to a general release of liability imposed by Minn. Stat. Chapter 80C; provided, this shall not bar the voluntary settlement of disputes. The Disclosure Document and Franchise Agreement are modified accordingly, to the extent required by Minnesota law.

Pursuant to Minn. Stat. Sec. 80C.12, Subd. 1(g), Minnesota considers it unfair not to protect the franchisee's right to use the trademarks. To the extent required by Minnesota law, we will protect your right to use the primary trademark, service mark, trade name, logotype, or other commercial symbol from third parties or will indemnify you from any loss, costs, or expenses arising out of any third-party claim, suit, or demand regarding your use of our primary trade name in accordance with the requirements of the Franchise Agreement and our standards.

Pursuant to Minn. Stat. Sec. 80C.17, Subd. 5, to the extent required by law, the Franchise Agreement and Item 17 of the Disclosure Document are amended to state that no action may be commenced pursuant to Minn. Stat. Sec. 80C.17 more than three years after the cause of action accrues.

Section 3 of the Franchise Agreement and Item 5 of the Disclosure Document are amended to state that the initial franchise fee and all other initial payments owed by franchisees to the Franchisor under the Franchise Agreement will be deferred until the Franchisor completes its pre-opening obligations under the Franchise Agreement and the outlet is opened for business.

Notwithstanding the provisions of Section 3 of the Franchise Agreement, the Franchisee shall not have any obligation to pay any fees until the opening of the licensed Del Taco Restaurant at the Franchised Site.

Notwithstanding the provisions of Section 5 of the Development Agreement to the contrary, the development fee shall become due, on a pro rata basis based on the number of Del Taco Restaurants scheduled for development within the Territory, only upon the opening of each licensed Del Taco Restaurant built within the Territory.

No statement, questionnaire, or acknowledgment signed or agreed to by a franchisee in connection with the commencement of the franchise relationship shall have the effect of (i) waiving any claims under any applicable state franchise law, including fraud in the inducement, or (ii) disclaiming reliance on any statement made by any franchisor, franchise seller, or other person acting on behalf of the franchisor. This provision supersedes any other term of any document executed in connection with the franchise.

{See the last page of this Exhibit F for your Signature.}

NEW YORK

1. The following information is added to the cover page of the Franchise Disclosure Document:

INFORMATION COMPARING FRANCHISORS IS AVAILABLE. CALL THE STATE ADMINISTRATORS LISTED IN EXHIBIT A OR YOUR PUBLIC LIBRARY FOR SERVICES OR INFORMATION. REGISTRATION OF THIS FRANCHISE BY NEW YORK STATE DOES NOT MEAN THAT NEW YORK STATE RECOMMENDS IT OR HAS VERIFIED THE INFORMATION IN THIS FRANCHISE DISCLOSURE DOCUMENT. IF YOU LEARN THAT ANYTHING IN THIS FRANCHISE DISCLOSURE DOCUMENT IS UNTRUE, CONTACT THE FEDERAL TRADE COMMISSION AND THE APPROPRIATE STATE OR PROVINCIAL AUTHORITY. THE FRANCHISOR MAY, IF IT CHOOSES, NEGOTIATE WITH YOU ABOUT ITEMS COVERED IN THE FRANCHISE DISCLOSURE DOCUMENT. HOWEVER, THE FRANCHISOR CANNOT USE THE NEGOTIATING PROCESS TO PREVAIL UPON A PROSPECTIVE FRANCHISEE TO ACCEPT TERMS WHICH ARE LESS FAVORABLE THAN THOSE SET FORTH IN THIS FRANCHISE DISCLOSURE DOCUMENT.

2. The following is to be added at the end of Item 3:

Except as provided above, with regard to the franchisor, its predecessor, a person identified in Item 2, or an affiliate offering franchises under the franchisor's principal trademark:

A. No such party has an administrative, criminal or civil action pending against that person alleging: a felony, a violation of a franchise, antitrust, or securities law, fraud, embezzlement, fraudulent conversion, misappropriation of property, unfair or deceptive practices, or comparable civil or misdemeanor allegations.

B. No such party has pending actions, other than routine litigation incidental to the business, which are significant in the context of the number of franchisees and the size, nature or financial condition of the franchise system or its business operations.

C. No such party has been convicted of a felony or pleaded nolo contendere to a felony charge or, within the 10-year period immediately preceding the application for registration, has been convicted of or pleaded nolo contendere to a misdemeanor charge or has been the subject of a civil action alleging: violation of a franchise, antifraud, or securities law; fraud; embezzlement; fraudulent conversion or misappropriation of property; or unfair or deceptive practices or comparable allegations.

D. No such party is subject to a currently effective injunctive or restrictive order or decree relating to the franchise, or under a Federal, State, or Canadian franchise, securities, antitrust, trade regulation or trade practice law, resulting from a concluded or pending action or proceeding brought by a public agency; or is subject to any currently effective order of any national securities association or national securities exchange, as defined in the Securities and Exchange Act of 1934, suspending or expelling such person from membership in such association or exchange; or is subject to a currently effective injunctive or restrictive order relating to any other business activity as a result of an action brought by a public agency or department, including, without limitation, actions affecting a license as a real estate broker or sales agent.

3. The following is added to the end of the "Summary" sections of Item 17(c), titled "**Requirements for franchisee to renew or extend**," and Item 17(m), entitled "**Conditions for franchisor approval of transfer**":

   However, to the extent required by applicable law, all rights you enjoy and any causes of action arising in your favor from the provisions of Article 33 of the General Business Law of the State of New York and the regulations issued thereunder shall remain in force; it being the intent of this proviso that the non-waiver provisions of General Business Law Sections 687(4) and 687(5) be satisfied.

4. The following language replaces the "Summary" section of Item 17(d), titled "**Termination by franchisee**": You may terminate the agreement on any grounds available by law.

5. The following is added to the end of the "Summary" sections of Item 17(v), titled "Choice of forum", and Item 17(w), titled "**Choice of law**":

   The foregoing choice of law should not be considered a waiver of any right conferred upon the franchisor or upon the franchisee by Article 33 of the General Business Law of the State of New York.

No statement, questionnaire, or acknowledgment signed or agreed to by a franchisee in connection with the commencement of the franchise relationship shall have the effect of (i) waiving any claims under any applicable state franchise law, including fraud in the inducement, or (ii) disclaiming reliance on any statement made by any franchisor, franchise seller, or other person acting on behalf of the franchisor. This provision supersedes any other term of any document executed in connection with the franchise.

NORTH DAKOTA

Item 5 of the Disclosure Document, Section 3 of the Franchise Agreement, and Section 5 of the Development Agreement are amended to state that the initial franchise fee, development fee, and all other initial payments owed by franchisee to the Franchisor under the Franchise Agreement or Development Agreement will be deferred until the Franchisor has completed its pre-opening obligations and franchisee has commenced business operations of the Restaurant (as to the Franchise Agreement) or first Restaurant (as to the Development Agreement).

Item 17(c) Disclosure Document and Section 2.2.7 of the Franchise Agreement, which require you to sign a general release upon renewal of the franchise, may not be enforceable under Section 51-19-09 of the North Dakota Franchise Investment Law and such requirement is hereby deleted to the extent required by law.

Item 17(i) of the Disclosure Document, Section 14 of the Franchise Agreement and Section 15 of the Development Agreement, which require you to consent to termination or liquidated damages, may not be enforceable under Section 51-19-09 of the North Dakota Franchise Investment Law and are hereby amended to the extent required by law.

Item 17(r) of the Disclosure Document and Section 10.6 of the Franchise Agreement restricting competition are generally considered unenforceable under Section 51-19-09 of the North Dakota Franchise Investment Law and are hereby amended to the extent required by law.

Item 17(u) of the Disclosure Document, Section 17.3 of the Franchise Agreement, and Section 18 of the Development Agreement requiring resolution of disputes to be outside North Dakota may not be enforceable under Section 51-19-09 of the North Dakota Franchise Investment Law and are hereby amended to the extent required by law. The site of arbitration or mediation must be in in North Dakota or a location agreeable to all parties.

Item 17(v) of the Disclosure Document, Section 17.2 of the Franchise Agreement, and Section 20 of the Development Agreement requiring franchisee/developer to consent to resolution of disputes to be outside North Dakota may not be enforceable under Section 51-19-09 of the North Dakota Franchise Investment Law and such requirement is hereby deleted to the extent required by law. Any litigation under the agreement shall be conducted in North Dakota or a mutually agreed upon location. The provisions of this paragraph are subject to the United States Arbitration Act (9 U.S.C. § 1 et seq.).

Item 17(w) of the Disclosure Document and Section 17.1 of the Franchise Agreement and Section 20 of the Development Agreement relating to choice of law may not be enforceable under Section 51-19-09 of the North Dakota Franchise Investment Law and are hereby amended to the extent required by law.

Any provisions in the Franchise Agreement which require the franchisee to consent to a waiver of trial by jury may not be enforceable under Section 51-19-09 of the North Dakota Franchise Investment Law and are hereby amended to the extent required by law.

Sections of the Disclosure Document, Section 17.5 of the Franchise Agreement, and Section 21 of the Development Agreement requiring the franchisee/developer to consent to a limitation of claims within one year may not be enforceable under Section 51-19-09 of the North Dakota Franchise Investment Law and are hereby amended to the extent required by law. Claims under the North Dakota Franchise Investment Law are subject to the statute of limitations under North Dakota law.

Sections of the Disclosure Document, Section 17.6 of the Franchise Agreement, and Section 21 of the Development Agreement requiring the franchisee to consent to a waiver of exemplary and punitive damages may not be enforceable under Section 51-19-09 of the North Dakota Franchise Investment Law and such requirement is hereby deleted to the extent required by law.

Any provisions in the Franchise Agreement and the Development Agreement which stipulate that the franchisee shall pay all costs and expenses incurred by the franchisor in enforcing the agreement, which may not be enforceable under Section 51-19-09 of the North Dakota Franchise Investment Law, are hereby amended to the extent required by law. The prevailing party in any enforcement action is entitled to recover costs and expenses including attorney's fees.

No statement, questionnaire, or acknowledgment signed or agreed to by a franchisee in connection with the commencement of the franchise relationship shall have the effect of (i) waiving any claims under any applicable state franchise law, including fraud in the inducement, or (ii) disclaiming reliance on any statement made by any franchisor, franchise seller, or other person acting on behalf of the franchisor. This provision supersedes any other term of any document executed in connection with the franchise.

{See the last page of this Exhibit F for your Signature.}

RHODE ISLAND

The Rhode Island Securities Division requires the following specific disclosures to be made to prospective Rhode Island franchisees:

> § 19-28.1-14 of the Rhode Island Franchise Investment Act provides that "A provision in a franchise agreement and development agreement restricting jurisdiction or venue to a forum outside this state or requiring the application of the laws of another state is void with respect to a claim otherwise enforceable under the Act."

No statement, questionnaire, or acknowledgment signed or agreed to by a franchisee in connection with the commencement of the franchise relationship shall have the effect of (i) waiving any claims under any applicable state franchise law, including fraud in the inducement, or (ii) disclaiming reliance on any statement made by any franchisor, franchise seller, or other person acting on behalf of the franchisor. This provision supersedes any other term of any document executed in connection with the franchise.

SOUTH DAKOTA

With regard to the offer or sale of any Del Taco franchise subject to the franchise disclosure laws and regulations of South Dakota, Del Taco LLC ("Del Taco") hereby supplements this Franchise Disclosure Statement as follows:

1. Payments. The fees payable under Item 5 of the Disclosure Document shall not become due until the opening of the business at the Franchised Site.

Whereas, the Franchisor and the Developer wish to enter into a Franchise Agreement and/or a Development Agreement for the development and/or operation of one or more Del Taco franchised Restaurants subject to the laws of the state of South Dakota; and

Whereas, the South Dakota Department of Labor and Regulation has required the Franchisor to modify certain provisions of the Franchise Agreement and Development Agreement as a condition to the registration of the Franchisor's franchise.

Under a Development Agreement:

Now, therefore, for and in consideration of the covenants and agreements set forth in this Addendum and in the Development Agreement, the parties hereby agree as follows:

1. Development Fee. Notwithstanding the provisions of Section 5 of the Development Agreement to the contrary, the development fee shall become due, on a pro rata basis based on the number of Del Taco Restaurants scheduled for development within the Territory, only upon the opening of each licensed Del Taco Restaurant built within the Territory.

2. Other Provisions. Except as expressly modified by this Addendum, all of the other provisions of the Development Agreement shall remain in full force and effect.

Under a Franchise Agreement:

Now, therefore, for and in consideration of the covenants and agreements set forth in this Addendum and in the Franchise Agreement, the parties hereby agree as follows:

1. Initial Franchise Fee. Notwithstanding the provisions of Section 3 of the Franchise Agreement to the contrary, the initial franchise fee and all other initial payments owned by Franchisee to Franchisor shall become due only upon the opening of the Restaurant.

2. Other Provisions. Except as expressly modified by this Addendum, all of the other provisions of the Franchise Agreement shall remain in full force and effect.

No statement, questionnaire, or acknowledgment signed or agreed to by a franchisee in connection with the commencement of the franchise relationship shall have the effect of (i) waiving any claims under any applicable state franchise law, including fraud in the inducement, or (ii) disclaiming reliance on any statement made by any franchisor, franchise seller, or other person acting on behalf of the franchisor. This provision supersedes any other term of any document executed in connection with the franchise.

VIRGINIA

In recognition of the restrictions contained in Section 13.1-564 of the Virginia Retail Franchising Act, the Disclosure Document for Del Taco LLC for use in the Commonwealth of Virginia is amended as follows:

Pursuant to Section 13.1-564 of the Virginia Retail Franchising Act, it is unlawful for a franchisor to cancel a franchise without reasonable cause. If any grounds for default or termination stated in the Franchise Agreement does not constitute "reasonable cause," as that term may be defined in the Virginia Retail Franchising Act or the laws of Virginia, that provision may not be enforceable.

Pursuant to Section 13.1-564 of the Virginia Retail Franchising Act, it is unlawful for a franchisor to use undue influence to induce a franchisee to surrender any right given to him under the franchise. If any provision of the Franchise Agreement involves the use of undue influence by the franchisor to induce a franchisee to surrender any rights given to him under the franchise, that provision may not be enforceable.

The initial franchise fee and other initial payments owed by franchisees to the Franchisor under the Franchise Agreement will be deferred until the Franchisor has completed its pre-opening obligations under the Franchise Agreement and the outlet is opened for business.

Notwithstanding the provisions of Section 5 of the Development Agreement to the contrary, the Virginia State Corporation Commission's Division of Securities and Retail Franchising requires Franchisor to defer payment of the development fee and other initial payments owed by the Developer to Franchisor until Franchisor has completed its pre-opening obligations under the Development Agreement.

No statement, questionnaire, or acknowledgment signed or agreed to by a franchisee in connection with the commencement of the franchise relationship shall have the effect of (i) waiving any claims under any applicable state franchise law, including fraud in the inducement, or (ii) disclaiming reliance on any statement made by any franchisor, franchise seller, or other person acting on behalf of the franchisor. This provision supersedes any other term of any document executed in connection with the franchise.

WASHINGTON ADDENDUM TO THE FRANCHISE DISCLOSURE DOCUMENT, FRANCHISE AGREEMENT, DEVELOPMENT AGREEMENT, FRANCHISEE DISCLOSURE ACKNOWLEDGMENT, AND RELATED AGREEMENTS

In the event of a conflict of laws, the provisions of the Washington Franchise Investment Protection Act, Chapter 19.100 RCW will prevail.

RISK FACTOR. Use of Franchise Brokers. The franchisor uses the services of a franchise broker to assist it in selling franchises. The franchise brokers are employees of our parent company JACK IN THE BOX INC., but are considered franchise brokers because they are not employed by the franchisor. A franchise broker represents the franchisor and is paid a fee for referring prospects to the franchisor and/or selling the franchise. Do not rely only on the information provided by a franchise broker about a franchise. Do your own investigation by contacting the franchisor's current and former franchisees to ask them about their experience with the franchisor.

The following paragraph is added at the end of Item 3.

Assurance of Discontinuance with the Washington State Attorney General. In December 2018, Jack in the Box Inc. entered into an Assurance of Discontinuance ("AOD") with the Washington State Attorney General. The AOD, which was filed in the State of Washington King County Superior Court, agreed that JIB will no longer include the non-solicitation and no-hire provisions in any of its franchise agreements in the United States as of the date the AOD was filed. It also agreed that JIB will no longer enforce those provisions in any of its existing franchise agreements in the United States, and that JIB will not seek to intervene or defend against any action brought by the AG's office against a franchise operator who attempts to enforce those provisions. JIB notified its franchisees about the AOD and requested that the Washington state franchisees execute an amendment to their existing franchise agreements that effectively removes the non-solicitation and no-hire provisions. JIB also removed both provisions from its current

Franchise Agreement.

RCW 19.100.180 may supersede the Franchise Agreement and Development Agreement in your relationship with the franchisor including the areas of termination and renewal of your franchise. There may also be court decisions which may supersede the Franchise Agreement and Development Agreement in your relationship with the franchisor including the areas of termination and renewal of your franchise.

In any arbitration or mediation involving a franchise purchased in Washington, the arbitration or mediation site will be either in the state of Washington, or in a place mutually agreed upon at the time of the arbitration or mediation, or as determined by the arbitrator or mediator at the time of arbitration or mediation. In addition, if litigation is not precluded by the Franchise Agreement and Development Agreement, a franchisee may bring an action or proceeding arising out of or in connection with the sale of franchises, or a violation of the Washington Franchise Investment Protection Act, in Washington.

A release or waiver of rights executed by a franchisee may not include rights under the Washington Franchise Investment Protection Act or any rule or order thereunder except when executed pursuant to a negotiated settlement after the agreement is in effect and where the parties are represented by independent counsel. Provisions such as those which unreasonably restrict or limit the statute of limitations period for claims under the Act, or rights or remedies under the Act such as a right to a jury trial, may not be enforceable.

Transfer fees are collectable to the extent that they reflect the franchisor's reasonable estimated or actual costs in effecting a transfer.

Pursuant to RCW 49.62.020, a noncompetition covenant is void and unenforceable against an employee, including an employee of a franchisee, unless the employee's earnings from the party seeking enforcement, when annualized, exceed $100,000 per year (an amount that will be adjusted annually for inflation). In addition, a noncompetition covenant is void and unenforceable against an independent contractor of a franchisee under RCW 49.62.030 unless the independent contractor's earnings from the party seeking enforcement, when annualized, exceed $250,000 per year (an amount that will be adjusted annually for inflation). As a result, any provisions contained in the Franchise Agreement and Development Agreement or elsewhere that conflict with these limitations are void and unenforceable in Washington.

RCW 49.62.060 prohibits a franchisor from restricting, restraining, or prohibiting a franchisee from (i) soliciting or hiring any employee of a franchisee of the same franchisor or (ii) soliciting or hiring any employee of the franchisor. As a result, any such provisions contained in the Franchise Agreement, and Development Agreement or elsewhere are void and unenforceable in Washington.

The Franchisor will not require or accept the payment of any initial franchise fees until the franchisee has (a) received all initial training that it is entitled to under the Franchise Agreement and Development Agreement or Disclosure Document, and (b) is open for business.

Nothing in Section 30 (Business Judgment) of the Franchise Agreement limits any rights or protections a franchisee may have under the Washington Franchise Investment Protection Act.

No statement, questionnaire, or acknowledgment signed or agreed to by a franchisee in connection with the commencement of the franchise relationship shall have the effect of (i) waiving any claims under any applicable state franchise law, including fraud in the inducement, or (ii) disclaiming reliance on any statement made by any franchisor, franchise seller, or other person acting on behalf of the franchisor. This provision supersedes any other term of any document executed in connection with the franchise.

{See the last page of this Exhibit F for your Signature.}

If any one of the preceding State Specific Addenda ("Addenda") is checked as an "Applicable Addenda" below or if the jurisdictional requirements for application of one of the following State's franchise sales law is independently satisfied, then that Addenda will be incorporated into the Disclosure Document and/or, if applicable as indicated in such Addenda, the ~~Regional Developer~~Franchise Agreement, Development Agreement, and any other specified agreement(s) entered into by us and the undersigned Franchisee. To the extent any terms of an Applicable Addenda conflict with the terms of the Disclosure Document or, as applicable, Franchise Agreement, Development Agreement, or other specified agreement(s), the terms of the Applicable Addenda will supersede the terms of the Disclosure Document or, as applicable, Franchise Agreement, Development Agreement, or other specified agreement(s).

□ California	□ New York
□ Hawaii	□ North Dakota
□ Illinois	□ Rhode Island
□ Indiana	□ South Dakota
□ Maryland	□ Virginia
□ Michigan	□ Washington
□ Minnesota	

FRANCHISOR:

DEL TACO, LLC

By: _____
Title: Authorized Signatory

FRANCHISEE:

_____

By:_____

Title:_____

By:_____

Title:_____

EXHIBIT G

HARDWARE AND SOFTWARE LICENSE AND SUPPORT AGREEMENT

HARDWARE AND SOFTWARE LICENSE AND SUPPORT AGREEMENT

This Hardware and Software License and Support Agreement ("Agreement") is made as of the ___ day of _____, 20___, by and between Del Taco LLC, a California limited liability company having its principal place of business at 25521 Commercentre Drive, Suite, 150, Lake Forest, California 92630 ("Del Taco"), and _____ having his (its) principal place of business at _____ ("Licensee").

RECITALS

Del Taco operates franchises and licenses Del Taco Restaurants that feature Mexican-American and American dishes. Del Taco and Licensee have entered into or propose to enter into one or more Franchise Agreements (each a Franchise Agreement" and, collectively, the "Franchise Agreements").

As a result of the expenditure of time, skill, effort and money, Del Taco has developed, and owns all rights to, the Software (as defined below) and associated Documentation (as defined below) (collectively, the "Software and Documentation") for use in Restaurants operated by Del Taco and its franchisees.

Del Taco requires that Licensee utilize the Software and Documentation in each of the designated franchised Del Taco Restaurants (the "Licensed Restaurants") listed on appendices to this Agreement. Del Taco must grant its consent for additional Restaurants to be added to this License Agreement by additional appendices. Each additional Restaurant shall be designated by a letter that is successive to the previous appendix and dated as of the date that Del Taco grants its approval ("Approval Date").

If Licensee is not able to schedule a qualified third party technician approved by Del Taco ("Approved Vendor"), Del Taco shall provide to Licensee certain technical support services, as determined by Del Taco, in its sole discretion, for the Software and Licensee's Covered Equipment (as defined below), on the terms and conditions set forth in this Agreement. Licensee shall make the Restaurant available to a Del Taco technician for the times requested by the technician, which will include the opening day of the Restaurant. The amount of time required by the technician to prepare the Restaurant for opening shall be determined by the technician in his or her sole discretion

NOW THEREFORE, in consideration of the mutual covenants, agreements and obligations set forth below, and other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the parties agree as follows:

DEFINED TERMS

"Billable Services" means any Support Service, other than Covered Services, performed by Del Taco, or an Approved Vendor, at the times determined by Del Taco, in its sole discretion, or the Approved Vendor, which will include, but not be limited to, the period of time deemed necessary by Del Taco or the Approved Vendor to provide Support Services to implement the Software and Licensee's Covered Equipment for the preparation of the store opening, or conversion, to Covered Equipment.

"Confidential Information" means the Software and Documentation, and the terms and conditions of this Agreement, which each are confidential and proprietary to Del Taco.

"Covered Equipment" means the equipment described on the appendices to this Agreement approved for purchase by Del Taco and located in the Licensed Restaurants. The parties may add additional equipment to the Covered Equipment from time to time by adding additional appendices to include the additional equipment (with Del Taco's consent).

"Covered Services" means 24-hour telephonic Help Desk support for the Software and the Covered Equipment, which is available 365 days a year.

"Designated Contact" means Licensee's managerial employee at each Licensed Restaurant that is identified on the appendices who will be trained in the use of the Software and who will serve as Del Taco's point of contact with respect to the Support Services.

"Documentation" means the proprietary and confidential manuals and other documentation (if any) for the Software.

"Effective Date" means the date that Del Taco or the Approved Vendor completes the installation of the Software at all of the Licensed Restaurants.

"License" means a non-exclusive, non-transferable license to use a single copy of the object code version of the Software and the Documentation solely for Licensee's internal business purposes and only at one personal computer in each Licensed Restaurant.

"License Fee" means that one-time fee payable to Del Taco for use of the Software and Documentation for each Licensed Restaurant**.**

"Releases" means any and all updates to the Software that incorporate changes to the Software that: **(i)** improve the operating performance but do not alter the basic function of the Software; or **(ii)** incorporate fixes or bypasses for errors; and **(iii)** Del Taco offers generally to other users of the Software.

"Software" means Del Taco's proprietary ULTRABOS software system, which is designed for use in the Licensed Restaurants and all Releases and Upgrades of any kind, if any, in machine-readable, object code form, as well as all computer programs, if any, subsequently delivered to Licensee in machine-readable, object code form for maintenance of the ULTRABOS software system. The Software is designed to be used in labor scheduling, calculating ideal food costs, and maintaining inventory and sales records.

"Support Services" means Covered Services provided by Del Taco, and Billable Services, which may be performed by Del Taco with respect to the Software or by Del Taco or an Approved Vendor, with respect to the Covered Equipment.

"Support Services Fee" means that weekly or monthly fee payable to Del Taco for the Covered Services available for each Licensed Restaurant. The Support Services Fee shall be paid by Licensee in advance on the first day of each calendar month or as Del Taco may specify in writing.

"Upgrades" means all improvements to the Software that add to, or alter, the basic functions of the Software and that Del Taco offers or requires generally to other users of the Software.

LICENSE AND TERM

License. Pursuant to the terms of this Agreement, Del Taco hereby grants to Licensee a License to use the Software and Documentation during the term of this Agreement at one personal computer in each of the Licensed Restaurants at which Licensee remains a franchisee in good standing. Each License granted under this Agreement is solely for the use of the Software and Documentation at one Licensed Restaurant by no more than one individual user at a time. Unless Del Taco agrees otherwise in writing, the Software may not be used on a network. The License for each Licensed Restaurant shall be considered a separate License under this Agreement. Del Taco will provide one copy of the Documentation to Licensee's Designated Contact for each Licensed Restaurant.

Term. The term of this Agreement shall begin on the Effective Date and shall expire upon the expiration date of the Franchise Agreement (i.e. (a) the expiration of the initial term of the Franchise Agreement, in the event Licensee does not renew its right to operate the Licensed Restaurant pursuant to Section 2.2 of the Franchise Agreement, or (b) the expiration of such renewal term, in the event Licensee renews its right to operate the Licensed Restaurant pursuant to Section 2.2 of the Franchise Agreement), unless terminated sooner pursuant to Article 12 of this Agreement, or pursuant to the terms of the Franchise Agreement.

USE LIMITATIONS

Limitations on Use. The "use" that Del Taco licenses to Licensee under this Agreement means the initial installation of the Software and operation of the Software in accordance with procedures outlined in the Documentation. Licensee may make one back-up copy of the Software for archival or backup purposes only provided that all titles, trademarks, copyright, proprietary and restricted rights notices shall be reproduced in any such copy and any such copy shall be subject to the terms of this Agreement. Licensee shall not otherwise copy, de-compile, reformat, duplicate or disassemble all or any portion of any component of the Software, or otherwise attempt to reproduce the source code thereof or its equivalent. Licensee shall not, under any condition, copy the Documentation without Del Taco's prior written consent. Licensee shall not attempt to circumvent any anti-copy or other security measure adopted by Del Taco.

Distribution. Except as explicitly provided in this Agreement, Licensee shall not: **(i)** make available or distribute all or part of the Software or Documentation to any third party by assignment, sublicense or by any other means; **(ii)** use the Software to operate in or as a time-sharing, outsourcing, or service bureau environment, or in any way allow third party access to the Software.

Inspection Rights. Del Taco shall have the right to periodically inspect the Licensed Restaurants to verify Licensee's compliance with the terms of this Agreement.

SITE PREPARATION, DEDICATED DATA LINE AND TRAINING

Site Preparation. Licensee shall, at Licensee's sole expense, be responsible for all site preparation necessary for installation and use of the Software, including, but not limited to electrical, air conditioning and cables between printers, the point of sale terminals and the personal computer.

Dedicated Data Line. Licensee shall provide all assistance required by Del Taco to bring Licensee's computer system on-line with the computer system designated by Del Taco and maintained by Del Taco or its affiliates at the earliest possible time. Licensee agrees to procure and install such required dedicated data lines and high speed Internet connections, modems, and other computer-related accessory

or peripheral equipment as specified by Del Taco. Licensee's dedicated data lines for each Licensed Restaurant are identified in the appendices.

Training. Del Taco shall provide one half-day of initial training to Licensee's Designated Contact for each Licensed Restaurant. The initial training will be held at Del Taco's corporate headquarters in Lake Forest, California. Del Taco does not charge a tuition fee for this initial training, however, Licensee will be required to pay all travel, living and other expenses incurred by its employees while attending the training. Del Taco will provide the initial training to additional management employees at Licensee's request. Within 30 days from the date of receipt of an invoice, Licensee shall pay a tuition fee as established by Del Taco from time to time for training any additional personnel. Licensee will be required to pay all travel, living and other expenses incurred by its additional personnel while attending the initial training.

RELEASES, UPGRADES AND ACCESS TO DATA

Release and Upgrades. During the Term of this Agreement, provided that Licensee is not in default of its obligations under this Agreement, any franchise or license agreement that governs any Licensed Restaurant, or any other agreement between Licensee and Del Taco or any of its affiliates, Del Taco shall deliver to Licensee, at no additional cost, any Releases or Upgrades to the Software to the same extent that Del Taco offers such Releases or Upgrades to other users of the Software.

Access to Data. Licensee agrees that Del Taco and/or its designee shall have the free and unfettered right to retrieve any data and other information from Licensee's computers as Del Taco, in its sole discretion, deems appropriate, including electronically polling the daily sales, computer information and other data of the Licensed Restaurants, with the cost of the retrieval to be borne by Del Taco. Licensee shall backup all data on its computer system daily and comply with any and all other operational requirements required by its franchise or license agreements and any manuals that govern the operation of the Licensed Restaurants.

SUPPORT SERVICES

Support Services. Del Taco shall provide Support Services to Licensee, including the Covered Services and any Billable Services required by Del Taco), if Licensee is unable to obtain the services of an Approved Vendor for the Software and the Covered Equipment pursuant to Del Taco's standards, which may change from time to time. Licensee may request Support Services by calling the Del Taco Help Desk at (949) 462-7499.

Covered Equipment. In order to facilitate the Support Services, Licensee agrees to operate the Covered Equipment in accordance with Del Taco's and the manufacturer's instructions.

Billable Services. Del Taco may perform the following types of on-site service: **(i)** computer and software install; **(ii)** computer and software upgrades; and **(iii)** on-site troubleshooting and repairs. Licensee shall pay the Billable Services Fees applicable for any Billable Services performed by Del Taco at a Licensed Restaurant and any costs of travel for a Del Taco representative to arrive at Licensee's Restaurant(s) as further described in Article 7.4.

Additional Services. As part of the Covered Services, Del Taco shall install menu changes and price updates on the Licensee's personal computer on a periodic basis, as reasonably requested by the Licensee. Del Taco shall not provide any Additional Services with respect to alternate concepts or products not a part of the standard Del Taco Restaurant system unless approved in writing by Del Taco.

FEES

License Fee. Within five days after the opening date of each Licensed Restaurant, Licensee shall pay a one-time fee to Del Taco in the amount set forth on Exhibit A for each License to acquire the Software and Documentation for each Licensed Restaurant. If Licensee desires to acquire Licenses for additional Licensed Restaurant(s), the parties shall insert additional appendices to incorporate the additional Licensed Restaurant(s) and Licensee shall then pay a License Fee to Del Taco for each additional License. Del Taco may, upon 30 days' prior written notice to Licensee, increase the License Fee.

Software Subscription Fee. Del Taco may require that Licensee install and implement software applications such as Software as a Service ("SaaS"). Del Taco may, in its sole discretion, require that Licensee pay the cost of the subscription fee.

Software Maintenance and Support Services Fee. Beginning after the opening date of each Licensed Restaurant, Licensee shall pay per Licensed Restaurant a Software Maintenance Fee for the UltraBOS Back Office Software (if applicable) and a Support Services Fee for the Covered Services as set forth on Exhibit A. Del Taco may, in its sole discretion, increase the Software Maintenance and Support Services Fee effective upon 30 days' prior written notice to Licensee, to the then current fee being charged new Del Taco franchisees.

Billable Services Fees. The applicable rates for Billable Services will be communicated to Licensee prior to commencing services. Del Taco will send periodic invoices to Licensee for the Billable Services Fees, which are due upon receipt.

Travel Charges. Licensee shall pay for travel expenses for Del Taco technicians in connection with Billable Services. Travel expenses include hotel, food, rental car, tolls, parking and other related and necessary out-of-pocket travel expenses. Licensee shall pay all travel charges to Del Taco within 30 days of receipt of invoice.

Shipping. Licensee shall pay Del Taco for any shipping charges incurred in providing any Support Services under this Agreement.

Payment of Fees and Charges.

Simultaneously with the execution of this Agreement, Licensee shall pay the License Fee and the Support Services Fees for the Licensed Restaurants. The appendices identify the License Fees and Support Services Fees due for all the Licensed Restaurants for the initial Service Period. Thereafter, Licensee shall pay the License Fee and the Support Services Fee within 30 days of receipt of invoice, which shall be at least 30 days prior to the beginning of a Service Period. If Licensee adds a Licensed Restaurant to this Agreement, Licensee shall pay the License Fee and Support Services Fee to Del Taco for that Licensed Restaurant, which amount shall be prorated for the number of months remaining in the Service Period, within 30 days of receipt of invoice.

Licensee shall pay all fees and charges incurred under this Agreement to Del Taco (by electronic funds transfer, check, pre-arranged draft, sweep of Licensee's bank account or by any other form that Del Taco designates) within 30 days from the date of receipt of an invoice from Del Taco. Licensee shall perform those acts and sign and deliver those documents as may be necessary to accomplish payment by any method selected by Del Taco. If Licensee fails to make any payment required under this Agreement within 30 days after the date such payment becomes due and payable, Del Taco may, in its sole discretion, **(i)** assess a late fee in an amount equal to the lesser of 1.5% per month or the maximum rate

permitted by law on the delinquent amount; and/or **(ii)** terminate this Agreement effective immediately upon receipt of notice of termination.

Tax. Licensee shall be responsible for any applicable sales or use taxes or any value added or similar taxes payable with respect to the licensing of the Software, or arising out of or in connection with this Agreement, other than taxes levied or imposed based upon Del Taco's income. In the event that Del Taco pays any such taxes on behalf of Licensee, Del Taco shall invoice Licensee for such taxes and Licensee agrees to pay such taxes within 30 days from the date of receipt of the invoice.

CONFIDENTIAL INFORMATION AND INTELLECTUAL PROPERTY RIGHTS

Confidential Information. Licensee agrees that it shall not, without Del Taco's prior written consent: **(i)** modify any Confidential Information; **(ii)** reverse engineer, decompile, decrypt, or disassemble the Confidential Information or attempt to do so; **(iii)** transfer, rent, lease, lend or sublicense any Confidential Information to anyone for any purpose; or **(iv)** reveal or disclose any Confidential Information for any purpose to any other person, firm, corporation or other entity, other than Licensee's employees with a need to know such Confidential Information to perform employment responsibilities consistent with Licensee's rights under this Agreement. Licensee shall safeguard and protect the Confidential Information from theft, piracy or unauthorized access in a manner at least consistent with the protections Licensee uses to protect its own most confidential information. Licensee shall inform its employees of their obligations under this Agreement and shall take such steps as may be reasonable in the circumstances, or as may be reasonably requested by Del Taco, to prevent any unauthorized disclosure, copying or use of the Confidential Information.

Unauthorized Disclosure. Licensee shall notify Del Taco immediately upon discovery of any prohibited use or disclosure of the Confidential Information, or any other breach of these confidentiality obligations by Licensee, and shall fully cooperate with Del Taco to help Del Taco regain possession of the Confidential Information and prevent the further prohibited use or disclosure of the Confidential Information.

Intellectual Property Rights. Licensee acknowledges and agrees that the copyright, patent, trade secret, and all other intellectual property rights of whatever nature in the Software and Documentation are and shall remain the property of Del Taco, and nothing in this Agreement should be construed as transferring any aspects of such rights to Licensee or any third party. Intellectual Property Rights include all forms of intellectual property rights and protections, including, without limitation, all right, title and interest in and to all: **(i)** Letters Patent, and all filed, pending or potential applications for Letters Patent, including any reissue, reexamination, division, continuation or continuation in-part applications, throughout the world now or hereafter issued; **(ii)** trade secrets, and all trade secret rights and equivalent rights arising under common law, state law, federal law and laws of foreign countries; **(iii)** mask works, copyrights, other literary property or authors' rights, whether or not protected by copyright or as a mask work, under common law, state law, federal law and laws of foreign countries; and **(iv)** proprietary indicia, trademarks, trade names, symbols, logos and/or brand names under common law, state law, federal law and laws of foreign countries.

Notice of Infringement. Licensee shall promptly notify Del Taco in writing upon its discovery of any unauthorized use or infringement of any of the Intellectual Property Rights. Such notice shall contain the name and address, if known, of the potential or alleged infringer and the location or nature of the alleged infringement. Licensee shall reasonably assist Del Taco, at Del Taco's expense, in the investigation, prosecution or defense of any suit, action or proceeding relating to any of the Intellectual Property Rights, including, without limitation, the prosecution of a potential or alleged infringer,

abatement of an infringement or defense of any action, counter suit, or claim made by a potential or alleged infringer.

NO WARRANTY

DEL TACO MAKES NO WARRANTIES RELATING TO THE SOFTWARE AND DOCUMENTATION. THE SOFTWARE AND DOCUMENTATION ARE PROVIDED "AS IS" AND DEL TACO DISCLAIMS ALL WARRANTIES, EXPRESS OR IMPLIED, INCLUDING, BUT NOT LIMITED TO, ANY WARRANTY OF MERCHANTABILITY OR FITNESS FOR A PARTICULAR PURPOSE, ANY WARRANTY AS TO THE RELIABILITY, OPERABILITY, FUNCTIONALITY OR USEFULNESS OF THE SOFTWARE AND DOCUMENTATION, ANY WARRANTY THAT LICENSEE'S USE OF THE SOFTWARE WILL BE UNINTERRUPTED OR ERROR FREE, AND ANY WARRANTY THAT THE RESULTS OBTAINED WILL SATISFY LICENSEE'S REQUIREMENTS.

INDEMNIFICATION

By Del Taco. Subject to Section 10.2, Del Taco will indemnify Licensee against any claim that the Software, furnished and used within the scope of this Agreement, infringes any U.S. copyright or patent, provided that: **(i)** Del Taco is given prompt notice of the claim; **(ii)** Del Taco is given immediate and complete control over the defense and/or settlement of the claim and Licensee fully cooperates with Del Taco in such defense and/or settlement; **(iii)** Licensee does not prejudice in any manner Del Taco's conduct of such claim; and **(iv)** the alleged infringement is not based upon the use of the Software in a manner prohibited under this Agreement, in a manner for which the Software was not designed, or in a manner not in accordance with the Del Taco's specifications.

Altered Version. Del Taco shall have no liability for any claim of infringement based on: **(i)** the use of a superseded or altered version of the Software if infringement would have been avoided by the use of a current or unaltered version of the Software, which Del Taco made available to Licensee; or **(ii)** the combination, operation or use of the Software with software, hardware or other materials not furnished or approved for use with the Software by Del Taco.

Injunction. If a final injunction is obtained against the use of any part of the Software by reason of infringement of a U.S. copyright or patent, Del Taco shall have the right, at its option, either to: **(i)** procure for Licensee the right to continue to use the Software; **(ii)** modify the Software so that it becomes non-infringing; or **(iii)** terminate this Agreement without penalty.

Liability. Sections 7.1 to 7.3 state Del Taco's entire obligation and liability with respect to the infringement of any Intellectual Property Right.

By Licensee. Licensee will indemnify Del Taco against any claim for: **(i)** alleged infringement of any U.S. copyright or patent, arising out of the use of the Software by Licensee in any manner prohibited by this Agreement; **(ii)** any claim (other than a claim indemnified by Del Taco pursuant to Section 7.1) related to or arising out of Licensee's use or misuse of the Software; and **(iii)** Licensee's breach of its obligations under this Agreement.

LIMITATION ON LIABILITY

DEL TACO SHALL HAVE NO LIABILITY FOR CONSEQUENTIAL, EXEMPLARY, SPECIAL, INCIDENTAL OR PUNITIVE DAMAGES WITH RESPECT TO ITS OBLIGATIONS UNDER THIS AGREEMENT OR OTHERWISE EVEN IF IT HAS BEEN ADVISED OF THE POSSIBILITY OF SUCH DAMAGES. DEL TACO WILL NOT BE RESPONSIBLE FOR ANY

LOSS OF SALES BY LICENSEE DURING THE PERIOD IN WHICH THE SOFTWARE IS INOPERATIVE, NOR WILL DEL TACO BE RESPONSIBLE FOR ANY LOSS OR INACCURACY OF DATA CAUSED BY THE SOFTWARE. IN ANY EVENT, THE LIABILITY OF DEL TACO TO LICENSEE FOR ANY REASON AND UPON ANY CAUSE OF ACTION SHALL BE LIMITED TO THE AMOUNT PAID TO DEL TACO BY LICENSEE UNDER THIS AGREEMENT (EXCLUSIVE OF CLAIMS DESCRIBED IN SECTION 10.1 ABOVE). THIS LIMITATION APPLIES TO ALL CAUSES OF ACTION IN THE AGGREGATE, INCLUDING WITHOUT LIMITATION TO BREACH OF CONTRACT, BREACH OF WARRANTY, NEGLIGENCE, STRICT LIABILITY, MISREPRESENTATIONS, AND OTHER TORTS. BOTH PARTIES UNDERSTAND AND AGREE THAT THE REMEDIES AND LIMITATIONS SET FORTH IN THIS ARTICLE 11 ALLOCATE THE RISKS OF PRODUCT AND SERVICE NONCONFORMITY BETWEEN THE PARTIES AS AUTHORIZED BY THE UNIFORM COMMERCIAL CODE AND OF OTHER APPLICABLE LAWS. THE FEES IN THIS AGREEMENT REFLECT, AND ARE SET IN RELIANCE UPON, THIS ALLOCATION OF RISK AND THE EXCLUSION OF CONSEQUENTIAL DAMAGES SET FORTH IN THIS AGREEMENT.

TERMINATION

Termination. If Licensee exceeds the authorized scope of the License granted under this Agreement or violates any obligation under Articles 3 or 8 of this Agreement with respect to any License, Del Taco may, in its sole discretion, immediately terminate this Agreement or the License granted with respect to any or all of the Licensed Restaurants without prior notice. Del Taco may, in its sole discretion, immediately terminate this Agreement or the License granted with respect to any Licensed Restaurant(s): **(i)** without prior notice, if Licensee fails to pay the License Fee or Support Services Fee pertaining to that Licensed Restaurant within 30 days after it is due; **(ii)** without prior notice, if the franchise or license agreement for that Licensed Restaurant is terminated; **(iii)** without prior notice, if the franchise, franchise agreement or Licensed Restaurant is transferred; or **(iv)** if Licensee fails to cure any other breach of this Agreement within 15 days of written notice of the breach.

Discontinuation of Software and Documentation. Del Taco may discontinue publication or distribution of the Software and Documentation for any reason. If Del Taco discontinues publication or distribution of the Software and Documentation, this Agreement shall terminate immediately with respect to all Licenses. In that event, Del Taco will refund or credit a pro rata portion of any License Fees already paid by Licensee, as determined by Del Taco in its sole discretion.

Cessation of Use. Upon termination of this Agreement, Licensee shall cease using the Software and Documentation and promptly return all copies of the Software, Documentation and all other Confidential Information in its possession or control. Licensee shall delete all copies of such materials residing in on-line or off-line computer memory, and destroy all copies of such materials that also incorporate any Confidential Information. Del Taco shall be entitled to enter the Licensed Restaurants to repossess and remove the Software and Documentation, and any other Confidential Information. Licensee shall, within 7 days from the effective date of the termination, certify to Del Taco, in writing by an officer or director, that all copies of the Software and Documentation have been returned, deleted or destroyed. In the event of termination of the Licenses granted by this Agreement for fewer than all Licensed Restaurants, Licensee shall comply with the foregoing with respect to the applicable Licenses and Licensed Restaurants.

Injunctive Relief. Licensee acknowledges and agrees that its failure to comply with the terms of this Agreement, including the failure to fully comply with the post-termination obligations set forth in Section 12.3, is likely to cause irreparable harm to Del Taco not fully compensable by money damages

and therefore Del Taco shall not have an adequate remedy at law. Therefore, Licensee agrees that, in the event of a breach or threatened breach of any of the terms of this Agreement by Licensee, Del Taco shall be entitled to a preliminary and final injunction restraining the breach and/or to specific performance, without the necessity of posting any bond or undertaking in connection therewith. Any equitable remedies sought by Del Taco shall be in addition to, and not in lieu of, all remedies and rights that Del Taco otherwise may have arising under applicable law or by virtue of any breach of this Agreement.

MISCELLANEOUS

Choice of Law. The laws of the State of California shall govern the interpretation and construction of this Agreement, without regard to conflicts of laws principles.

Choice of Forum. Any judicial proceeding relating to this Agreement shall be filed in the state or federal court located in the jurisdiction in which Del Taco's corporate offices are located at the time the proceeding is filed. Licensee waives any right to challenge the existence of personal jurisdiction in that state or federal court and the convenience of the forum.

Limitation on Actions. Any judicial action or proceeding brought with respect to this Agreement must be brought within a period of 18 months from the occurrence of the event that is the basis of the action. The parties waive, to the fullest extent permitted by law, the right to bring, or be a member in, any class action suit and the right to trial by jury.

Entire Agreement. This Agreement and the attachments to this Agreement constitute the entire agreement between Del Taco and Licensee, and supersede any prior understandings, commitments or agreements, oral or written, regarding the Software, Documentation and Support Services.

No Waiver. This Agreement may not be amended or changed, nor may any provision be waived, except in writing signed by the parties. Neither trade usage nor the course of conduct between Del Taco and Licensee or between Del Taco and other licensees of the Software and Documentation shall modify this agreement.

Notices. All notices and other communications under this Agreement shall be in writing and shall be deemed effective when delivered by hand or by facsimile transmission (with receipt acknowledged by the receiving party) or upon receipt when sent by a nationally reputable courier or mailed by registered or certified mail (return receipt requested), postage prepaid, to a party at the address set forth in the preamble to this Agreement (or at such other address for a party as shall be specified in writing by the party from time to time). All notices sent to Del Taco shall be marked "Attention: Legal Department." Any notice sent by facsimile transmission shall be sent to Del Taco at (949) 462-7444 or to Licensee at the number specified in the appendices.

Force Majeure. Except for the obligation to make payments under this Agreement, nonperformance by either party shall be excused to the extent such performance is rendered impossible by strike, fire, flood, governmental acts or orders or restrictions, epidemic, pandemic, public health emergency, act of God, or any other reason where failure to perform is beyond the reasonable control of and is not caused by the negligence of the non-performing party.

Assignment and Binding Effect. Licensee shall not assign this Agreement or any of its rights or obligations under this Agreement to any third party without the prior written consent of Del Taco; provided, however, that the merger or consolidation of Licensee into, or the sale of all or substantially all of the assets of Licensee to, a third party shall not be deemed to be an assignment. Del Taco may freely assign this Agreement or any of its rights or obligations under this Agreement. Subject to the foregoing,

this Agreement shall be binding upon and inure to the benefit of the parties to this Agreement and their permitted successors and assigns.

Attorneys' Fees. If either party files any action or brings any proceeding against the other arising from this Agreement, the prevailing party shall be entitled to recover as an element of its costs of suit, and not as damages, reasonable attorneys' fees to be fixed by the court. The prevailing party shall be the party who is entitled to recover its costs of suit, whether or not suit proceeds to final judgment. A party not entitled to recover its costs shall not recover attorneys' fees. No sum for attorneys' fees shall be included in calculating the amount of a judgment for purposes of deciding whether a party is entitled to its costs or attorneys' fees.

Headings. The section headings are intended for reference only and do not affect the meaning or interpretation of this Agreement.

No Third Party Beneficiary. There are no third party beneficiaries of this Agreement and nothing in this Agreement, express or implied, is intended to or shall confer upon any person other than the parties, and their respective successors and assigns, any rights, remedies, obligations or liabilities.

Counterparts. This Agreement may be executed in multiple counterparts, each of which shall be deemed an original and all of which together shall constitute one instrument.

Survival. Articles 8, 10, 11, 12 and 13 shall survive the termination of this Agreement for any reason.

IN WITNESS WHEREOF, Del Taco and Licensee have caused this Agreement to be executed by their duly authorized representatives as of the date first written above.

Del Taco LLC	**Franchisee**
By: _____	_____
Jack Tang	
Vice President, General Counsel	
Date: _____	Date: _____

APPENDIX A

Appendix to Hardware and Software License and Support Agreement with Del Taco LLC dated _____

Licensee's Facsimile Number: _____

One-time License Fee: None

Software Maintenance and Support Services Fee:

Software Maintenance and Support Services Fee: $40 per week

Support Services Only: $28.50 per week (with Del Taco's written approval)

Licensed Restaurant Information:

Unit Number	Licensed Restaurant Location	DDL Number/ IP Address (To be completed by Licensee)	Designated Contact (To be completed by Licensee)

Covered Equipment:

Point of Sale/Line Buster
UltraBOS Back Office System
Restaurant Systems Network
Kitchen Display Systems

Billable Services Fees:

On-Site Software Troubleshooting/Install: $150/hour billed at 15-minute increments
On-Site PC Install: $150/hour billed at 15-minute increments

Del Taco, LLC

By: _____
Jack Tang
Vice President, General Counsel

Date: _____

Franchisee

By: _____

Date: _____

EXHIBIT H

FRANCHISEE INFORMATION
~~(INCLUDING SUPPLEMENTAL~~

EXHIBIT H

FRANCHISEE INFORMATION~~)~~

Del Taco Franchisees
As of October ~~2~~3, ~~2022~~2023

Entity	Unit Number	Address	City	State	Office Number
Alabama					
~~Entity~~	~~Unit Number~~	~~Address~~	~~City~~		~~Office Number~~
~~Gullatt Michael Clay~~	~~1167~~	~~4418 Hamilton Road~~	~~Columbus~~		~~(706) 507-4200~~
~~Gullatt~~ Michael Clay Gullatt	1284	1212 East 280 Bypass	Phenix City	AL	(706) 507-4200
Arizona					
~~Entity~~	~~Unit Number~~	~~Address~~	~~City~~		~~Office Number~~
Desert Taco, LLC	704	13367 West Grand Avenue	Surprise	AZ	(602) 708-3040
Desert Taco III, LLC	715	4705 North US Highway 89	Flagstaff	AZ	(602) 708-3040
Desert Taco III, LLC	719	7091 East Pav Way	Prescott Valley	AZ	(602) 708-3040
Desert Taco, LLC	723	1483 North Dysart Road	Avondale	AZ	(602) 708-3040
Desert Taco, LLC	737	9672 West Camelback Road	Glendale	AZ	(602) 708-3040
Desert Taco, LLC	746	16649 North Tatum Blvd	Phoenix	AZ	(602) 708-3040
Desert Taco East, LLC	765	1900 West Ray Road	Chandler	AZ	(602) 708-3040
Desert Taco, LLC	796	1901 West Northern Avenue	Phoenix	AZ	(602) 708-3040
Desert Taco East, LLC	806	1864 South Country Club Drive	Mesa	AZ	(602) 708-3040
Desert Taco III, LLC	811	1845 Highway 95	Bullhead City	AZ	(602) 708-3040
Aparicio Enterprises, L.L.C.	825	9171 West Peoria Avenue	Peoria	AZ	(623) 748-4721
Desert Taco ~~III~~East, LLC	837	10 London Bridge Road #102	Lake Havasu City	AZ	(602) 708-3040
Desert Taco East, LLC	838	900 S. Val Vista Drive	Gilbert	AZ	(602) 708-3040
Desert Taco III, LLC	845	3390 North Stockton Hill Road	Kingman	AZ	(602) 708-3040
Desert Taco	851	4926 East	Phoenix	AZ	(602) 708-3040

Entity	Unit Number	Address	City	State	Office Number
East, LLC		Chandler Blvd			
Hamid R. Mehrvar~~, HR~~	859	840 East Broadway Blvd	Tucson	AZ	(714) 768-4763
Desert Taco East, LLC	861	3648 East Southern Avenue	Mesa	AZ	(602) 708-3040
Desert Taco, LLC	870	1628 North 44th Street	Phoenix	AZ	(602) 708-3040
Aparicio Enterprises, L.L.C.	890	19880 North 59th Avenue	Glendale	AZ	(623) 748-4721
Desert Taco III, LLC	953	2201 South Milton Road	Flagstaff	AZ	(602) 708-3040
RJ Food, Inc.	1015	2645 North Power Road	Mesa	AZ	(480) 987-2297
~~Deset~~Desert Taco East, LLC ~~(Veach)~~	1038	1842 Signal Butte	Mesa	AZ	(602) 708-3040
Desert Taco, LLC	1039	7665 W. Lower Buckeye Road	Phoenix	AZ	(602) 708-3040
Desert Taco III, LLC	1103	4115 W. Anthem Way	Anthem	AZ	(602) 708-3040
Desert Taco IV, LLC	1124	4252 S 48th St	Phoenix	AZ	(602) 708-3040
Desert Taco IV, LLC	1125	305 E Thomas Rd	Phoenix	AZ	(602) 708-3040
Desert Taco IV, LLC	1126	1850 W Union Hills Dr	Phoenix	AZ	(602) 708-3040
Desert Taco IV, LLC	1127	15229 N 35th Ave	Phoenix	AZ	(602) 708-3040
Desert Taco IV, LLC	1128	1035 S. Arizona Avenue	Chandler	AZ	(602) 708-3040
Desert Taco IV, LLC	1129	2510 E Germann Road	Chandler	AZ	(602) 708-3040
Diamondback DTAZ, LLC	1244	1901 Pebble Creek Parkway	Goodyear	AZ	(602) 432-7070
Desert Taco East, LLC	1249	5156 East Baseline Road	Gilbert	AZ	(602) 708-3040
Desert Taco East, LLC	1268	20485 E Rittenhouse Rd	Queen Creek	AZ	(602) 708-3040
Diamondback DTAZ, LLC	1296	2205 West Deer Valley Road	Phoenix	AZ	(602) 432-7070
Desert Taco V ~~LLC~~	1338	1830 E. 16th Str.	Yuma	AZ	(602) 708-3040
Desert Taco V ~~LLC~~	1340	2451 South Avenue B	Yuma	AZ	(602) 708-3040
Desert Taco V LLC	1341	8069 E 32nd Street	Yuma	AZ	(602) 708-3040

Entity	Unit Number	Address	City	State	Office Number
Desert Taco East, LLC	1347	1313 So. Power Rd.	Mesa	AZ	(602) 708-3040
Diamondback DTAZ, LLC	1352	1331 N. Scottsdale Rd.	Tempe	AZ	(602) 432-7070

California

~~Entity~~	~~Unit Number~~	~~Address~~	~~City~~	~~Office Number~~
Bold Family Restaurant Group, Inc.	4	103 East Third Street	Corona	CA	(714) 308-0873
~~Carolyn Villars~~J.C. V. Tacos, Inc.	5	15070 Seventh Street	Victorville	CA	(760) 946-1725
~~Jerry Walker~~One Eleven	7	81566 Highway 111	Indio	CA	(760) 772-7984
S & G Foods Incorporated	9	2320 East Fourth Street	Santa Ana	CA	(714) 342-6740
~~CJR Restaurants, Inc.~~Finley-Vanderwheel	10	12800 Beach Blvd	Stanton	CA	(714) 308-0873
Edward E. Hackbarth, Sr.	13	401 North First Avenue	Barstow	CA	(951) ~~316-6872~~734-1142
Takvor ~~&~~ ~~Amy~~G. Bedrossian	16	421 West Palmdale Blvd	Palmdale	CA	(818) 822-8110
Bold Family Restaurant Group, Inc.	20	520 Diamond Bar Blvd	Diamond Bar	CA	(714) 308-0873
~~Altogether, LLC~~Finley-Vanderwheel	23	5856 Warner Avenue	Huntington Beach	CA	(714) 308-0873
Galaxy Investments, Ltd.	25	1155 Baker Street	Costa Mesa	CA	~~(949) 584-8446~~(714) 639-9207
~~Mo Bro Enterprises, Inc.~~DT38, LLC	38	9719 Carmenita Road	Whittier	CA	(818) 482-0930
R & H Taylor, Inc.	40	26270 North Bouquet Canyon Road	Saugus	CA	(661) 857-2838
La Veta Fund, Ltd.	45	1301 East Katella Avenue	Orange	CA	(714) 744-8983
Galaxy Investments,	59	1141 North Magnolia Avenue	Anaheim	CA	~~(949) 584-8446~~(714)

Entity	Unit Number	Address	City	State	Office Number
Ltd.					639-9207
~~Mo Bro Enterprises, Inc.~~DT65, LLC	65	2021 Glenoaks Blvd	San Fernando	CA	(818) 482-0930
Galaxy Investments, Ltd.	69	20921 Magnolia Street	Huntington Beach	CA	~~(949) 584-8446~~(714) 639-9207
Galaxy Investments, Ltd.	72	2841 West Warner Avenue	Santa Ana	CA	~~(949) 584-8446~~(714) 639-9207
Galaxy Investments, Ltd.	76	25542 Marguerite Parkway	Mission Viejo	CA	~~(949) 584-8446~~(714) 639-9207
Galaxy Investments, Ltd.	78	955 North Harbor Blvd	Anaheim	CA	~~(949) 584-8446~~(714) 639-9207
~~Weikett~~Wicket t & Sons, LP and Vanderweel	81	1941 North Placentia Avenue	Fullerton	CA	(714) 308-0873
~~Martin L. Testa~~SM Taco Management LLC	89	1565 South Broadway	Santa Maria	CA	~~(805) 739-0809~~(415) 515-5835
~~Raffi Momjian and Jack Chorlian~~J & R Holdings Group, Inc.	93	6275 Foothill Blvd	Tujunga	CA	(818) 482-0930
Galaxy Investments, Ltd.	101	4780 Irvine Blvd	Irvine	CA	~~(949) 584-8446~~(714) 639-9207
Galaxy Investments, Ltd.	103	3501 South Street	Long Beach	CA	~~(949) 584-8446~~(714) 639-9207
~~Edward Hackbarth~~Soc al Food Group, LP	109	9822 Magnolia Avenue	Santee	CA	~~(951) 316-6872~~(949) 701-4960
~~Hoss Kaveh/Ali~~Soc al Food Group, LP	132	2552 Hamner Avenue	Norco	CA	~~(310) 259-4883~~(949) 701-4960
Galaxy Investments, Ltd.	136	22401 El Toro Road	Lake Forest	CA	~~(949) 584-8446~~(714) 639-9207
~~Ernie~~Ernesto Abarro	139	120 South Lovekin Blvd	Blythe	CA	(949) 500-5889

Entity	Unit Number	Address	City	State	Office Number
La Veta Fund, Ltd.	142	2330 South Harbor Blvd	Anaheim	CA	(714) 744-8983
Mike and Jeff Hansberger	144	57736 Twenty-Nine Palms Highway	Yucca Valley	CA	(909) 793-2428
~~S & G Foods Incorporated~~Hadi Sahmoedini	154	9436 Warner Avenue	Fountain Valley	CA	(714) 342-6740
Carolyn Villars	175	15470 Palmdale Road	Victorville	CA	(760) 946-1725
~~(~~DT-CAL, LLC~~) Mark Catania~~	177	2990 Cochran Street	Simi Valley	CA	(310) 435-0800
~~Mike~~Massoud Kamali and Shirin Kamali	182	110 West El Norte Parkway	Escondido	CA	(714) 803-0885
Chaudhry Investments, Inc.	193	7247 Archibald Avenue	Rancho Cucamonga	CA	(909) 987-7628
Edward ~~E.~~ Hackbarth, Sr~~.~~	201	2871 Lenwood Road	Barstow	CA	(951) ~~316-6872~~734-1142
~~Mehrvar, H.R.~~ MKZ LTD.	229	4740 La Sierra Avenue	Riverside	CA	(714) 768-4763
~~Kamali,~~ Mike and Shirin Kamali	233	3896 Clairemont Drive	San Diego	CA	(714) 803-0885
Jerry and Gloria Walker	234	67794 East Palm Canyon Drive	Cathedral City	CA	(760) 772-7984
Edward ~~E.~~ Hackbarth, Sr.	236	1310 Mountain View Street	Barstow	CA	(951) ~~316-6872~~734-1142
~~Edward E. Hackbarth, Jr.~~Radarb, Inc.	237	17080 Van Buren	Riverside	CA	(951) ~~316-6872~~780-2027
Galaxy Investments, Ltd.	246	22349 El Toro Road	El Toro	CA	~~(949) 584-8446~~(714) 639-9207
Sean ~~&~~and Sandy Boissiere	248	310 North Mckinley Street	Corona	CA	(951) 314-1414
Mike Hansberger and Jeff Hansberger	321	56748 Twenty-Nine Palms Highway	Yucca Valley	CA	(909) 793-2428
Mike Hansberger~~, Mike,~~ and Jeff ~~and Leroy~~Hansberger	718	11344 Telegraph Road	Santa Fe Springs	CA	(909) 793-2428

Entity	Unit Number	Address	City	State	Office Number
~~Saeedi, Abbas and Janyaa~~All ofUS Tacos, Inc.	720	1194 East Yosemite Avenue	Manteca	CA	(510) 713-0829
~~Syed~~ Kaleem and Humera Syed	734	4393 East. Main Street	Ventura	CA	(805) 390-2615
~~Sherri Mehrvar~~AMB Foods, LLC	735	435 East 4th Street	Beaumont	CA	(949) 305-7929
Apraham Atteukenian Takvor ~~& Amy~~ Bedrossian	757	2060 South La Cienega Blvd	Los Angeles	CA	(818) 822-8110
Skybl Corporation, a California corporation	764	5348 West Cypress Avenue	Visalia	CA	(760) 245-2373
Nachhattar ~~&~~S. Chandi Susana E. Chandi	767	90480 66th Avenue	Mecca	CA	(760) 396-9260
M. B. Fast Foods~~,~~ Inc.	771	5385 North Blackstone Avenue	Fresno	CA	(909) 708-1070
Nor-Cal Foods, Inc.	772	1798 West Olive Avenue	Merced	CA	(209) 521-9201
~~Tolia Akshay and Tolia Suchita~~Subito LLC	775	3510 West Century Blvd	Inglewood	CA	(818) 914-1864
Jerry Walker	782	85494 Vista Del Norte	Coachella	CA	(760) 772-7984
Pacific Coast Restaurant Group, LLC	792	200 Antelope Blvd	Red Bluff	CA	(714) 600-8687
DT-CAL, LLC	797	10020 Cherry Avenue	Fontana	CA	~~(310) 435-0800~~(818) 512-8888
~~Jerry Walker~~W.T.W. Investments, a Partnership	813	74617 Highway 111	Palm Desert	CA	(760) 772-7984
Pacific Coast Restaurant Group, LLC	827	2602 Hilltop Drive	Redding	CA	(714) 600-8687
~~Martin L. Testa~~SM Taco Management LLC	833	1816 North Broadway	Santa Maria	CA	~~(805) 739-0809~~(415) 515-5835

Entity	Unit Number	Address	City	State	Office Number
Nor-Cal Foods, Inc.	842	817 East Hammer Lane	Stockton	CA	(209) 521-9201
Mike Hansberger~~, Mike,~~ and Jeff ~~and Leroy~~Hansberger	857	8028 Firestone Blvd	Downey	CA	(909) 793-2428
~~Hadi~~ Batla Enterprises Two, Inc.	862	1816 West Imperial Highway	Los Angeles	CA	(760) 741-3504
Batla Enterprises, Inc.	875	1605 East Valley Parkway	Escondido	CA	(760) 741-3504
~~Jerry Walker~~W.W.T. Investments	881	78468 Highway 111	La Quinta	CA	(760) 772-7984
Old Road, Inc.	883	28082 The Old Road	Valencia	CA	(661) 857-2838
~~Duah Rajni and Munish~~Kamdhenu LLC	886	4490 Delta Gateway Boulevard	Pittsburg	CA	(562) 810-3486
~~Stephen, Andy~~Andres Borruel, Steven P. Borruel and Timothy W. Borruel	905	72197 Baker Blvd	Baker	CA	(760) 220-9647
~~Saeedi, Abbas and Janyaa~~All of Us Tacos, Inc.	939	2400 Mitchell Road	Ceres	CA	(510) 713-0829
~~Saeedi, Abbas and Janyaa~~All of Us Tacos, Inc.	940	1601 Standiford	Modesto	CA	(510) 713-0829
~~Saeedi, Abbas and Janyaa~~All of Us Tacos, Inc.	946	4300 Salida Blvd	Salida	CA	(510) 713-0829
Jerry Walker	961	69070 Ramon Road	Cathedral City	CA	(760) 772-7984
Skybl Corporation	963	1415 Hillman Street	Tulare	CA	(760) 245-2373
~~Mann Aman and group~~The Franchise Group	972	29025 West Plaza Park Drive	Santa Nella	CA	(510) 673-4012
Nor-Cal Foods, Inc.	989	2101 Sylvan Avenue	Modesto	CA	(209) 521-9201
~~Quick Bites~~Quickbites, Inc.	1003	401 East Alessandro Blvd	Riverside	CA	(909) 394-4728

Entity	Unit Number	Address	City	State	Office Number
~~Akshay and Suchita Tolia~~Subito Group	1014	13204 Imperial Highway	Santa Fe Springs	CA	(818) 914-1864
Quick Bites, Inc.	1016	23573 Sunnymead Ranch	Moreno Valley	CA	(909) 394-4728
Dan Villars ~~Dan & Carolyn~~	1044	2000 N. Riverside Ave.	Rialto	CA	(760) 946-1725
Bay Valley Foods, Inc.	1048	201 Pittman Road	Fairfield	CA	(510) 409-9373
~~Quick Bites~~Quickbites, Inc.	1049	645 Tucker Road	Tehachapi	CA	(909) 394-4728
DT-CAL, LLC	1059	1098 Enchated Way	Simi Valley	CA	(310) 435-0800
~~Hoss Kaveh/Ali~~Socal Food Group, LP	1065	9150 Flair Drive	El Monte	CA	~~(310) 259-4883~~(949) 701-4960
~~Polosajian,~~ Koko Polosaijan Hratchia K. (aka "Roger") Kardakjian	1068	4850 E Motor Lane	Ontario	CA	(909) 605-0465
~~Pacific Coast Restaurant Group, LLC~~PRCG Inc.	1070	1078 Harter Road	Yuba City	CA	(714) 600-8687
~~Kamali,~~ Mike and Shirin Kamali	1075	35145 Merle Haggard Drive	Bakersfield	CA	(714) 803-0885
Jeff Hansberger~~,~~ Mike~~, Jeff and Leroy~~ Hansberger	1079	27923 Green Spot Road	Highland	CA	(909) 793-2428
~~Quick Bites~~Quickbites, Inc.	1080	1641 S. Alameda St	Compton	CA	(909) 394-4728
~~Kamali,~~ Mike and Shirin Kamali	1084	5211 Gosford Road	Bakersfield	CA	(714) 803-0885
~~Syed Kaleem~~Santa Paula DT, Inc.	1090	55 Hallock Drive	Santa Paula	CA	(661) 857-2838
~~Ahmadi~~ Mohammad Ahmadi and	1091	151 Peabody Road	Vacaville	CA	(916) 753-2154

Entity	Unit Number	Address	City	State	Office Number
~~Aman~~ Melad Aman					
Nachhattar ~~&~~S. Chandi Susana E. Chandi	1094	52119 Harrison Street	Coachella	CA	(760) 396-9260
Altogether, LLC	1106	6126 E. Washington Boulevard	Commerce	CA	(714) 308-0873
Brawley Petro QSR, Inc.	1111	1120 S Brawley Ave	Brawley	CA	(559) 631-7268
DT-CAL, LLC	1134	5197 E. Los Angeles Avenue	Simi Valley	CA	(310) 435-0800
~~Quick Bites~~Quickbites, Inc.	1166	2401 S. Azusa	West Covina	CA	(909) 394-4728
~~Duah Rajni and Munish~~Kamdhenu2 LLC	1186	785 N. Newcomb Street	Porterville	CA	(562) 810-3486
~~Duah Rajni and Munish~~Kamdhenu2 LLC	1192	1415 Herndon Ave	Clovis	CA	(562) 810-3486
Socal Food Group, LP	1211	2804 Main Street	San Diego	CA	(949) 701-4960
Socal Food Group, LP	1212	7060 Broadway	Lemo Grove	CA	(949) 701-4960
~~Duah Rajni and Munish~~Kamdhenu2 LLC	1213	2918 N. Dinuba Blvd.	Visalia	CA	(562) 810-3486
PCRG 2, Inc.	1215	1957 East 20th St.	Chico	CA	(714) 600-8687
~~Quick Bites~~QuickBites, Inc.	1222	880 N. Wilcox Ave	Montebello	CA	(909) 394-4728
CJR Restaurants, Inc.	1225	2260 Frontage Road	Corona	CA	(714) 308-0873
Mohammad Adeel Khan	1245	2911 North Chester Avenue	Bakersfield	CA	(661) 993-1976
~~Vista Fast~~Socal Food Group, ~~Inc.~~LP	1252	1650 South Melrose Drive	Vista	CA	(949) 701-4960
~~Taylor~~ Travis Taylor, Laura Taylor, Michael Gamel, and Linda Gamel	1270	24909 W. Pico Canyon Road	Stevenson Rach	CA	(661) 857-2838
DT- CAL, LLC	1271	21920 Lassen St	Chatsworth	CA	~~(310)~~

Entity	Unit Number	Address	City	State	Office Number
					~~435-0800~~(818) 512-8888
DT- CAL, LLC	1272	19309 Roscoe Blvd.	Northridge	CA	~~(310)~~ ~~435-0800~~(818) 512-8888
DT- CAL, LLC	1273	13701 Roscoe Blvd	Panorama City	CA	~~(310)~~ ~~435-0800~~(818) 512-8888
~~Baghdadi Mohammed~~AMB Foods, LLC	1274	12690 Ramona Blvd.	Baldwin Park	CA	(949) 305-7929
DT-CAL, LLC	1275	6550 San Fernando Rd	Glendale	CA	~~(310)~~ ~~435-0800~~(818) 512-8888
DT-CAL, LLC	1276	4903 N. Eagle Rock Blvd.	Los Angeles	CA	~~(310)~~ ~~435-0800~~(818) 512-8888
~~Zara's Investment~~AMB Foods, LLC	1277	106 S Azusa Ave	Azusa (C- Store)	CA	(949) 305-7929
~~Zara's Investment~~AMB Foods, LLC	1278	2071 Rancho Valley Drive #100	Pomona	CA	(949) 305-7929
~~Zara's Investment~~AMB Foods, LLC	1279	24941 Elder Ave	Moreno Valley	CA	(949) 305-7929
~~Zara's Investment~~AMB Foods, LLC	1280	3702 Highland Ave	Highland	CA	(949) 305-7929
~~Hoss Kaveh/Ali~~Socal Food Group, LP	1281	16216 Crenshaw Blvd	Gardena	CA	~~(310)~~ ~~259-4883~~(949) 701-4960
~~Hoss Kaveh/Ali~~Socal Food Group, LP	1282	1595 Sepulveda Blvd.	Torrance	CA	~~(310)~~ ~~259-4883~~(949) 701-4960
Socal Food Group, LP	1304	2269 S El Camino Real	Oceanside	CA	(949) 701-4960
Socal Food Group, LP	1305	1037 E Bobier Dr	Vista	CA	(949) 701-4960
Socal Food Group, LP	1306	1270 W Valley Pkwy	Escondido	CA	(949) 701-4960
Socal Food Group, LP	1307	1155 B Street	San Diego	CA	(949) 701-4960
Socal Food Group, LP	1308	1601 Carmelo Dr	Oceanside	CA	(949) 701-4960
Socal Food	1309	1970 College Blvd	Oceanside	CA	(949) 701-4960

Entity	Unit Number	Address	City	State	Office Number
Group, LP					
Socal Food Group, LP	1310	3106 Sports Arena Blvd.	San Diego	CA	(949) 701-4960
Socal Food Group, LP	1311	7919 Mission Center Road	San Diego	CA	(949) 701-4960
Socal Food Group, LP	1312	141 Broadway Suite A	El Cajon	CA	(949) 701-4960
Socal Food Group, LP	1313	736 S. Rancho Santa Fe	San Marcos	CA	(949) 701-4960
Desert Taco VI LLC	1337	1540 Ocotillo Dr.	El Centro	CA	(602) 708-3040
Desert Taco VI LLC	1339	2039 North Imperial Avenue	El Centro	CA	(602) 708-3040
~~Taylor Travis, Laura, Michael and Linda Gamel~~WGAS TACOS	1348	19375 Plum Canyon Rd.	Santa Clarita	CA	(661) 857-2838
Nachhattar ~~&~~S. Chandi Susana E. Chandi	1353	42280 Jefferson St.	Indio	CA	(760) 396-9260
Nachhattar S. Chandi Susana E. Chandi	1362	10951 Cedar Ave. Building #3	Bloomington	CA	(760) 396-9260
DMSD Del Enterprise, LLC	1369	30607 Hwy 79 South	Temecula	CA	(951) 816-0189
DMSD Del Enterprise, LLC	1370	27453 Ynez Rd	Temecula	CA	(951) 816-0189
DMSD Del Enterprise, LLC	1371	27445 Jefferson Ave.	Temecula	CA	(951) 816-0189
DMSD Del Enterprise, LLC	1372	40375 Winchester Rd.	Temecula	CA	(951) 816-0189
DMSD Del Enterprise, LLC	1373	30640 Benton Road	Winchester	CA	(951) 816-0189
DMSD Del Enterprise, LLC	1374	27596 Clinton Keith Rd.	Murrieta	CA	(951) 816-0189
DMSD Del Enterprise, LLC	1375	28055 Scott Road	Murrieta	CA	(951) 816-0189
DMSD Del Enterprise, LLC	1376	29187 Newport Rd.	Menifee	CA	(951) 816-0189
DMSD Del Enterprise, LLC	1377	25900 Newport Road	Menifee	CA	(951) 816-0189
DMSD Del Enterprise, LLC	1378	3150 Case Road Bldg E	Perris	CA	(951) 816-0189
DMSD Del Enterprise, LLC	1379	421 E 4th Street	Perris	CA	(951) 816-0189

Entity	Unit Number	Address	City	State	Office Number
DMSD Del Enterprise, LLC	1380	1688 N. Perri Blvd Unit A	Perris	CA	(951) 816-0189
DMSD Del Enterprise, LLC	1381	36164 Hidden Springs Road	Wildomar	CA	(951) 816-0189
DMSD Del Enterprise, LLC	1382	31904 Mission Tr.	Lake Elsinore	CA	(951) 816-0189
DMSD Del Enterprise, LLC	1383	29245 Central Ave.	Lake Elsinore	CA	(951) 816-0189
DMSD Del Enterprise, LLC	1384	16810 Lakeshore Drive	Lake Elsinore	CA	(951) 816-0189
Lyons Ave. DT, Inc.	1468	23650 Lyons Avenue	Newhall	CA	(661) 857-2838
Via Princessa DT, Inc.	1469	18802 Via Princessa	Santa Clarita	CA	(661) 857-2838
Valley Taco Management LLC	1470	7545 Balboa Blvd	Van Nuys	CA	(818) 512-8888
LA Taco Management LLC	1471	2101 W. Glenoaks Blvd.	Glendale	CA	(805) 551-7800
LA Taco Management LLC	1472	20135 Hawthorne Blvd	Torrance	CA	(805) 551-7800
LA Taco Management LLC	1473	15353 Chatsworth St	Mission Hills	CA	(805) 551-7800
Valley Taco Management LLC	1474	19644 Vanowen St	Reseda	CA	(818) 512-8888
LA Taco Management LLC	1475	18604 S Western Ave	Gardena	CA	(805) 551-7800
LA Taco Management LLC	1476	8941 Corbin Ave	Northridge	CA	(805) 551-7800
Valley Taco Management LLC	1477	591 N Ventu Park Rd	Newbury Park	CA	(818) 512-8888
Valley Taco Management LLC	1478	6821 Balboa Blvd	Van Nuys	CA	(818) 512-8888
Valley Taco Management LLC	1479	7121 Carlson Cir	Canoga Park	CA	(818) 512-8888
Valley Taco Management LLC	1480	11446 Jefferson Blvd	Culver City	CA	(818) 512-8888
Valley Taco	1481	3705 Robertson	Culver City	CA	(818) 512-8888

Entity	Unit Number	Address	City	State	Office Number
Management LLC		Blvd			
Valley Taco Management LLC	1482	17504 Avalon Blvd	Carson	CA	(818) 512-8888
LA Taco Management LLC	1483	6718 Laurel Canyon Blvd	North Hollywood	CA	(805) 551-7800
LA Taco Management LLC	1484	848 New Los Angeles Ave	Moorpark	CA	(805) 551-7800
LA Taco Management LLC	1485	1933 E 223rd St	Carson	CA	(805) 551-7800
LA Taco Management LLC	1486	18070 Chatsworth St	Granada Hills	CA	(805) 551-7800
Valley Taco Management LLC	1487	3540 South La Brea Ave	Baldwin Hills	CA	(818) 512-8888
Valley Taco Management LLC	1488	15330 Nordhoff Street	North Hills	CA	(818) 512-8888
LA Taco Management LLC	1489	2515 N Hollywood Way	Burbank	CA	(805) 551-7800
TriWest Foods Inc	1490	601 S Ventura Rd	Oxnard	CA	(818) 914-1614
TriWest Foods Inc	1491	2000 N Rose Ave	Oxnard	CA	(818) 914-1614
TriWest Foods Inc	1492	121 Ventura Blvd	Camarillo	CA	(818) 914-1614
SOCAL FOOD GROUP, LP	1493	2112 S.E. Bristol St	Newport Beach	CA	(949) 701-4960
SOCAL FOOD GROUP, LP	1494	2900 S. Main St.	Santa Ana	CA	(949) 701-4960
SOCAL FOOD GROUP, LP	1495	1624 W Redlands Blvd	Redlands	CA	(949) 701-4960
SOCAL FOOD GROUP, LP	1496	4820 Barranca Pkwy	Irvine	CA	(949) 701-4960
SOCAL FOOD GROUP, LP	1497	3329 S Harbor Blvd	Santa Ana	CA	(949) 701-4960
SOCAL FOOD GROUP, LP	1498	34860 Yucaipa Blvd	Yucaipa	CA	(949) 701-4960
SOCAL FOOD GROUP, LP	1499	21401 Brookhurst St	Huntington Beach	CA	(949) 701-4960
SOCAL FOOD	1500	17295 Brookhurst	Fountain Valley	CA	(949) 701-4960

Entity	Unit Number	Address	City	State	Office Number
GROUP, LP		St			
SOCAL FOOD GROUP, LP	1501	33299 Yucaipa Blvd	Yucaipa	CA	(949) 701-4960
SOCAL FOOD GROUP, LP	1502	33940 County Line Rd	Calimesa	CA	(949) 701-4960
SOCAL FOOD GROUP, LP	1503	17501 Beach Blvd	Huntington Beach	CA	(949) 701-4960
SOCAL FOOD GROUP, LP	1504	7175 W Yorktown Ave	Huntington Beach	CA	(949) 701-4960
SOCAL FOOD GROUP, LP	1505	31780 Del Obispo	San Juan Capistrano	CA	(949) 701-4960
SOCAL FOOD GROUP, LP	1506	109 Via Pico Plaza	San Clemente	CA	(949) 701-4960
SOCAL FOOD GROUP, LP	1507	23781 El Toro Rd.	Lake Forest	CA	(949) 701-4960
Munch and Crunch, LLC	1512	2900 Westminster Ave.	Seal Beach	CA	(949) 689-2450
Munch and Crunch, LLC	1513	2761 N. Grand Ave.	Santa Ana	CA	(949) 689-2450
Munch and Crunch, LLC	1514	459 S. Citrus Ave.	Covina	CA	(949) 689-2450
Munch and Crunch, LLC	1515	7001 Katella Ave.	Stanton	CA	(949) 689-2450
Munch and Crunch, LLC	1516	6014 Orangethorpe Ave.	Buena Park	CA	(949) 689-2450
Munch and Crunch, LLC	1517	1290 N. Euclid St.	Anaheim	CA	(949) 689-2450
Munch and Crunch, LLC	1518	1851 E. Orangethorpe Ave.	Placentia	CA	(949) 689-2450
Munch and Crunch, LLC	1519	13731 Goldenwest St.	Westminster	CA	(949) 689-2450
Munch and Crunch, LLC	1520	5981 Orange Ave.	Cypress	CA	(949) 689-2450
Munch and Crunch, LLC	1521	19701 Esperanza Rd.	Yorba Linda	CA	(949) 689-2450
Munch and Crunch, LLC	1522	2801 E. Lincoln Ave.	Anaheim	CA	(949) 689-2450
Munch and Crunch, LLC	1523	1020 Rosecrans Ave.	Fullerton	CA	(949) 689-2450
Munch and Crunch, LLC	1524	11070 Garden Grove Blvd.	Garden Grove	CA	(949) 689-2450
Munch and Crunch, LLC	1525	2112 S. State College Blvd.	Anaheim	CA	(949) 689-2450
Munch and Crunch, LLC	1526	1155 E. Orangethorpe Ave.	Anaheim	CA	(949) 689-2450
Munch and Crunch, LLC	1527	1495 N Garey Ave.	Pomona	CA	(949) 689-2450

Entity	Unit Number	Address	City	State	Office Number
Munch and Crunch, LLC	1528	3181 W. Lincoln Ave.	Anaheim	CA	(949) 689-2450
Munch and Crunch, LLC	1529	1171 E. Imperial Hwy.	Placentia	CA	(949) 689-2450
Munch and Crunch, LLC	1530	15456 Goldenwest St.	Westminster	CA	(949) 689-2450
Munch and Crunch, LLC	1531	440 S. Vincent Ave.	West Covina	CA	(949) 689-2450

~~Colorado~~

~~Entity~~	~~Unit Number~~	~~Address~~	~~City~~	~~Office Number~~
Colorado ~~Del, LLC~~	~~738~~	~~7506 Parkway Drive~~	~~Lonetree~~	~~(602) 708-3040~~

~~Colorado Del~~Newport Ventures, LLC	~~748~~738	~~1645 Space Center~~7506 Parkway Drive	~~Colorado Springs~~Lonetree	CO	~~(602) 708-3040~~(949) 500-5889
~~Colorado Del~~Newport Ventures, LLC	~~778~~748	1645 Space Center Drive	Colorado Springs	CO	~~24023 East Prospect AvenueAurora~~ ~~(602) 708-3040~~ (949) 500-5889
~~Colorado Del~~Newport Ventures, LLC	~~787~~778	~~50 West Belleview~~24023 East Prospect Avenue	~~Englewood~~Aurora	CO	~~(602) 708-3040~~(949) 500-5889
~~Colorado Del~~Newport Ventures, LLC	~~793~~787	~~5240 South Wadsworth Blvd~~50 West Belleview Avenue	~~Lakewood~~Englewood	CO	~~(602) 708-3040~~(949) 500-5889
~~Colorado Del II~~Newport Ventures, LLC	~~863~~793	~~570 East Bromley Lane~~5240 South Wadsworth Blvd	~~Brighton~~Lakewood	CO	~~(602) 708-3040~~(949) 500-5889
~~Colorado Del II~~Newport Ventures, LLC	~~864~~863	~~14400~~570 East ~~Colfax~~Bromley ~~Avenue~~Lane	~~Aurora~~Brighton	CO	~~(602) 708-3040~~(949) 500-5889
~~Colorado Del II~~Newport Ventures, LLC	~~1001~~864	~~11053 I-25 Frontage Road~~14400 East Colfax Avenue	~~Firestone~~Aurora	CO	~~(602) 708-3040~~(949) 500-5889
~~Colorado Del II~~Newport Ventures, LLC	~~1002~~1001	~~3465 North Salida Street~~11053 I-25 Frontage Road	~~Aurora~~Firestone	CO	~~(602) 708-3040~~(949) 500-5889
~~Colorado Del II~~Newport Ventures, LLC	~~1025~~1002	~~8100 East 49th Ave Pkwy~~3465 North Salida Street	~~Denver~~Aurora	CO	~~(602) 708-3040~~(949) 500-5889
~~Colorado Del II~~Newport Ventures, LLC	~~1034~~1025	~~2913 23rd~~8100 East 49th Ave~~.~~ Pkwy	~~Greeley~~Denver	CO	~~(602) 708-3040~~(949) 500-5889

Entity	Unit Number	Address	City	State	Office Number
~~Colorado Del~~Newport Ventures, LLC	~~1043~~1034	~~11155 East Arapahoe Place~~2913 23rd Ave.	~~Centennial~~Greeley	CO	~~(602) 708-3040~~(949) 500-5889
~~Colorado Del H~~Newport Ventures, LLC	~~1047~~1043	~~18260~~11155 East ~~104th~~Arapahoe ~~Ave.~~Place	~~Commerce City~~Centennial	CO	~~(602) 708-3040~~(949) 500-5889
~~Colorado Del~~Newport Ventures, LLC	~~1073~~1047	~~4310 N. Academy Blvd.~~18260 East 104th Ave.	~~Colorado Springs~~Commerce City	CO	~~(602) 708-3040~~(949) 500-5889
~~Colorado Del~~Newport Ventures, LLC	~~1086~~1073	4310 N. Academy Blvd.	Colorado Springs	CO	~~11147 Pikes Peak DriveParker~~	~~(602) 708-3040~~ (949) 500-5889
~~Colorado Del~~Newport Ventures, LLC	~~1109~~1086	~~43 Union Boulevard~~11147 Pikes Peak Drive	~~Lakewood~~Parker	CO	~~(602) 708-3040~~(949) 500-5889
~~Colorado Del~~Newport Ventures, LLC	~~1117~~1109	~~8020 N. Academy Blvd~~43 Union Boulevard	~~Colorado Springs~~Lakewood	CO	~~(602) 708-3040~~(949) 500-5889
~~3 Brothers Restaurants~~Newport Ventures, LLC	~~1149~~1117	~~2513 South US 50~~8020 N. Academy Blvd	~~Grand Junction~~Colorado Springs	CO	~~(503) 241-9555~~(949) 500-5889
3 Brothers Restaurants, LLC	~~1162~~1149	~~2878 North Avenue~~2513 South US 50	Grand Junction	CO	(503) 241-9555
~~Colorado Del H~~3 Brothers Restaurants, LLC	~~1237~~1162	~~6383 Promenade Parkway~~2878 North Avenue	~~Castle Rock~~Grand Junction	CO	~~(602) 708-3040~~(503) 241-9555
~~Florida~~Newport Ventures, LLC	1237	6383 Promenade Parkway	Castle Rock	CO	(949) 500-5889
~~Entity~~	~~Unit Number~~	~~Address~~	~~City~~		~~Office Number~~
~~Mike Hansberger and Jeff Hansberger~~**Florida**	~~1089~~	~~12025 Collegiate Way~~	~~Orlando~~		~~(909) 793-2428~~
Jeff Hansberger Mike Hansberger~~ and Jeff Hansberger~~	~~1102~~1089	~~6855 Grand National Drive~~12025 Collegiate Way	Orlando	FL	(909) 793-2428
~~Bassi Navdeep, Singh and~~	~~1355~~1102	~~2936 Sarno Road~~6855 Grand	~~Melbroune~~Orlando	FL	~~(714) 875-7793~~(909)

Entity	Unit Number	Address	City	State	Office Number
groupJeff Hansberger Mike Hansberger		National Drive			793-2428
Timothy Cloe4SG Development LLC	13631355	5610 Manatee Ave.2936 Sarno Road	BradentonMelbroune	FL	(941) 953-1808(714) 875-7793
Timothy Cloe	1363	5610 Manatee Ave.	Bradenton	FL	(941) 953-1808
Timothy Cloe	1385	5415 14th St. W	Bradenton	FL	(941) 953-1808
GeorgiaConsolidated Taco, LLC	1395	83 Church St.	Santa Rosa	FL	(313) 289-0397
Entity	Unit Number	Address	City	Office Number	
Michael Clay GullattGeorgia	1167	4418 Hamilton Road	Columbus	(706) 507-4200	
Rusty Skalla and Casey KikerMichael Clay Gullatt	12061167	2766 Watson Blvd.4418 Hamilton Road	CentervilleColumbus	GA	(229) 886-2444(706) 507-4200
Getz Tom, Jensen Billy and Shepherd JamesRusty Skalla and Casey Kiker	12611206	250 Highway 532766 Watson Blvd.	CahounCenterville	GA	(423) 910-0423(229) 886-2444
Harvest Moon Tacos, LLC (Buono)Jetz Foods, LLC	12621261	1198 Dawsonville Hwy NW250 Highway 53	GainesvilleCahoun	GA	(609) 203-6323(423) 227-2046
Mac Kamara and Jeffrey FisherHarvest Moon Tacos, LLC	12861262	6791 Highway 851198 Dawsonville Hwy NW	RiverdaleGainesville	GA	(770) 642-8529(609) 203-6323
Jetz Foods, LLCMakhtar Kamara and Jeffrey Fisher	13011286	2114 Shorter Avenue, NW6791 Highway 85	RomeRiverdale	GA	(423) 910-0423(770) 642-8009
Jetz Foods, LLC	13441301	1203 N. Glenwood2114 Shorter Avenue, NW	DaltonRome	GA	(423) 910-0423227-2046
Jetz Foods, LLC	13461344	526 Battlefield Parkway1203 N.	Fort OglethorpeDal	GA	(423) 910-0423227-

Entity	Unit Number	Address	City	State	Office Number
		Glenwood Avenue	ton		2046
~~Kamara Mac and Jeffrey~~ Jetz Foods, LLC	~~1349~~1346	~~109 Banks Station Lane~~526 Battlefield Parkway	~~Fayetteville~~Fort Oglethorpe	GA	~~(770) 642-8529~~(423) 227-2046
~~Mac~~Makhtar Kamara and Jeffrey Fisher	~~1356~~1349	~~1443 North Expressway~~109 Banks Station Lane	~~Griffin~~Fayetteville	GA	(770) ~~642-8529~~642-8009
MK Griffin LLC	1356	1443 North Expressway	Griffin	GA	(770) 642-8009
~~Idaho~~MK Laguna Morrow LLC	1368	6705 Jonesboro Rd.	Morrow	GA	(770) 642-8009
~~Entity~~	~~Unit Number~~	~~Address~~	~~City~~		~~Office Number~~
~~3 Brothers Restaurants, LLC~~Idaho	~~745~~	~~450 West Prairie~~	~~Coeur d'Alene~~		~~(503) 241-9555~~
3 Brothers Restaurants, LLC	~~780~~745	~~1306 Broadway Avenue~~450 West Prairie	~~Boise~~Coeur d'Alene	ID	(503) 241-9555
3 Brothers Restaurants, LLC	~~1012~~780	~~725 North Hwy 41~~1306 Broadway Avenue	~~Posts Falls~~Boise	ID	(503) 241-9555
3 Brothers Restaurants, LLC	~~1022~~1012	~~3101 E. Magic View Dr.~~725 North Hwy 41	~~Meridian~~Posts Falls	ID	(503) 241-9555
3 Brothers Restaurants, LLC	~~1132~~1022	~~2121 12th Avenue Road~~3101 E. Magic View Dr.	~~Nampa~~Meridian	ID	(503) 241-9555
3 Brothers Restaurants, LLC	~~1152~~1132	~~5008 W. Franklin~~2121 12th Avenue Road	~~Boise~~Nampa	ID	(503) 241-9555
3 Brothers Restaurants, LLC	~~1177~~1152	~~8687 West Overland Rd.~~5008 W. Franklin Road	Boise	ID	(503) 241-9555
3 Brothers Restaurants, LLC	~~1260~~1177	~~568 North 2nd East~~8687 West Overland Rd.	~~Rexburg~~Boise	ID	(503) 241-9555
3 Brothers Restaurants, LLC	~~1269~~1260	~~606~~568 North ~~21st~~2nd ~~Avenue~~East	~~Canyon~~Rexburg	ID	(503) 241-9555
3 Brothers Restaurants, LLC	~~1292~~1269	~~1617 West Island Green Drive~~606 North 21st Avenue	~~Meridian~~Canyon	ID	(503) 241-9555
3 Brothers Restaurants,	1292	1617 West Island Green Drive	Meridian	ID	(503) 241-9555

Entity	Unit Number	Address	City	State	Office Number
LLC					
~~Michigan~~3 Brothers Restaurants, LLC	1367	1035 N. Jacksonmill Ave	Kuna	ID	(503) 241-9555
~~Entity~~	~~Unit Number~~	~~Address~~	~~City~~	~~Office Number~~	
~~DT Venture, LLC~~ **Michigan**	~~783~~	~~5644 North Telegraph Road~~	~~Dearborn Heights~~	~~(248) 310-2008~~	
DT Venture, LLC	~~1017~~783	~~32439 Gratiot Ave~~5644 North Telegraph Road	~~Roseville~~Dearborn Heights	MI	(248) 310-2008
DT Venture, LLC	~~1032~~1017	~~26111 Hoover Rd.~~32439 Gratiot Ave	~~Warren~~Roseville	MI	(248) 310-2008
~~Providential Restaurant Group, Inc.~~DT Venture, LLC	~~1042~~1032	~~1120 W. 14 Mile Road~~26111 Hoover Rd.	~~Clawson~~Warren	MI	(248) ~~476-9697~~310-2008
Providential Restaurant Group, Inc.	~~1081~~1042	~~28692 Dequindre Unit J 100~~1120 W. 14 Mile Road	~~Warren~~Clawson	MI	(248) 476-9697
~~DT Venture, LLC~~Providential Restaurant Group, Inc.	~~1169~~1081	~~13201 Middlebelt Road~~28692 Dequindre Unit J 100	~~Livonia~~Warren	MI	(248) ~~310-2008~~476-9697
DT Venture, LLC	~~1203~~1169	~~50680 Gratiot Ave.~~13201 Middlebelt Road	~~Chesterfield~~Livonia	MI	(248) 310-2008
DT Venture, LLC	~~1254~~1203	~~16252 Fort Street~~50680 Gratiot Ave.	~~Southgate~~Chesterfield	MI	(248) 310-2008
DT Venture, LLC	~~1285~~1254	~~14570 Southfield Road~~16252 Fort Street	~~Allen Park~~Southgate	MI	(248) 310-2008
DT Venture, LLC	~~1345~~1285	~~11386 Telegraph Rd~~14570 Southfield Road	~~Taylor~~ Allen Park	MI	(248) 310-2008
DT Venture, LLC	1345	11386 Telegraph Rd	Taylor	MI	(248) 310-2008
		Mississippi			
~~New Mexico~~DT of Philadelphia, LLC	1390	10040 Frog Level Road	Philadelphia	MS	(601) 656-2783
~~Entity~~	~~Unit~~	~~Address~~	~~City~~	~~Office Number~~	

Entity	Unit Number	Address	City	State	Office Number
~~Number~~					
~~Diamondback DTNM LLC~~New Mexico	~~726~~	~~4720 Montgomery Blvd NE~~	~~Albuquerque~~		~~(602) 432-7070~~
Diamondback DTNM LLC	~~898~~726	~~1525 Coors~~4720 Montgomery Blvd~~, N.W.~~NE	Albuquerque	NM	(602) 432-7070
Diamondback DTNM LLC	~~1029~~898	~~10015 Central Avenue N.E.~~1525 Coors Blvd, N.W.	Albuquerque	NM	(602) 432-7070
Diamondback DTNM LLC	~~1056~~1029	~~1885 Emilio Loop Road~~10015 Central Avenue N.E.	~~Los Lunas~~Albuquerque	NM	(602) 432-7070
Diamondback DTNM LLC	~~1153~~1056	~~1101 Unser Blvd SE~~1885 Emilio Loop Road	~~Rio Rancho~~Los Lunas	NM	(602) 432-7070
Diamondback DTNM LLC	~~1180~~1153	~~5506 E. Main St.~~1101 Unser Blvd SE	~~Farmington~~Rio Rancho	NM	(602) 432-7070
Diamondback DTNM LLC	~~1187~~1180	~~804 S. White Sands Blvd.~~5506 E. Main St.	~~Alamogordo~~Farmington	NM	(602) 432-7070
Diamondback DTNM LLC	~~1204~~1187	~~3916 N. Prince Street~~804 S. White Sands Blvd.	~~Clovis~~Alamogordo	NM	(602) 432-7070
Diamondback DTNM LLC	~~1205~~1204	~~550 USHwy 491~~3916 N. Prince Street	~~Gallup~~Clovis	NM	(602) 432-7070
~~Diamondback DTNM LLC~~	~~1253~~	~~2629 Highway 180 E~~	~~Silver City~~		~~(602) 432-7070~~
Diamondback DTNM LLC	~~1294~~1205	~~1321 North Riverside Drive~~550 USHwy 491	~~Espanola~~Gallup	NM	(602) 432-7070
Diamondback DTNM LLC	~~1357~~1294	~~1908 N Date Street~~1321 North Riverside Drive	~~Truth or consequences~~ Espanola	NM	(602) 432-7070
Diamondback DTNM LLC	1357	1908 N Date Street	Truth or consequences	NM	(602) 432-7070
Diamondback DTNM LLC	1364	200 US-550	Bernalillo	NM	(602) 432-7070
~~Nevada~~Diamondback DTNM LLC	1391	1500 Gibson Blvd. SE	Albuquerque	NM	(602) 432-7070
~~Entity~~Nevada	~~Unit~~	~~Address~~	~~City~~		~~Office Number~~

Entity	Unit Number	Address	City	State	Office Number
~~Utah Del, Inc.~~Entity	~~1053~~Unit Number	~~20 Falcon Ridge Parkway~~Address	~~Mesquite~~City		~~(801) 574-5004~~Office Number
~~3 Brothers Restaurants, LLC~~Utah Del, Inc.	~~1314~~1053	~~12490 Old Virginia Rd~~20 Falcon Ridge Parkway	~~Reno~~Mesquite	NV	~~(503) 241-9555~~(801) 574-5004
3 Brothers ~~Restaurants,~~Resaurants-Nevada LLC	~~1315~~1314	~~2920 Northtowne Ln~~12490 Old Virginia Rd	Reno	NV	(503) 241-9555
3 Brothers Restaurants~~,~~ Nevada LLC	~~1316~~1315	~~5890 S Virginia St~~2920 Northtowne Ln	Reno	NV	(503) 241-9555
3 Brothers Restaurants~~,~~ Nevada LLC	~~1317~~1316	~~2091 Brierly Way~~5890 S Virginia St	~~Sparks~~Reno	NV	(503) 241-9555
3 Brothers Restaurants~~,~~ Nevada LLC	~~1318~~1317	~~10140 McCarran Rd.~~2091 Brierly Way	~~Reno~~Sparks	NV	(503) 241-9555
3 Brothers Restaurants~~,~~ Nevada LLC	~~1319~~1318	~~3780 Hwy 395~~10140 McCarran Rd.	~~Carson City~~Reno	NV	(503) 241-9555
3 Brothers Restaurants~~,~~ Nevada LLC	~~1320~~1319	~~822 E College Pkwy~~3780 Hwy 395	Carson City	NV	(503) 241-9555
3 Brothers Restaurants~~,~~ Nevada LLC	~~1321~~1320	~~252 Los Altos~~822 E College Pkwy~~.~~	~~Sparks~~Carson City	NV	(503) 241-9555
3 Brothers Restaurants-Nevada LLC	1321	252 Los Altos Pkwy.	Sparks	NV	(503) 241-9555
Big Top Taco LLC	1393	3850 S. Las Vegas Blvd	Las Vegas	NV	(702) 795-4122
Big Top Taco LLC	1394	2880 S Las Vegas Blvd	Las Vegas	NV	(702) 795-4122
3 Brothers Restaurants-Nevada LLC	1431	348 N Nellis Blvd	Las Vegas	NV	(503) 241-9555
3 Brothers Restaurants-Nevada LLC	1432	898 S Boulder Hwy	Henderson	NV	(503) 241-9555
3 Brothers Restaurants-Nevada LLC	1433	1197 E. Tropicana	Las Vegas	NV	(503) 241-9555
3 Brothers Restaurants-Nev	1434	5526 Boulder Hwy	Las Vegas	NV	(503) 241-9555

Entity	Unit Number	Address	City	State	Office Number
ada LLC					
3 Brothers Restaurants-Nevada LLC	1435	550 Marks St	Henderson	NV	(503) 241-9555
3 Brothers Restaurants-Nevada LLC	1436	6311 Centennial Center Blvd	Las Vegas	NV	(503) 241-9555
3 Brothers Restaurants_Nevada LLC	1437	1811 W. Craig Rd	North Las Vegas	NV	(503) 241-9555
3 Brothers Restaurants -Nevada LLC	1438	2531 E. Craig Road	North Las Vegas	NV	(503) 241-9555
3 Brothers Restaurants-Nevada LLC	1439	150 North Boulder Highway	Henderson	NV	(503) 241-9555
3 Brothers Restaurants-Nevada LLC	1440	2450 N. Rancho Drive	North Las Vegas	NV	(503) 241-9555
3 Brothers Restaurants-Nevada LLC	1441	5975 South Eastern Ave.	Las Vegas	NV	(503) 241-9555
3 Brothers Restaurants-Nevada LLC	1442	7757 N. El Capitan Way	Las Vegas	NV	(503) 241-9555
3 Brothers Restaurants-Nevada LLC	1443	6160 North Decatur	North Las Vegas	NV	(503) 241-9555
3 Brothers Restaurants-Nevada LLC	1444	135 N. Stephanie Street	Henderson	NV	(503) 241-9555
3 Brothers Restaurants-Nevada LLC	1445	1945 N. Martin Luther King Blvd.	Las Vegas	NV	(503) 241-9555
3 Brothers Restaurants-Nevada LLC	1446	6740 N. Hualapai Way	Las Vegas	NV	(503) 241-9555
3 Brothers Restaurants-Nevada LLC	1447	1802 E. Charleston Blvd.	Las Vegas	NV	(503) 241-9555
Sunrise Foods Inc.	1450	280 N Jones Blvd	Las Vegas	NV	(714) 875-7793
Sunrise Foods Inc.	1451	1801 W Charleston Blvd	Las Vegas	NV	(714) 875-7793
Sunrise Foods Inc.	1452	5180 S Fort Apache Road	Las Vegas	NV	(714) 875-7793
Sunrise Foods Inc.	1453	3785 Las Vegas Blvd #209	Las Vegas	NV	(714) 875-7793

Entity	Unit Number	Address	City	State	Office Number
Sunrise Foods Inc.	1454	10320 W Charleston Blvd	Las Vegas	NV	(714) 875-7793
Sunrise Foods Inc.	1455	180 Pecos	Henderson	NV	(714) 875-7793
Sunrise Foods Inc.	1456	5955 W. Tropicana Ave.	Las Vegas	NV	(714) 875-7793
Sunrise Foods Inc.	1457	7480 W. Lake Mead Blvd.	Las Vegas	NV	(714) 875-7793
Sunrise Foods Inc.	1458	8471 West Sahara Ave/Durango	Las Vegas	NV	(714) 875-7793
Sunrise Foods Inc.	1459	9680 Las Vegas Blvd South	Las Vegas	NV	(714) 875-7793
Sunrise Foods Inc.	1460	3922 Blue Diamond Road	Las Vegas	NV	(714) 875-7793
Sunrise Foods Inc.	1461	7165 S. Rainbow Blvd	Las Vegas	NV	(714) 875-7793
Sunrise Foods Inc.	1462	4800 W. Cactus	Las Vegas	NV	(714) 875-7793
Sunrise Foods Inc.	1463	10485 Spencer St.	Henderson	NV	(714) 875-7793
Sunrise Foods Inc.	1464	8125 Blue Diamond Rd.	Las Vegas	NV	(714) 875-7793
Sunrise Foods Inc.	1465	511 South Rainbow Blvd.	Las Vegas	NV	(714) 875-7793
~~Ohio~~Sunrise Foods Inc.	1466	3861 W. Flamingo Road	Las Vegas	NV	(714) 875-7793

~~Entity~~	~~Unit Number~~	~~Address~~	~~City~~	~~Office Number~~
~~Sobremesa LLC~~**Ohio**	~~1350~~	~~2079 S. Main St.~~	~~Bellefontaine~~	~~(513) 383-2758~~

~~Sobremesa~~SOBREMESA LLC	~~1358~~1350	~~23601 US Hwy 23 S~~2079 S. Main St.	~~Circleville~~Bellefontaine	OH	(513) 383-2758
~~Sobremesa~~SOBREMESA LLC	~~1360~~1358	~~4720 E. Main St.~~23601 US Hwy 23 S	~~Whitehall~~Circleville	OH	(513) 383-2758
SOBREMESA LLC	1360	4720 E. Main St.	Whitehall	OH	(513) 383-2758
~~Oregon~~SOBREMESA LLC	1386	1207 Mt. Vernon Avenue	Marion	OH	(513) 383-2758

~~Entity~~	~~Unit Number~~	~~Address~~	~~City~~	~~Office Number~~
~~Cactus Enterprise, LLC~~**Oregon**	~~724~~	~~1850 14th Avenue SE~~	~~Albany~~	~~(541) 915-2249~~

Cactus ~~Enterprise~~Enterprise	~~743~~724	~~583 Lancaster Drive NE~~1850	~~Salem~~Albany	OR	(541) 915-2249

Entity	Unit Number	Address	City	State	Office Number
rprises, LLC		14th Avenue SE			
~~Ejaz Chaudry~~Cactus Enterprises, LLC	~~779~~743	~~2164 NE Burnside Rd.~~583 Lancaster Drive NE	~~Gresham~~Salem	OR	~~(360) 577-0607~~(541) 915-2249
~~Central Oregon Fast Food, LLC~~Ejaz H. Chaudry	~~784~~779	~~612 SE 3rd Street~~2164 NE Burnside Rd.	~~Bend~~Gresham	OR	~~(541) 915-2249~~(360) 577-0607
~~Zoya Foods, Inc.~~Cactus Enterprises, LLC	~~1052~~784	~~7390 NE Butler~~612 SE 3rd Street	~~Hillsboro~~Bend	OR	~~(503) 906-1290~~(541) 915-2249
~~Cactus Enterprise~~3 Brothers Restaurants, LLC	~~1098~~1052	~~2860 Crater Lake Highway~~7390 NE Butler Street	~~Medford~~Hillsboro	OR	~~(541) 915-2249~~(503) 241-9555
Cactus ~~Enterprise~~Enterprises, LLC	~~1141~~1098	~~2435 Stewart Parkway~~2860 Crater Lake Highway	~~Roseburg~~Medford	OR	(541) 915-2249
Cactus ~~Enterprise~~Enterprises, LLC	~~1176~~1141	~~428 E. Barnett~~2435 Stewart Parkway	~~Medford~~Roseburg	OR	(541) 915-2249
Cactus ~~Enterprise~~Enterprises, LLC	~~1293~~1176	~~3370 Washburn Way~~428 E. Barnett	~~Klamath Falls~~Medford	OR	(541) 915-2249
~~Utah~~ Cactus Enterprises, LLC	1293	3370 Washburn Way	Klamath Falls	OR	(541) 915-2249

~~Entity~~	~~Unit Number~~	~~Address~~	~~City~~	~~Office Number~~
Utah ~~Del, Inc.~~	~~270~~	~~4436 South 1900 West~~	~~Roy~~	~~(801) 574-5004~~

Utah Del, Inc.	~~271~~270	~~1160 Wall Avenue~~4436 South 1900 West	~~Ogden~~Roy	UT	(801) 574-5004
Utah Del, Inc.	~~272~~271	~~3010 Highland Drive~~1160 Wall Avenue	~~Salt Lake City~~Ogden	UT	(801) 574-5004
Utah Del, Inc.	~~273~~272	~~8580 South 1300 East~~3010 Highland Drive	~~Sandy~~Salt Lake City	UT	(801) 574-5004
Utah Del, Inc.	~~274~~273	~~1599 North State Street~~8580 South 1300 East	~~Orem~~Sandy	UT	(801) 574-5004
Utah Del, Inc.	~~275~~274	~~730 East~~1599	~~American~~	UT	(801) 574-5004

Entity	Unit Number	Address	City	State	Office Number
		North State RoadStreet	ForkOrem		
Utah Del, Inc.	727275	4117 South Riverdale730 East State Road	RiverdaleAmerican Fork	UT	(801) 574-5004
Utah Del, Inc.	736727	567244117 South 900Riverdale EastRoad	MurrayRiverdale	UT	(801) 574-5004
Utah Del, Inc.	741736	786 West Telegraph Street5672 South 900 East	WashingtonMurray	UT	(801) 574-5004
Utah Del, Inc.	751741	1733 West Royal Hunte Drive786 West Telegraph Street	Cedar CityWashington	UT	(801) 574-5004
Utah Del, Inc.	752751	2963 South 560001733 West Royal Hunte Drive	West ValleyCedar City	UT	(801) 574-5004
Utah Del, Inc.	774752	96 East 12300 South2963 South 5600 West	DraperWest Valley City	UT	(801) 574-5004
Utah Del, Inc.	781774	424 North 900 West96 East 12300 South	American ForkDraper	UT	(801) 574-5004
Utah Del, Inc.	788781	1901424 North Bluff Street, Bldg 500900 West	St. GeorgeAmerican Fork	UT	(801) 574-5004
Wayne & Ryan RileyUtah Del, Inc.	790788	196 West 500 South1901 North Bluff Street, Bldg 500	BountifulSt. George	UT	(801) 557-6384574-5004
Utah Del, Inc.Ryan W. Riley	876790	6876 Redwood Road196 West 500 South	West JordanBountiful	UT	(801) 574-5004557-6384
Wayne & Ryan RileyUtah Del, Inc.	889876	1651 West South Jordan Parkway6876 Redwood Road	SouthWest Jordan	UT	(801) 557-6384574-5004
Utah Del, Inc.Ryan W. Riley	1031889	4421651 West South 1750Jordan WestParkway	SpringvilleSouth Jordan	UT	(801) 574-5004557-6384
Utah Del, Inc.	10371031	2000 s. 3230442 South 1750 West	Salt Lake CitySpringville	UT	(801) 574-5004
Utah Del, Inc.	10761037	1428 Arimo Road2000 s.	Salt Lake PointCity	UT	(801) 574-5004

Entity	Unit Number	Address	City	State	Office Number
		3230 West			
Utah Del, Inc.	~~1085~~1076	~~727 N. Main Street~~1428 Arimo Road	~~Layton~~Lake Point	UT	(801) 574-5004
Utah Del, Inc.	~~1088~~1085	~~128 East State Road 73~~727 N. Main Street	~~Saratoga Springs~~Layton	UT	(801) 574-5004
Utah Del, Inc.	~~1099~~1088	~~1055 S.~~128 East State ~~Street~~Road 73	~~Orem~~Saratoga Springs	UT	(801) 574-5004
Utah Del, Inc.	~~1107~~1099	~~809 E. 400 South~~1055 S. State Street	~~Salt Lake City~~Orem	UT	(801) 574-5004
Utah Del, Inc.	~~1148~~1107	~~1804 West 2550 North~~809 E. 400 South	~~Farr West~~Salt Lake City	UT	(801) 574-5004
Utah Del, Inc.	~~1150~~1148	~~1723 Ute Blvd~~1804 West 2550 North	~~Park City~~Farr West	UT	(801) 574-5004
Utah Del, Inc.	~~1174~~1150	~~4620 S. Redwood Road~~1723 Ute Blvd	~~Taylorsville~~Park City	UT	(801) 574-5004
Utah Del, Inc.	~~1184~~1174	~~11507 South 4000 West~~4620 S. Redwood Road	~~South Jordan~~Taylorsville	UT	(801) 574-5004
Utah Del, Inc.	~~1189~~1184	~~123 North 2000~~11507 South 4000 West	~~West Point~~South Jordan	UT	(801) 574-5004
Utah Del, Inc.	~~1200~~1189	~~23 East 2100 South~~123 North 2000 West	~~Salt Lake City~~West Point	UT	(801) 574-5004
Utah Del, Inc.	~~1234~~1200	~~585 N. Redwood Road~~23 East 2100 South	~~North~~ Salt Lake City	UT	(801) 574-5004
Utah Del, Inc.	~~1235~~1234	~~5521 West 7800~~585 N. Redwood Road	~~West Jordan~~North Salt Lake	UT	(801) 574-5004
Utah Del, Inc.	~~1256~~1235	~~464 East 1400 North~~5521 West 7800	~~Logan~~West Jordan	UT	(801) 574-5004
Utah Del, Inc.	~~1354~~1256	~~804 S Spanish Fork Parkway~~464 East 1400 North	~~Spanish Fork~~Logan	UT	(801) 574-5004
Utah Del, Inc.	1354	804 S Spanish Fork Parkway	Spanish Fork	UT	(801) 574-5004
~~Washington~~Utah Del, Inc.	1366	753 W State Street	Hurricane	UT	(801) 574-5004

~~Entity~~	~~Unit~~	~~Address~~	~~City~~	~~Office Number~~

Entity	Unit Number	Address	City	State	Office Number
~~Number~~					
~~3 Brothers Restaurants, LLC~~	~~1291~~	~~155 Wellsian Way~~	~~Richland~~		~~(503) 241-9555~~
~~Ejaz Chaudry~~**Washington**	~~716~~	~~8724 N.E. Highway 99~~	~~Vancouver~~		~~(360) 577-0607~~
~~3 Brothers Restaurants, LLC~~Ejaz H. Chaudry	~~1018~~716	~~34528 16th Ave S Federal Way~~8724 N.E. Highway 99	~~Federal Way~~Vancouver	WA	~~(503) 241-9555~~(360) 577-0607
3 Brothers Restaurants, LLC	~~1019~~1018	~~1725 Meadowbrook Ave~~ 34528 16th Ave S Federal Way	~~Walla Walla~~Federal Way	WA	(503) 241-9555
3 Brothers Restaurants, LLC	~~1263~~1019	~~7742 Martin Way East~~1725 Meadowbrook Ave	~~Lacey~~Walla Walla	WA	(503) 241-9555
3 Brothers Restaurants, LLC	1263	7742 Martin Way East	Lacey	WA	(503) 241-9555
3 Brothers Restaurants, LLC	1425	1815 E Isaacs Ave	Walla Walla	WA	(503) 241-9555
3 Brothers Restaurants, LLC	1291	155 Wellsian Way	Richland	WA	(503) 241-9555

~~Supplemental Information~~

~~Following~~

The following is a list of Franchisees, City and State, and last known telephone number, who had an outlet terminated, canceled, not renewed, or otherwise voluntarily or involuntarily ceased to do business under the franchise agreement during the most recently completed fiscal year or who has not communicated within 10 weeks of the Disclosure Document issuance date.

If you buy this franchise, your contact information may be disclosed to other buyers when you leave the franchise system.*

Franchisee	Unit Number	Address	City	State	Zip Code	Phone
Apro, LLC	950	8324 Highway 138	Phelan	CA	92371	(310) 323-3992
All of US Tacos, Inc.	957	2401 Fulkerth Road	Turlock	CA	95380	(209) 668-6498

Franchisee	Unit Number	Address	City	State	Zip Code	Phone
Guam Food Services, LLC	712	ESS, Guam 415 CHN San Antonio #133	Tamuning	GU	96913	(671) 646-6083
Diamondback DTNM LLC	1253	2629 Highway 180 E	Silver City	NM	88061	(602) 432-7070
Sunrise Foods Inc.	1467	2320 E. Serene	Las Vegas	NV	89123	(702) 914-2252

~~Address~~	~~City~~	~~County~~	~~State~~	~~Zip Code~~	~~Franchisee~~	~~Phone~~
~~1857 Richards Place~~	~~Upton~~	~~San Bernardino~~	~~CA~~	~~91784~~	~~Harvinder Sandhu and Dinesh Sharda~~	~~(909) 238-1613~~
~~23 Ash Ct~~	~~Irmo~~	~~Lexington~~	~~SC~~	~~29063~~	~~Tushar Patel, Shetal Patel, Urmila Patel, and Pranv Patel~~	~~(803) 833-0850~~

* Certain of these franchisees may have operated two or more Del Taco Restaurants.

TRANSFERS

~~Address~~	~~City~~	~~County~~	~~State~~	~~Zip Code~~	~~Franchisee~~	~~Phone~~
~~4695 MacArthur Court, Suite 1100~~	~~Newport Beach~~	~~Orange~~	~~CA~~	~~92660~~	~~Geofrey B. Wickett~~ ~~*(Transferred 1 Restaurant)*~~	~~(949) 252-8488~~
~~3421 Tulley Road, Suite G-1~~	~~Modesto~~	~~Stanislaus~~	~~CA~~	~~95350~~	~~Martinez~~	~~(209) 521-9201~~
~~1930 Village Center Cir Suite 3-231~~	~~Las Vegas~~	~~Clark~~	~~NV~~	~~89134~~	~~Chris Beavor and Freddy Lula~~ ~~*(Transferred 2 Arizona Restaurants)*~~	~~(866) 730-2080~~

Franchisee	Unit Number	Address	City	State	Zip Code	Phone
Sherri Mehrvar	735	435 East 4th Street	Beaumont	CA	92223	(949) 305-7929
Edward Hackbarth	109	9822 Magnolia Avenue	Santee	CA	92071	(951) 316-6872
Hoss Kaveh/Ali	132	2552 Hamner Avenue	Norco	CA	92860	(310) 259-4883
Hoss Kaveh/Ali	1065	9150 Flair Drive	El Monte	CA	91731	(310) 259-4883
Hoss Kaveh/Ali	1281	16216 Crenshaw Blvd	Gardena	CA	90249	(310) 259-4883
Hoss Kaveh/Ali	1282	1595 Sepulveda Blvd.	Torrance	CA	9050	(310)

Franchisee	Unit Number	Address	City	State	Zip Code	Phone
					1	259-4883
Martin L. Testa	89	1565 South Broadway	Santa Maria	CA	93454	(805) 739-0809
Martin L. Testa	833	1816 North Broadway	Santa Maria	CA	93454	(805) 739-0809
Syed Kaleem	1090	55 Hallock Drive	Santa Paula	CA	93060	(661) 857-2838

FRANCHISE AGREEMENTS SIGNED BUT OUTLETS NOT YET OPEN

Franchisee	Address	City	~~County~~	State	Zip Code	~~Franchisee~~	Phone
~~P.O. Box 15307~~	~~Scottsdale~~	~~Maricopa~~	~~AZ~~	~~85267~~		~~Dennis Ekstrom~~ ~~*(2 Del Taco Restaurants)*~~	~~(602) 432-7070~~
~~32 Edelman~~	~~Irvine~~	~~Orange~~	~~CA~~	~~92618~~		~~Omar and Amer Boukai~~	~~(949) 701-4960~~
Nachhattar S. and Susana E. Chandi	8290 Mission Blvd.	~~42270 Spectrum Street~~	~~Indio~~	Riverside	CA	92509 ~~92203~~	~~Nachhattar S. Chandi~~ ~~*(2 Del Taco Restaurants)*~~ (760) 396-9260
Socal Food Group, LP	1331 Palm Avenue	Imperial Beach	CA	91932	(949) 701-4960 x306		
4SG Development LLC	3813 S. Nova Road	Port Orange	FL	32127	(714) 875-7793		
~~5020 Clark Rd #417~~	~~Sarasota~~	~~Sarasota~~	~~FL~~	~~34244~~		~~Timothy Cloe~~ ~~*(2 Del Taco Restaurants)*~~	~~(941) 953-1808~~
~~15790 Thomson Rd.~~	~~Milton~~	~~Fulton~~	~~GA~~	~~30004~~		~~Mac Kamara~~	~~(770) 642-8009~~
~~2710 Sunrise Rim Rd, Suite 240~~	~~Boise~~	~~Ada~~	~~ID~~	~~83705~~		~~Mark Miller~~ ~~*(2 Del Taco Restaurants)*~~	~~(503) 241-9555~~
~~12521 Highway 21 N~~	~~Philadelphia~~	~~Neshoba~~	~~MS~~	~~39350~~		~~Brandon Jones~~	~~(601) 656-2783~~
~~227 Strolling Way~~	~~Durham~~	~~Durham~~	~~NC~~	~~27707~~		~~Ammar Yameen~~	~~(919) 962-0739~~
~~18 Princeville Lane~~	~~Las Vegas~~	~~Clark~~	~~NV~~	~~89113~~		~~Andrew Sobel~~ ~~*(4 Del Taco Restaurants)*~~	~~(702) 845-6951~~
~~3750 Las Vegas Blvd.~~	~~Las Vegas~~	~~Clark~~	~~NV~~	~~89158~~		~~William Lincoln~~	~~(702) 795-4122~~

Franchisee	Address	City	~~County~~	State	Zip Code	~~Franchisee~~	Phone
~~So.~~						~~Spoor~~ ~~*(2 Del Taco Restaurants)*~~	
~~4760 S. Highland Drive #604~~	~~Salt Lake City~~	~~Salt Lake~~	~~UT~~	~~84117~~		~~Paul Hitzelberger~~	~~(801) 574-5004~~

EXHIBIT I

FORM OF GENERAL RELEASE

FORM OF GENERAL RELEASE

The Franchisee, on behalf of itself and its subsidiaries, affiliates, heirs, successors and assigns, hereby releases and discharges any and all liabilities, obligations or claims, whether known or unknown, including without limitation, any claimed violation or breach of the Franchise Agreement or Federal or state laws, including franchise investment laws, against Del Taco LLC ("Del Taco"), including its current and former parents, officers, directors, limited liability company managers, employees, subsidiaries or affiliates, and any and all of its respective past and present representatives. The Franchisee realizes the facts as presently known or understood to exist with respect to any known or unknown claims it may have against Del Taco may, in fact, be either incorrect or incomplete, or both. Notwithstanding such possibility, the Franchisee freely enters into this Agreement and assumes all risks of any such possibility and waives any rights whatsoever to attack the validity and finality of this Agreement even if the present knowledge and understanding of the facts on the part of the Franchisee is in any way incorrect. The Franchisee expressly waives any and all rights and benefits against Del Taco conferred upon themselves by the provisions of Section 1542 of the California Civil Code. Section 1542 of the California Civil Code reads as follows:

> **A general release does not extend to claims that the creditor or releasing party does not know or suspect to exist in his or her favor at the time of executing the release and that, if known by him or her, would have materially affected his or her settlement with the debtor or released party.**

Except in connection with a negotiated settlement of a bona fide dispute in which the person giving the release or waiver is represented by independent legal counsel, the foregoing general release does not apply with respect to claims arising under the Washington Franchise Investment Protection Act, RCW 19.100, or the rules adopted thereunder.

EXHIBIT J

AGREEMENT FOR GIFT CARD PROCESSING

AGREEMENT FOR GIFT CARD PROCESSING

This Agreement for Gift Card Processing (the "Agreement") is made as of the ___ day of _____ _____, 20____ (the "Effective Date"), by and between Del Taco LLC, a California limited liability company ("Del Taco"), and _____ ("Franchisee").

RECITALS

Del Taco operates franchises and licenses Del Taco restaurants that feature Mexican-American and American dishes. Del Taco and Franchisee have entered into or propose to enter into one or more Franchise Agreements (each a Franchise Agreement" and, collectively, the "Franchise Agreements"); and

Del Taco and Banc of America Merchant Services ("BAMS") have entered into that certain Premium Gift Card Processing Agreement (the "Processing Agreement") dated January 5, 2018, pursuant to which BAMS shall provide services in connection with Del Taco's gift card program; and

Del Taco requires that Franchisee participate in Del Taco's gift card program in each of the designated franchised Del Taco Restaurants (the "Licensed Restaurants") listed on appendices to this Agreement.

NOW THEREFORE, in consideration of the mutual covenants, agreements and obligations set forth below, and other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the parties agree as follows:

1. Term. The term of this Agreement with respect to each Licensed Restaurant shall begin on the Effective Date and shall expire upon the expiration date of the Franchise Agreement (i.e. (a) the expiration of the initial term of the Franchise Agreement, in the event Franchisee does not renew its right to operate the Licensed Restaurant pursuant to Section 2.2 of the Franchise Agreement, or (b) the expiration of such renewal term, in the event Franchisee renews its right to operate the Licensed Restaurant pursuant to Section 2.2 of the Franchise Agreement), unless terminated sooner pursuant to Article 10 of this Agreement, or pursuant to the terms of the Franchise Agreement.

2. ACH Authorizations. Franchisee understands and agrees that amounts due and owing from Franchisee to BAMS in connection with the gift card program will be automatically debited from Franchisee's designated bank account(s) by ACH. Franchisee understands and agrees that BAMS is acting as a settlement agent for Franchisee and other participants, including Del Taco, in the gift card program for the settlement of gift card redemptions between gift card program participants. Accordingly, BAMS will initiate ACH debits from and credits to Franchisee's designated bank account(s) for amounts due to and from Franchisee for sales and redemption of gift cards and fees.

2.1 Franchisee will be required to sign the ACH authorization forms in Exhibit B to authorize BAMS to initiate ACH debits from, and credits to, their bank accounts. In the event that Franchisee adds a new location or changes a bank account, the Franchisee will provide to Del Taco the required bank account information on an ACH authorization form. Franchisee shall identify "Business Legal Entities" on the Gift Card Merchant Information form (Exhibit B). BAMS will provide reports to, and generate ACH transactions for each Business Legal Entity, Bank Account and Store Number.

3. Settlement Process. Once each fiscal week, BAMS will generate a settlement of gift card transactions. BAMS will compute the amount due from each Franchisee, as applicable, for the gift card sales for the fiscal week, and will compute that amount due to each Franchisee as applicable, for gift card

redemptions for the fiscal week. The net settlement for each Franchisee, as applicable, will be an ACH credit or debit for all card sales and redemptions for the specified fiscal week.

4. Funding. Franchisee acknowledges, agrees and understands that proper funding of its designated bank account(s) for the gift card program is necessary to ensure fair and efficient administration of the gift card program. Franchisee agrees to ensure that its bank accounts are properly funded for the ACH settlement process and for ACH debits of settlement fees owed to BAMS.

5. ACH Returns. If an ACH debit transaction for any amount due from a Franchisee is dishonored by the Franchisee's bank due for any reason, including but not limited to an account being underfunded, closed or a stop payment, then BAMS will, once the ACH return notification is received by the bank, notify Del Taco and initiate follow up ACH transaction(s) to transfer funds from the same bank account if the account was underfunded or a stop payment was made or from a new bank account designated by Franchisee if the bank account was closed. The new transfer amount shall equal the amount of the returned item(s) plus a $20.00 penalty per returned item.

6. BAMS Fees. BAMS will debit Franchisee's bank account, as applicable, for BAMS' fees as follows:

(a) Processing Fees. Each month BAMS will initiate a separate ACH debit of Franchisee's bank account, as applicable, for processing fees. Fees to be included in the ACH debit include:

i. Transaction fees as set forth in Exhibit A of this Agreement.

ii. ACH Service Fees of $0.06 per transaction. This fee will be billed to all Franchisee locations.

iii. Per Month Location Fee per Franchise location of five dollars ($5.00).

7. NO WARRANTY.

DEL TACO MAKES NO WARRANTIES RELATING TO BAMS AND SPECIFICALLY DISCLAIMS ALL WARRANTIES, EXPRESS OR IMPLIED, INCLUDING, BUT NOT LIMITED TO, ANY WARRANTY OF MERCHANTABILITY OR FITNESS FOR A PARTICULAR PURPOSE, ANY WARRANTY AS TO THE RELIABILITY, OPERABILITY OR FUNCTIONALITY OF BAMS, ANY WARRANTY THAT FRANCHISEE'S USE OF BAMS WILL BE UNINTERRUPTED OR ERROR FREE, AND ANY WARRANTY THAT THE RESULTS OBTAINED WILL SATISFY FRANCHISEE'S REQUIREMENTS.

8. INDEMNIFICATION BY FRANCHISEE. Franchisee will indemnify and hold harmless Del Taco from any and all losses, including attorneys' fees (for counsel of Del Taco's choosing) and costs, that are incurred by Del Taco as a result of or stemming from Del Taco or Franchisee's performance under this Agreement. Such indemnification shall include, but is not limited to, indemnification stemming from any claim of: **(i)** alleged infringement of any U.S. copyright or patent, arising out of the use of BAMS gift card processing by Franchisee in any manner prohibited by this Agreement; **(ii)** any claim related to or arising out of Franchisee's use or misuse of BAMS including, but not limited to, claims by any of Franchisee's employees in connection with or related to the use or misuse of BAMS; and **(iii)** Franchisee's breach of its obligations under this Agreement. The indemnification obligations of the Franchisee in this Article 4 shall survive any termination or expiration of this Agreement.

9. LIMITATION ON LIABILITY. DEL TACO SHALL HAVE NO LIABILITY FOR CONSEQUENTIAL, EXEMPLARY, SPECIAL, INCIDENTAL OR PUNITIVE DAMAGES WITH RESPECT TO ITS OBLIGATIONS UNDER THIS AGREEMENT OR OTHERWISE EVEN IF IT HAS BEEN ADVISED OF THE POSSIBILITY OF SUCH DAMAGES. DEL TACO WILL NOT BE

RESPONSIBLE FOR ANY LOSS OR INACCURACY OF DATA CAUSED BY BAMS. THIS LIMITATION APPLIES TO ALL CAUSES OF ACTION IN THE AGGREGATE, INCLUDING WITHOUT LIMITATION TO CLAIMS BY EMPLOYEES OF FRANCHISEE, BREACH OF CONTRACT, BREACH OF WARRANTY, NEGLIGENCE, STRICT LIABILITY, MISREPRESENTATIONS, AND OTHER TORTS. BOTH PARTIES UNDERSTAND AND AGREE THAT THE REMEDIES AND LIMITATIONS SET FORTH IN THIS ARTICLE 9 ALLOCATE THE RISKS OF PRODUCT AND SERVICE NONCONFORMITY BETWEEN THE PARTIES AS AUTHORIZED BY THE UNIFORM COMMERCIAL CODE AND OF OTHER APPLICABLE LAWS. THE FEES IN THIS AGREEMENT REFLECT, AND ARE SET IN RELIANCE UPON, THIS ALLOCATION OF RISK AND THE EXCLUSION OF CONSEQUENTIAL DAMAGES SET FORTH IN THIS AGREEMENT.

10. Termination. Del Taco may terminate this Agreement with respect to any or all of the Licensed Restaurants, without cause and with at least 30 days prior written notice to the Franchisee. If Franchisee violates any obligation under this Agreement, Del Taco may, in its sole discretion, immediately terminate this Agreement with respect to any or all of the Licensed Restaurants without prior notice. Del Taco may, in its sole discretion, immediately terminate this Agreement with respect to any Licensed Restaurant(s): **(i)** without prior notice, if Franchisee fails to pay the Fees pertaining to that Licensed Restaurant within 30 days after it is due; **(ii)** without prior notice, if the Franchise Agreement for that Licensed Restaurant is terminated; **(iii)** without prior notice, if the Franchise Agreement or Licensed Restaurant is transferred; or **(iv)** if Franchisee fails to cure any other breach of this Agreement within 15 days of written notice of the breach.

11. MISCELLANEOUS

11.1 Choice of Law. The laws of the State of California shall govern the interpretation and construction of this Agreement, without regard to conflicts of laws principles.

11.2 Choice of Forum. Any judicial proceeding relating to this Agreement shall be filed in the state or federal court located in the jurisdiction in which Del Taco's corporate offices are located at the time the proceeding is filed. Franchisee waives any right to challenge the existence of personal jurisdiction in that state or federal court and the convenience of the forum.

11.3 Limitation on Actions. Any judicial action or proceeding brought with respect to this Agreement must be brought within a period of 18 months from the occurrence of the event that is the basis of the action. The parties waive, to the fullest extent permitted by law, the right to bring, or be a member in, any class action suit and the right to trial by jury.

11.4 Entire Agreement. This Agreement and the attachments to this Agreement constitute the entire agreement between Del Taco and Franchisee, and supersede any prior understandings, commitments or agreements, oral or written, regarding the Software, Documentation and Support Services.

11.5 No Waiver. This Agreement may not be amended or changed, nor may any provision be waived, except in writing signed by the parties. Neither trade usage nor the course of conduct between Del Taco and Franchisee or between Del Taco and other franchisees shall modify this agreement.

11.6 Notices. All notices and other communications under this Agreement shall be in writing and shall be deemed effective when delivered by hand or by facsimile transmission (with receipt acknowledged by the receiving party) or upon receipt when sent by a nationally reputable courier or mailed by registered or certified mail (return receipt requested), postage prepaid, to a party at the address set forth in the preamble to this Agreement (or at such other address for a party as shall be specified in writing by the party from time to time). All notices sent to Del Taco shall be marked "Attention: Legal

Department." Any notice sent by facsimile transmission shall be sent to Del Taco at (949) 616 - 5002 or to Franchisee at the number specified in the appendices.

11.7 Force Majeure. Except for the obligation to make payments under this Agreement, nonperformance by either party shall be excused to the extent such performance is rendered impossible by strike, fire, flood, governmental acts or orders or restrictions, epidemic, pandemic, public health emergency, act of God, or any other reason where failure to perform is beyond the reasonable control of and is not caused by the negligence of the non-performing party.

11.8 Assignment and Binding Effect. Franchisee shall not assign this Agreement or any of its rights or obligations under this Agreement to any third party without the prior written consent of Del Taco; provided, however, that the merger or consolidation of Franchisee into, or the sale of all or substantially all of the assets of Franchisee to, a third party shall not be deemed to be an assignment. Del Taco may freely assign this Agreement or any of its rights or obligations under this Agreement. Subject to the foregoing, this Agreement shall be binding upon and inure to the benefit of the parties to this Agreement and their permitted successors and assigns.

11.9 Attorneys' Fees. If either party files any action or brings any proceeding against the other arising from this Agreement, the prevailing party shall be entitled to recover as an element of its costs of suit, and not as damages, reasonable attorneys' fees to be fixed by the court. The prevailing party shall be the party who is entitled to recover its costs of suit, whether or not suit proceeds to final judgment. A party not entitled to recover its costs shall not recover attorneys' fees. No sum for attorneys' fees shall be included in calculating the amount of a judgment for purposes of deciding whether a party is entitled to its costs or attorneys' fees.

11.10 Headings. The section headings are intended for reference only and do not affect the meaning or interpretation of this Agreement.

11.11 No Third Party Beneficiary. There are no third party beneficiaries of this Agreement and nothing in this Agreement, express or implied, is intended to or shall confer upon any person other than the parties, and their respective successors and assigns, any rights, remedies, obligations or liabilities.

11.12 Counterparts. This Agreement may be executed in multiple counterparts, each of which shall be deemed an original and all of which together shall constitute one instrument.

IN WITNESS WHEREOF, Del Taco and Franchisee have caused this Agreement to be executed by their duly authorized representatives as of the date first written above.

Del Taco LLC

By: _____
Jack Tang
Vice President, General Counsel

Date: _____

By: _____

Its: _____

Date: _____

EXHIBIT A

FEE SCHEDULE

1. TRANSACTION FEES:

The following tiered Del Taco system Transaction pricing is based on dedicated circuit connectivity between the Card Authorization Equipment accessed by Franchisee's wide-area-network and the BAMS Database, and is based on the Transaction volumes accumulated during each twelve (12) month Cycle following the Start Date of the Program. BAMS will invoice transaction fees monthly.

Tier I (0 – 1,250,000 Transactions)	$0.04
Tier II (1,250,001 – 1,750,000 Transactions)	$0.0375
Tier III (1,750,001 + Transactions)	$0.0345

"Transactions" include the following primary categories: (i) on-line transactions using stored value Cards through POS devices located at Designated Locations; (ii) selected transactions using a Card number through one or more Internet site(s) designated by Franchisee; (iii) batch transactions performed through BAMS's help desk or back office tool initiated by Franchisee; (iv) batch transactions submitted on behalf of Franchisee via an electronic file; (v) any other transaction request for a Card that is part of Franchisee's restaurants for which BAMS received from any source authorized by Franchisee. Transaction fees apply to any Transaction for which a processing response is provided by the Database.

Franchisee will pay the Transaction fee corresponding to Tier I during the first Cycle. BAMS may adjust Transaction fees to reflect the Del Taco system's actual Transaction volume in the previous Cycle. If the Del Taco system qualifies for a higher tier (i.e., a lower transaction fee) during any Cycle (other than the initial Cycle following the Start Date), BAMS will adjust Transaction fees beginning the month following the month in which the Del Taco system qualifies for the higher Tier for the remainder of that Cycle.

2. Standard Fees: The standard fees are comprised of the following:

- Recurring fees for each ACH settlement transaction (assessed according to the funds movement frequency that is established according to Del Taco's consortium); and
- Designated Location Fees (which are monthly service charges assessed per Designated Location).

Description	Driver	Price
Settlement Transaction Fee	Per ACH or EFT Transaction	$0.06
Location Fee	Per Location Per Month	$5.00

EXHIBIT B

ACH FORM AND GIFT CARD MERCHANT INFORMATION

(To be inserted)

EXHIBIT K

AGREEMENT TO PARTICIPATE IN THE CERIDIAN PLATFORM

AGREEMENT TO PARTICIPATE IN THE CERIDIAN PLATFORM

This Agreement to Participate in the Ceridian Platform (this "Agreement" or "Contract") is effective this ___ day of _____, 20__ (the "Effective Date") by and between Del Taco, LLC, a California limited liability company (the "Company" or "Del Taco") and _____, a _____ (the "Franchisee" or "You").

WHEREAS, the Company has negotiated and entered into a Master Services Agreement dated December 14, 2018 (including attachments, consisting of, among other things, that certain MSA dated May 31, 2019) (the "MSA") with Ceridian HCM, Inc. ("Ceridian") pursuant to which Ceridian will provide to Del Taco and its franchisees certain software modules and services intended to assist Del Taco and its franchisees in performing certain human resource functions in connection with the operation of their respective businesses (such modules and services to be referred to herein as the "Platform").

WHEREAS, these functions include, among others, payroll, benefits, time and attendance, scheduling, compensation management, performance management, document management, recruiting, dashboards, succession planning, unemployment compensation, employment/salary verification, and education.

WHEREAS, Del Taco and the Franchisee have entered into the Franchise Agreements listed on Exhibit A to this Amendment (the "Franchise Agreements") for the locations specified on Exhibit A (the "Units").

WHEREAS, Del Taco wishes to offer to Franchisee and Franchisee wishes to receive the opportunity to use and receive the benefits of the Platform from Ceridian and to obtain the favorable terms relating thereto and contained in the MSA.

In consideration of the mutual covenants contained herein, the Company and Franchisee agree as follows:

1. PARTICIPATION. PROVIDED FRANCHISEE IS IN FULL COMPLIANCE WITH THE TERMS OF THIS AGREEMENT AND THE FRANCHISE AGREEMENT, DEL TACO SHALL DESIGNATE FRANCHISEE AS AN "AFFILIATE" UNDER THE MSA, THUS MAKING FRANCHISEE ELIGIBLE TO USE AND RECEIVE THE BENEFITS OF THE PLATFORM FROM CERIDIAN IN CONNECTION WITH THE OPERATION OF THE RESTAURANT. FRANCHISEE SHALL ENTER INTO SUCH AGREEMENT(S) AND ORDER FORM(S) AS MAY BE PRESCRIBED BY CERIDIAN AND APPROVED BY DEL TACO FOR FRANCHISEE'S USE OF THE PLATFORM (THE "PLATFORM USAGE AGREEMENT"). FRANCHISEE SHALL UTILIZE THE PLATFORM ONLY THROUGH AND FOR THE OPERATION OF THE RESTAURANT.

2. COMPLIANCE WITH THIS AGREEMENT, FRANCHISE AGREEMENT AND PLATFORM USAGE AGREEMENT. FRANCHISEE SHALL AT ALL TIMES COMPLY WITH THIS AGREEMENT, THE FRANCHISE AGREEMENT, THE PLATFORM USAGE AGREEMENT AND ALL RULES, REGULATIONS, STANDARDS, SPECIFICATIONS AND PROCEDURES DESIGNATED FROM TIME TO TIME BY CERIDIAN IN CONNECTION WITH FRANCHISEE'S USE OF THE PLATFORM, INCLUDING WITHOUT LIMITATION THE CERIDIAN TIME CLOCK AND ALL APPLICATIONS. IN THE EVENT OF A CONFLICT BETWEEN THIS AGREEMENT OR THE FRANCHISE AGREEMENT AND THE PLATFORM USAGE AGREEMENT OR CERIDIAN'S RULES, REGULATIONS, STANDARDS, SPECIFICATIONS OR PROCEDURES WITH RESPECT

TO THE PLATFORM, THIS AGREEMENT AND THE FRANCHISE AGREEMENT SHALL CONTROL.

3. DEL TACO PERFORMANCE. Del Taco shall have the right, but not the obligation, to (1) collect any and all fees owing from Franchisee to Ceridian, for transmittal to Ceridian or its designees on behalf of Franchisee, and (2) communicate with Ceridian on behalf of Franchisee regarding the Platform and the Program Usage Agreement. With respect to Section 3.(2) above, Del Taco shall have the right to designate an individual or entity, which may be an employee of Del Taco, to serve as an administrator of the Platform on behalf of Franchisee and/or other franchisees of Del Taco. The administrator shall have such access to Franchisee's computer system, including without limitation all files and data regarding Franchisee's use of the Platform as the administrator deems necessary to perform the functions thereof. Del Taco shall have no fiduciary obligation to Franchisee and shall have the right to exercise its business judgement, as further described in Section 13 below, regarding the exercise of its rights described in this Section.

4. FRANCHISEE PERFORMANCE. Franchisee shall pay such fees to Del Taco in such manner as Del Taco may prescribe, and purchase, lease or otherwise acquire the right to use such equipment, hardware, software and services as Del Taco may prescribe from time to time in order to use the Platform. Franchisee acknowledges and agrees that, as of the Effective Date, such fees include, without limitation, the following:

1. Franchisee shall pay a monthly fee of Ninety-Five Dollars ($95)/a weekly fee of Twenty-One Dollars and Ninety-Two Cents ($21.92).
2. Franchisee shall purchase from Del Taco a Ceridian Time Clock (wall mounted). The current price thereof is One Thousand Seven Hundred Forty Dollars ($1,740).
3. Franchisee shall pay to Del Taco an annual maintenance/subscription fee for the Ceridian Time Clock. The current amount of such fee is Two Hundred Twenty-Five Dollars per year ($225).
4. Franchisee shall pay to Del Taco a reasonable installation fee for the Ceridian Time Clock.

5. CERIDIAN PERFORMANCE; NO WARRANTIES. FRANCHISEE AGREES AND ACKNOWLEDGES THAT DEL TACO MAKES NO WARRANTIES RELATED TO (I) THE COMPANY OPERATION OF THE PLATFORM (II) CERIDIAN'S PERFORMANCE RELATING TO OR ARISING FROM THE PLATFORM, (III) MERCHANTABILTY, (IV) FITNESS FOR A PARTICULAR PURPOSE, OR (V) NONINFRINGEMENT. FRANCHISEE AGREES AND ACKNOWLEDGES THAT THE COMPANY'S AND CERIDIAN'S EXERCISE OF ANY RIGHTS CONTAINED IN OR GRANTED BY OR THROUGH THE MSA SHALL NOT BE DEEMED TO CONSTITUTE A BREACH OF THIS AGREEMENT OR OTHERWISE RESULT IN ANY LIABILITY TO THE COMPANY. THE COMPANY SHALL HAVE NO OBLIGATION TO EFFECT OR TO ENDEAVOR TO EFFECT CERIDIAN'S PERFORMANCE RELATING TO OR ARISING FROM THE PLATFORM, AND SHALL HAVE THE RIGHT TO AMEND, REVISE, OR WAIVE ANY RIGHTS OR OBLIGATIONS UNDER, AND TERMINATE THE MSA WITHOUT LIABILITY TO FRANCHISEE.

6. DISPUTES WITH CERIDIAN. FRANCHISEE SHALL NOT BRING, INITIATE OR OTHERWISE ASSERT ANY CLAIM, ACTION OR DISPUTE AGAINST CERIDIAN, ITS AFFILIATES, OR THEIR RESPECTIVE OFFICERS, DIRECTORS, SHAREHOLDERS, EMPLOYEES OR AGENTS ARISING FROM OR RELATING TO THE PLATFORM OR THE

PLATFORM USAGE AGREEMENT. DEL TACO SHALL HAVE THE RIGHT, BUT NOT THE OBLIGATION, TO BRING, INITIATE, AND RESOLVE ANY CLAIM, ACTION OR DISPUTE BETWEEN FRANCHISEE AND CERIDIAN OR CERIDIAN'S AFFILIATES AND THEIR RESPECTIVE OFFICERS, DIRECTORS, SHAREHOLDERS, EMPLOYEES AND AGENTS ON BEHALF OF FRANCHISEE ARISING FROM OR RELATING TO THE PLATFORM AND THE PROGRAM USAGE AGREEMENT. DEL TACO MAY BRING, INITIATE AND RESOLVE SUCH CLAIM, ACTION OR DISPUTE IN ITS OWN NAME AND/OR ON BEHALF OF ITSELF AND OTHER DEL TACO FRANCHISEES. DEL TACO SHALL HAVE THE RIGHT TO SETTLE ANY SUCH DISPUTE REQUIRING PAYMENT BY FRANCHISEE OF CONSIDERATION VALUED AT UP TO $10,000.00 WITHOUT FRANCHISEE'S PRIOR WRITTEN CONSENT. AFTER UNDERTAKING TO BRING, DEFEND OR RESOLVE ANY CLAIM, ACTION OR DISPUTE DESCRIBED ABOVE, DEL TACO SHALL HAVE THE RIGHT TO WITHDRAW THEREFROM IMMEDIATELY UPON NOTICE TO FRANCHISEE AND WITHOUT LIABILITY TO FRANCHISEE. FRANCHISEE SHALL INDEMNIFY AND REIMBURSE DEL TACO FOR ALL COSTS AND EXPENSES INCURRED IN CONNECTION WITH THIS SECTION 6, INCLUDING WITHOUT LIMITATION, LEGAL FEES AND COURT COSTS. IN ANY CLAIM, ACTION, OR DISPUTE DESCRIBED ABOVE, DEL TACO SHALL HAVE THE RIGHT TO SELECT COUNSEL OF ITS CHOOSING AND TO DIRECT COUNSEL AND TO MAKE ALL OTHER DECISIONS RELATING THERETO AS DEL TACO DEEMS APPROPRIATE. FRANCHISEE SHALL COOPERATE WITH DEL TACO IN CONNECTION THEREWITH, INCLUDING WITHOUT LIMITATION, DELIVERY OF ALL DOCUMENTS, INFORMATION AND MATERIALS REASONABLY REQUESTED BY DEL TACO AND PERMITTING DEL TACO TO INTERVIEW FRANCHISEE'S OFFICERS, DIRECTORS, SHAREHOLDERS, EMPLOYEES AND AGENTS. DEL TACO SHALL HAVE NO FIDUCIARY OBLIGATION TO FRANCHISEE AND SHALL HAVE THE RIGHT TO EXERCISE ITS BUSINESS JUDGEMENT, AS FURTHER DESCRIBED IN SECTION 13 BELOW, REGARDING THE EXERCISE OF ITS RIGHTS DESCRIBED IN THIS SECTION 6.

7. TERM AND TERMINATION.

a) Term. This Agreement shall commence on the Effective Date and continue until terminated in accordance with this Section 7. Notwithstanding the above, this Agreement shall terminate immediately upon termination or expiration of (i) the Franchise Agreement, (ii) the MSA, or (iii) Del Taco's right to use the Platform, or (iv) Del Taco's right to designate Franchisee as an "Affiliate" pursuant to the MSA for Franchisee's use of the Platform.

b) Termination for Cause. The Company shall have the right to terminate this Contract or Franchisee's participation in the Platform immediately for a material breach of this Contract, provided such material breach is not cured within thirty (30) days after written notice of the breach or such material breach is incurable. Termination shall not constitute an election of remedies.

c) Termination for Convenience. The Company may terminate this Contract by giving sixty (60) days' written notice to Franchisee. Franchisee may terminate the Contract by giving one hundred fifty (150) days' written notice to C. In the event the Company issues a sixty (60) day written notice of termination and prior to the expiration of the 60th day the Company becomes aware of facts indicating Franchisee breached these terms and conditions, the Company may accelerate the effective date of the termination and exercise its right to terminate this Contract immediately.

d) Franchisee's Requirements upon Termination. In the event of a termination under this Section for any reason, Franchisee shall:

i. Immediately cease to use or access the Platform.

ii. Remain liable for all obligations to Ceridian occurring prior to the termination and resulting from the termination.

iii. Return to Ceridian, within five (5) days of termination, any and all property of Ceridian in Franchisee's possession or control.

iv. Comply with all its post-termination obligations of the Program Usage Agreement.

e) Cross Default. Franchisee's breach of this Contract resulting in its termination for cause pursuant to Section 7.b) hereof shall constitute a breach of the Franchise Agreement, for which Company may, among other things, immediately terminate the Franchise Agreement without providing Franchisee an opportunity to cure.

8. NO JOINT EMPLOYMENT. Franchisee is solely responsible for all employment decisions and functions of the Restaurant including those related to hiring, firing, training, compliance with wage and hour requirements, personnel policies, scheduling, benefits, recordkeeping, supervision, and discipline of employees, regardless of Franchisee's use of the Platform or whether Franchisee receives advice from Del Taco on these subjects. Franchisee acknowledges and agrees that all personnel decisions, including hiring, firing, disciplining, compensation, benefits, and scheduling, shall be made by Franchisee, without any influence or advice from Del Taco, and such decisions and actions shall not be, nor be deemed to be, a decision or action of Del Taco. Further, it is the intention of the parties to this Agreement that Del Taco shall not be deemed a joint employer with Franchisee for any reason. If Del Taco incurs any cost, loss, or damage as a result of any actions or omissions of Franchisee or Franchisee's employees, including any that relate to any party making a finding of any joint employer status, Franchisee will fully indemnify Del Taco for such loss.

9. GOVERNING LAW AND DISPUTE RESOLUTION. The governing law and dispute resolution provisions of the Franchise Agreement (i.e., Section 17 of the Franchise Agreement) shall apply to this Agreement and all disputes and claims relating to or arising under this Agreement and the relationship of the parties hereto and are expressly incorporated herein by reference.

10. SEVERABILITY. If any of the provisions of this Agreement may be construed in more than one way, one of which would render the provision illegal or otherwise voidable or unenforceable, such provision shall have the meaning which renders it valid and enforceable. The language of all provisions of this Agreement shall be construed according to its fair meaning and not strictly against any party. In the event any court or other government authority shall determine that any provision in this Agreement is not enforceable as written, the parties agree that the provision shall be amended so that it is enforceable to the fullest extent permissible under the laws and public policies of the jurisdiction in which enforcement is sought and affords the parties the same basic rights and obligations and has the same economic effect. If any provision in this Agreement is held invalid or otherwise unenforceable by any court or other government authority or in any other proceeding, such findings shall not invalidate the remainder of the agreement unless in Del Taco's reasonable opinion the effect of such determination has the effect of frustrating the purpose of this Agreement, whereupon Del Taco shall have the right by notice in writing to Franchisee to immediately terminate this Agreement.

11. INDEMNIFICATION. Franchisee shall, to the fullest extent permissible under applicable law, indemnify and hold Del Taco and its affiliates, and each of Del Taco's respective officers, directors, shareholders, employees, and agents harmless against any and all claims, obligations, and

damages arising directly or indirectly from, as a result of, or in connection with this Agreement, the Program Usage Agreement, Franchisee's use of the Platform, Franchisee and its employees', agents' and vendors' actions and inaction, or Franchisee's breach of this Agreement, including those alleged to be caused by Del Taco's negligence, as well as the costs, including attorneys' fees, costs, and expenses (and interest on such fees, costs, and expenses), of defending against them, unless (and then only to the extent that) the claims, obligations, and damages are determined to be caused solely by Del Taco's gross negligence or willful misconduct according to a final, unappealable ruling issued by a court or arbitrator with competent jurisdiction. In the event Del Taco incurs any costs or expenses, including legal fees (including attorneys' fees, costs, and expenses (and interest on such fees, costs, and expenses)), travel expenses, and other charges, in connection with any proceeding involving Franchisee in which Del Taco is not a party, Franchisee shall reimburse Del Taco for all such costs and expenses promptly upon presentation of invoices. Franchisee acknowledges and agrees that Franchisee's indemnification and hold harmless obligations under this Section 11 shall survive the termination or expiration of this Agreement

12. MISCELLANEOUS. The terms and provisions contained herein which by their terms or reasonable implication are intended to survive the termination of this Agreement shall remain effective. Failure to enforce any provision of this Agreement will not constitute a waiver.

13. BUSINESS JUDGMENT. Franchisee understands and agrees that Del Taco may exercise any rights and authority described herein, including, without limitation those described in Sections 3 and 6 hereof, in any manner that is not expressly and specifically prohibited by this Agreement. Whenever Del Taco has expressly reserved in this Agreement or is deemed to have a right and/or discretion to take or withhold an action, or to grant or decline to grant Franchisee a right to take or withhold an action, except as otherwise expressly and specifically provided in this Agreement, Del Taco may make such decision or exercise its right and/or discretion on the basis of its judgment of what is in Del Taco's best interests, including Del Taco's judgment of what is in the best interests of the franchise network, at the time Del Taco's decision is made or Del Taco's right or discretion is exercised, without regard to whether: (1) other reasonable alternative decisions or actions, or even arguably preferable alternative decisions or actions, could have been made by Del Taco; (2) Del Taco's decision or the action taken promotes Del Taco's financial or other individual interest; (3) Del Taco's decision or the action it takes applies differently to Franchisee and one or more other franchisees or Del Taco company-owned or affiliate-owned operations; or (4) Del Taco's decision or the exercise of its right or discretion is adverse to Franchisee's interests. In the absence of an applicable statute, Del Taco will have no liability to Franchisee for any such decision or action. Del Taco and Franchisee intend that the exercise of Del Taco's right or discretion will not be subject to limitation or review. If applicable law implies a covenant of good faith and fair dealing in this Agreement, Del Taco and Franchisee agree that such covenant shall not imply any rights or obligations that are inconsistent with the express wording of the terms of this Agreement and that this Agreement grants Del Taco the right to make decisions, take actions and/or refrain from taking actions not inconsistent with Franchisee's rights and obligations hereunder.

14. MODIFICATION, AMENDMENT AND WAIVER. No modification, amendment, or waiver of any provision of this Agreement shall be effective unless same shall be in writing and mutually executed by the Company and Franchisee.

15. ENTIRE AGREEMENT. This Agreement contains the entire agreement between the parties hereto. No party to this Agreement has relied upon any oral or written representations, express or implied warranties or agreements that are not contained in the body of this Agreement

16. COUNTERPARTS. This Agreement may be executed in counterparts.

[Signature Page Follows]

IN WITNESS WHEREOF, the Company and Franchisee have caused this Agreement to be executed as of the Effective Date by their authorized representatives.

Del Taco LLC

By: _____
Jack Tang, Vice President, General Counsel

Dated:_____

[**Franchisee**]

By:_____
Name:_____
Its: _____

Dated:_____

EXHIBIT A TO AGREEMENT TO PARTICIPATE IN THE CERIDIAN PLATFORM

Unit No.	Address	Date of Franchise Agreement	Bank Name	Bank Acc #	Bank Routing #

EXHIBIT L

NON-DISCLOSURE AGREEMENT

DEL TACO NON-DISCLOSURE AGREEMENT

THIS NON-DISCLOSURE AGREEMENT ("Agreement") is made and entered into on the_____day of_____, 20___

WHEREAS, Del Taco is the owner of certain proprietary and confidential information, which may include but is not limited to financial data, operating procedures, marketing information, business strategies (hereinafter referred to as "Proprietary Information");

WHEREAS, Prospective Franchisee is interested in having access to such Proprietary Information for the purpose of determining whether it is interested in entering into a franchising relationship;

NOW THEREFORE, considering the following premises, and intending to be legally bound thereby, it is agreed as follows:

1. Prospective Franchisee will keep confidential the Proprietary Information that may be disclosed to it orally or in writing.

2. Proprietary Information may be disclosed by the Prospective Franchisee only to those of its employees, agents and consultants who need to know such Proprietary Information for the purpose described above, who have been informed of the confidential nature of such information, and who are obligated to maintain such information in confidence.

3. Prospective Franchisee will not disclose such Proprietary Information to any third party without the prior written consent of Del Taco.

4. Prospective Franchisee will not use such Proprietary Information for any purpose other than the purpose for which disclosed.

5. All tangible Proprietary Information furnished by Del Taco shall be subject to repossession by Del Taco at any reasonable time upon request, and at all times while in the possession of the receiving party shall be segregated and physically identified as Del Taco's property. All documents and other tangible expressions of the Proprietary Information shall be returned to Del Taco or be destroyed, if so instructed in writing by Del Taco.

6. Proprietary Information shall not include, and the obligations set forth above shall not apply to, information which:

    a. Was known to Prospective Franchisee prior to any disclosure by Del Taco;

    b. Is or shall become public information through no breach of this Agreement;

    c. Is received by Prospective Franchisee from a third party having no secrecy obligation to Del Taco with respect to such disclosed information; or

    d. Subsequently is developed, as evidenced by written documentation, by an employee, agent, or representative of Prospective Franchisee to whom Proprietary Information has not been divulged.

7. If Prospective Franchisee is requested or required to disclose Proprietary Information pursuant to a subpoena or an order of a court or governmental agency, it shall:

    a. Promptly notify Del Taco of the existence, terms and circumstances surrounding the governmental request or requirement;

    b. Consult with Del Taco on the advisability of taking steps to resist or narrow the request;

    c. Cooperate with Del Taco in its efforts to obtain an order or other reliable assurance that confidential

treatment be accorded to that portion of the Proprietary Information that is required to be disclosed; and

d. If disclosure of Proprietary Information is required, furnish only such portion of the Proprietary Information as Prospective Franchisee is advised by its counsel is legally required to be disclosed.

8. Should any provision of the present Agreement be declared unenforceable for any reason or found contrary to any federal or state statue, said provision will automatically cease to be a part of this Agreement without affecting any other provision or obligation thereof.

DEL TACO NON-DISCLOSURE AGREEMENT

9. The waiver of any breach of non-enforcement of any provision of this Agreement shall not be construed to constitute a waiver of any other breach or provisions of this or any other Agreement.

10. This Agreement shall not be construed as a partnership, joint venture or other such arrangement (other than the parties hereto agree that this Agreement is for the purpose of protecting Proprietary Information only).

11. Del Taco has no obligation to supply Proprietary Information hereunder.

12. Nothing in this Agreement shall be deemed to grant a license directly, by implication, by estoppel, or otherwise to any Proprietary Information disclosed pursuant to this Agreement.

13. This Agreement shall be governed by the laws of the State of California, without giving effect to the principles of conflicts of law thereof. Each of the parties hereto submits itself hereby to the exclusive jurisdiction of the state or federal courts in the State of California, and waives any objection (on the grounds of lack of jurisdiction or forum non conveniens, or otherwise) to the exercise of such jurisdiction over it by any state or federal court in the State of California. Lake Forest, California shall be the sole venue for any legal action arising hereunder.

14. In the event any action at law or in equity is brought by either party to enforce or interpret the provisions of this Agreement, the prevailing party shall be entitled to recover all reasonable attorneys' fees and costs of suit.

15. This Agreement constitutes the entire understanding of the parties with respect to the subject matter of this Agreement. This Agreement supersedes all prior and subsequent Agreements or understanding, oral or in writing, between the parties hereto in connection with the subject matter hereof. In the event of any conflict between this Agreement and any other agreement between the parties hereto, this Agreement shall control.

Each of the parties signing below on behalf of a legal entity represents that he/she is duly authorized to bind and obligate that entity to the terms of this Agreement.

PROSPECTIVE FRANCHISEE	**DEL TACO, LLC**
Print name:_____	Print name:_____
Signature:	Signature:
Title: _____	Title: _____
Date: _____	Date: _____

DEL TACO NON-DISCLOSURE AGREEMENT

© 2023 Del Taco LLC

EXHIBIT M

FORM OF ASSET PURCHASE AGREEMENT

PURCHASE AGREEMENT

This Purchase Agreement (which together with the Exhibits attached hereto and other documents incorporated herein by reference, is referred to as the "Agreement") is entered into as of _____, ____, between DEL TACO LLC, a California limited liability company ("Del Taco" or "Seller"), whose address is 25521 Commercentre Drive, Suite 150, Lake Forest, CA 92630 and [_____], a [___] limited liability company, whose address is _____ ("Buyer"). The parties agree that Buyer will purchase the Locations according to the terms of this Agreement.

RECITALS

Seller is the owner of the Del Taco restaurant businesses identified in Schedule 1 attached hereto and incorporated herein by this reference (sometimes collectively referred to herein as the "Location(s)"). Buyers desire to become franchisee for each of the Locations under Franchise Agreements with Seller (or an affiliated entity) and tenant under Subleases with Seller for each of the Locations.

This Agreement sets forth the terms upon which: (i) Seller will sell and Buyer will purchase all of the assets of the businesses operated at the Locations, except as specifically excluded herein; and (ii) Seller (or an affiliated entity, as appropriate) and Buyers will enter into a Franchise Agreement and a Subease for each of the Locations, as described herein.

NOW THEREFORE, in consideration of the premises and the mutual covenants and conditions contained in this Agreement, and other good and valuable consideration, the receipt and sufficiency of which are acknowledged, Buyer and Seller agree as follows:

1. INCORPORATION OF RECITALS

The above recitals are incorporated as terms of this Agreement as though fully set forth hereafter.

2. PURCHASE OF ASSETS

Upon the terms and subject to the conditions set forth in this Agreement, Seller and Buyer agree that at the "Closing" (as defined below):

A. Seller shall sell and convey and Buyer shall purchase:

(i) All furniture, fixtures, equipment, small wares, replacements and other personal property (the "Business Assets") which are owned by Seller and present at the Locations on the "Closing Date" (as defined below).

(ii) Wholesome food, paper goods and supplies (the "Additional Assets") which are present at the Locations on the Closing Date, all as determined by the inventory described in Section 6 of this Agreement.

(iii) The cash in the restaurant change drawers and other petty cash at the Locations on the Closing Date (the "Stand Bank").

(iv) The items described in subparagraphs (i), (ii) and (iii) above shall be collectively referred to hereafter as the "Assets."

B. Seller (or an affiliated entity, as appropriate) and Buyer shall execute a Franchise Agreement and a Sublease for each of the Locations, the provisions of which shall be consistent with Seller's current Franchise Disclosure Document ("FDD"), which shall be guaranteed by all of the "Owners" of Buyer (as defined in the Franchise Agreement). The marketing and royalty fees under the Franchise Agreements, the term of each of the Franchise Agreements and Subleases, and the rents payable under the Subleases for each of the Locations shall be as set forth in Schedule 2, attached hereto and incorporated herein by this reference. In addition to fixed minimum rents, Buyer will be responsible for any percentage rent payable under any Master Lease, as well as for all other charges payable under the Master Lease(s), including without limitation, all CAM charges, property taxes, and any other miscellaneous fees or charges. Buyer agrees and acknowledges that the fixed minimum rent payable under the Subleases for all of the Locations will be increased from time to time in accordance with the provisions thereof to reflect increases payable by Seller pursuant to the Master Lease for each of the Locations.

C. Buyer shall execute and deliver to Seller one or more Releases in a form acceptable to Seller, in its sole discretion ("Release(s)").

D. Buyer and Seller agree and acknowledge that Seller shall sell, transfer and convey to Buyer the entire restaurant businesses operated at the Locations. Seller will terminate the employment of Seller's employees at the Locations contemporaneously with or immediately prior to the Closing. Buyer does not assume, and Seller shall be fully responsible for the payment of any wages, bonuses, severance or other benefits related to any of its employees (including any disability, earned or accrued but unpaid vacation or paid time off, or workers compensation obligations) or payable upon the termination of any of its employees, including any employees offered employment by Buyer who fail to accept such employment offer. Buyer will not be obligated to hire Seller's employees, and Buyer will tender "at will" employment to those of Seller's former employees that Buyer elects to hire, effective as soon as feasible after the applicable Closing. Buyer will be responsible for and assume any and all liability relating to post-Closing employment of any of the employees at the Locations hired by Buyer.

E. Buyer agrees and acknowledges that Buyer shall be obligated to comply at all times with the provisions of Section 5.1. of the Franchise Agreement for each of the Locations. Such section requires, among other things, (a) that the Locations be kept in good condition and in conformity with the "System" (as defined therein), and (b) that Buyer make any improvements and alterations as may be determined by Del Taco to be necessary.

F. Buyer acknowledges that Del Taco shall have the right to terminate the Franchise Agreement and Sublease for any of the Locations as of the expiration of the current term of the Master Lease(s), or as of the expiration of any extension of such term, upon written notice to Buyer; provided, however, that following receipt of any such notice from Del Taco, if Buyer desires to remain at the subject Location(s), Buyer will be permitted to contact the master landlord(s) and negotiate terms directly with such master landlord(s), with the condition that Del Taco will be released from any and all lease obligations and/or guarantees with respect to the subject Location(s).

3. PURCHASE PRICE; OTHER PAYMENTS

A. The purchase price for the Assets ("Purchase Price") shall be the sum of the amounts described in sections (i) and (ii) below:

(i) Subject to the credits and other adjustments described in this Agreement, Buyer shall pay to Seller _____ ($) for the Business Assets, payable at the Closing, subject to adjustment as described in this Agreement. No more than 5

days following the execution of this Agreement, Buyer shall deposit _____ ($) in Escrow.

(ii) Buyer agrees and acknowledges that as a condition to Seller agreeing to sell the Locations to Buyer, at the Closing Buyer shall pay at least the sum of the Sales Taxes and any closing costs or prorations that are the responsibility of Buyer, from personal sources other than from any financing secured by the Assets, the Locations or any other Del Taco restaurant businesses operated by Buyer, and which shall be immediately available at the Closing.

(iii) In consideration of the purchase by Buyer of the Additional Assets and the Stand Bank for each of the Locations, within 3 days after receipt of a billing from Seller, for each of the Locations, Buyer shall pay to Seller the sum of: (a) an amount equal to Del Taco's current price to Franchisees who buy from Del Taco for food and packaging, and (b) an amount equal to the Stand Bank.

(iv) Buyer shall also pay _____ ($) in development deposits for the development of _____ ( ) additional Del Taco restaurants.

B. Buyer may operate the restaurants under Del Taco permits on the Closing Date if allowed by the municipality. Within ninety (90) days of transfer or earlier as required by municipalities, Buyer shall be responsible for obtaining/transferring all required licenses and permits into Buyer's name, as well as for the payment of any and all application, licensing, transfer or connection fees and costs associated with Buyer's acquisition of the Assets and subsequent operation of the Locations.

C. Buyer acknowledges and agrees Buyer must understand city, county, state, and federal laws, rules, regulations and code requirements (collectively, "Laws") applicable to the Locations, and that certain Laws may have been grandfathered for Del Taco, but will not apply to the new owner upon transfer of the Locations. Buyer will be responsible for determining if additional work and/or equipment may be required in order for the Locations to comply with all applicable Laws, and for the costs of any required modifications to the equipment, kitchen design, and/or facility at any of the Locations. Buyer acknowledges and agrees further that city code inspections (health inspectors and other city inspection authorities) will occur either before or after the Closing Date (depending on the municipality). Inspections are required for Buyer to receive a certificate of occupancy and other applicable permits (including but not limited to health permits) to operate the Locations.

D. Rents, taxes and other charges due under the Subleases shall be prorated through Escrow as of the Closing Date.

E. Prior to the Closing, Buyer shall execute and deliver to Seller an Authorization for Direct Deposit Withdrawal, as required by the Franchise Agreements.

4. ESCROW

This transaction shall be conducted insofar as is necessary to effectuate its purpose through one or more escrows to be opened with an escrow company to be selected by Del Taco, in its reasonable discretion (the "Escrow(s)"). The parties agree to execute such escrow instructions (the "Escrow Instructions") as may be necessary or appropriate to effect the purpose and intent hereof and that this Agreement shall be attached to the Escrow Instructions as an exhibit and shall remain in full force and effect; provided, however, that in the event of any inconsistency between the provisions of the Agreement and the Escrow Instructions, the provisions of this Agreement shall govern. All costs of the escrow shall

be borne equally by Buyer and Seller. Buyer shall pay any sales, use and other taxes which may arise as a result of this transaction.

5. CLOSING; CONDITIONS TO SELLER'S OBLIGATIONS

A. Provided all the terms and contingencies and conditions of this Agreement have been fulfilled or waived in writing this transaction shall be completed through a closing ("Closing") on or before _____, 2024 ("Closing Date")."

B. The following shall constitute conditions precedent to Seller's obligations under this Agreement. Seller shall determine, in its sole discretion, whether such conditions have been satisfied as of the Closing Date. In the event Seller does not waive any of the conditions set forth below prior to the Closing Date, this Agreement shall terminate, and the parties shall have no further obligations hereunder.

(i) Seller shall have reviewed and approved Buyer's loan term sheets and(or) commitment letters, and such other information as may be reasonably requested by Seller, in its sole discretion, to determine Buyer's ability to obtain financing sufficient to complete the transaction contemplated in this Agreement. Buyer shall cooperate with Seller in connection with the foregoing condition by promptly providing to Seller any and all such documents and information requested by Seller.

(ii) The terms and provisions of this transaction shall have been approved by Seller's executive management.

(iii) Seller shall have reviewed and approved Buyer's financial status and liquidity, including, without limitation, Buyer's bank statements, financial statements, loan term sheets and(or) commitment letters, and such other information as may be requested by Seller, in its sole discretion, to determine Buyer's financial capability to complete the transaction contemplated in this Agreement. Buyer shall cooperate with Seller in connection with the foregoing condition by promptly providing to Seller any and all such documents and information requested by Seller.

C. As an additional condition precedent for the Closing, prior to the Closing Date the parties shall have received the written consent to sublease each of the Locations from any third party where consent is required under any lease for a Location. Buyer shall be responsible for any reimbursements or payments due to any third parties in connection with obtaining any required consents.

D. Buyer acknowledges the Assets include the training tablets at the Locations. Buyer will be responsible for following Del Taco systems and processes to activate and maintain tablets for restaurant-level employees at the Locations. Any costs arising from Buyer not following Del Taco processes for activating the tablets will be Buyer's responsibility. Any additional tablet purchases for above-restaurant level employees will be Buyer's responsibility.

6. INVENTORIES OF PERSONAL PROPERTY

Prior to the Closing Date, persons designated by Buyer and Seller shall jointly conduct an inventory of the Business Assets and Additional Assets at the Locations, which inventory shall be conducted in a manner to be agreed upon by the parties. The final inventory for each Location shall be

initialed by those representatives designated by Buyer and Seller and shall be attached to the Bills of Sale described below.

7. AS-IS PURCHASE

BUYER AGREES TO PURCHASE THE LOCATIONS AND BUSINESS ASSETS "AS IS" AND "WHERE IS" WITH ALL FAULTS, AS DESCRIBED BELOW, PROVIDED THAT: (A) DEL TACO WARRANTS AND REPREESENTS THAT THE BUSINESS ASSETS ARE IN WORKING CONDITION. IF ANY OF THE BUSINESS ASSETS ARE IN NEED OF REPAIR, SELLER WILL DELIVER A LIST OF SUCH ITEMS TO THE BUYER AND A SCHEDULE BY WHICH SUCH ITEMS WILL BE REPAIRED.

AT CLOSING, BUYER SHALL ACCEPT THE ASSETS AND THE LOCATIONS IN THEIR EXISTING "AS-IS" AND "WHERE IS" WITH ALL FAULTS CONDITION, WITHOUT REPRESENTATION OR WARRANTY OF ANY KIND BY SELLER, EXCEPT AS SPECIFICALLY SET FORTH IN THIS AGREEMENT. BUYER ACKNOWLEDGES AND AGREES THAT, EXCEPT AS SPECIFICALLY SET FORTH IN THIS AGREEMENT, SELLER HAS NOT MADE, DOES NOT MAKE AND SPECIFICALLY NEGATES AND DISCLAIMS ANY REPRESENTATIONS, WARRANTIES, PROMISES, COVENANTS, AGREEMENTS OR GUARANTEES OF ANY KIND OR CHARACTER WHATSOEVER, WHETHER EXPRESS OR IMPLIED, ORAL OR WRITTEN, PAST, PRESENT OR FUTURE, OF, AS TO, CONCERNING OR WITH RESPECT TO (I) VALUE OF THE ASSETS; (II) THE INCOME TO BE DERIVED FROM THE LOCATIONS; (III) THE HABITABILITY, MERCHANTABILITY, MARKETABILITY, PROFITABILITY OR FITNESS FOR A PARTICULAR PURPOSE OF THE ASSETS OR THE LOCATIONS; (IV) THE MANNER, QUALITY, STATE OF REPAIR OR LACK OF REPAIR OF THE ASSETS OR THE LOCATIONS; (V) THE NATURE, QUALITY OR CONDITION OF THE ASSETS OR THE LOCATIONS; (VI) THE COMPLIANCE OF OR BY THE LOCATIONS WITH ANY LAWS, RULES, ORDINANCES OR REGULATIONS OF ANY APPLICABLE GOVERNMENTAL AUTHORITY OR BODY; (VII) THE MANNER OR QUALITY OF THE CONSTRUCTION OR MATERIALS, IF ANY, INCORPORATED INTO THE LOCATIONS; (VIII) COMPLIANCE WITH ANY ENVIRONMENTAL PROTECTION, POLLUTION OR LAND USE LAWS, RULES, REGULATION, ORDERS OR REQUIREMENTS; (IX) THE PRESENCE OR ABSENCE OF HAZARDOUS MATERIALS AT, ON, UNDER, OR ADJACENT TO THE LOCATIONS; (X) THE CONTENT, COMPLETENESS OR ACCURACY OF ANY DUE DILIGENCE MATERIALS PROVIDED TO BUYER; (XI) THE CONFORMITY OF THE IMPROVEMENTS TO ANY PLANS OR SPECIFICATIONS FOR THE LOCATIONS, INCLUDING ANY PLANS AND SPECIFICATIONS THAT MAY HAVE BEEN OR MAY BE PROVIDED TO BUYER; (XII) THE CONFORMITY OF THE LOCATIONS TO PAST, CURRENT OR FUTURE APPLICABLE ZONING OR BUILDING REQUIREMENTS; (XIII) THE EXISTENCE OF VESTED LAND USE, ZONING OR BUILDING ENTITLEMENTS AFFECTING THE LOCATIONS; (XIV) THE CONDITIONS OF THE LOCATIONS FROM ANY CAUSE WHATSOEVER AS IT RELATES TO SICK BUILDING SYNDROME, HUMIDITY, ATMOSPHERIC CONDITIONS, MOISTURE, DRYNESS, ALLERGENS, MOLD, MILDEW, OR ANY PARTICLE, ORGANISMS OR OTHER CONDITIONS OR SUBSTANCES THAT MAY CAUSE REACTIONS, SICKNESS, PERSONAL INJURY OR ANY OTHER DAMAGE OR LOSS; OR (XV) WITH RESPECT TO ANY OTHER MATTER. BUYER FURTHER ACKNOWLEDGES AND AGREES THAT TO THE MAXIMUM EXTENT PERMITTED BY LAW, THE SALE OF THE LOCATIONS AS PROVIDED FOR HEREIN IS MADE ON AN "AS IS" CONDITION AND BASIS WITH ALL FAULTS, AND THAT SELLER HAS NO OBLIGATIONS TO MAKE REPAIRS, REPLACEMENTS OR IMPROVEMENTS EXCEPT AS MAY OTHERWISE BE EXPRESSLY STATED HEREIN. IN ADDITION TO THE FOREGOING, BUYER WAIVES ANY RIGHTS AGAINST SELLER AND EXPRESSLY RELEASES SELLER FROM ANY LIABILITY WITH RESPECT TO ANY ADA COMPLIANCE ISSUES AT THE

LOCATIONS, AND BUYER ACKNOWLEDGES AND AGREES THAT BUYER SHALL BE RESPONSIBLE, AT ITS SOLE COST AND EXPENSE, FOR ANY WORK NECESSARY TO BRING THE LOCATIONS INTO COMPLIANCE WITH ANY AND ALL ADA REQUIREMENTS.

BY INITIALING BELOW, BUYER ACKNOWLEDGES AND AGREES THAT BUYER IS PURCHASING THE ASSETS AND ACCEPTING THE LOCATIONS "AS IS" AND "WHERE IS" AS DESCRIBED HEREIN.

_____

BUYER'S INITIALS

8. DAMAGE TO IMPROVEMENTS

If the improvements or Business Assets at any of the Locations are destroyed or materially damaged prior to the Closing Date, then, at the option of Buyer, Buyer may (i) terminate this Agreement as to the affected Location(s), or (ii) elect to complete the transaction, in which event Buyer shall be entitled to receive all proceeds of insurance payable on account of such destroyed or damaged property.

9. INDEMNIFICATION

A. Seller hereby indemnifies and agrees to hold harmless Buyer from and against any and all indebtedness, liabilities, losses, costs, expenses, damages, deficiencies and claims, including without limitation attorneys' fees, court costs and all costs of investigation, defense and payment of any claim, arising out of or resulting from the conduct of Sellers or any of them or contracts by Sellers or any of them in connection with the Assets, Locations or the operation of the restaurant business thereat prior to the Closing Date.

B. Buyer hereby indemnifies and agrees to hold harmless Sellers and each of them from and against any and all indebtedness, liabilities, losses, costs, expenses, damages, deficiencies and claims including without limitation attorneys' fees, court costs and all costs of investigation, defense and payment of any claim, arising out of or resulting from the conduct of or contracts by Buyer in connection with the Locations or the operation of the restaurant business thereat after the Closing Date; provided, however, that Buyer's indemnification hereunder shall not cover any liabilities arising from Seller's sole negligence.

10. DELIVERY UPON EXECUTION

Prior to the Closing Date, Seller will deliver to Buyer the following with respect to the subject Locations:

A. Franchise Agreements and guaranties thereof;

B. Subleases and guaranties thereof, with Landlord Interest Addendums attached, if appropriate;

C. Copy of the Master Leases affecting the Locations, if any; and

D. Most recent title information in Seller's possession.

11. DELIVERIES AT CLOSING

A. On or prior to the Closing Date, Buyer and Seller will deliver to Escrow the following for each Location, as applicable:

(i) Fully executed Franchise Agreements and guaranties thereof in the form approved by Seller.

(ii) Fully executed Subleases and guaranties thereof, with Landlord Interest Addendums attached, if appropriate, in the form approved by Seller.

(iii) Executed Bill of Sale.

(iv) Fully executed Release(s).

(v) Such other documents as are contemplated by this Agreement or as may be necessary or appropriate to carry out the purpose and intent hereof.

B. At least one business day prior to the Closing Date, Buyer will deliver to Escrow immediately available funds in the amount of the Purchase Price payable at the Closing, the applicable Franchise Fees, plus Buyer's portion of any closing costs hereunder.

12. REPRESENTATIONS AND WARRANTIES; SELLER'S PRE-CLOSING OBLIGATIONS

A. Seller hereby represents, warrants and agrees:

(i) Seller, as of the Closing Date, shall be the owner of the Business Assets and the Additional Assets at each of the Locations.

(ii) To the best of Seller's knowledge, no condemnation or eminent domain proceedings affecting the Locations have been commenced or are contemplated, except as may be disclosed in writing to Buyer.

(iii) There are no oral or written leases affecting the Locations except as disclosed in writing to Buyer and Seller hereby agrees to and shall, deliver to buyer, on the Closing Date, exclusive possession of the Locations.

B. Seller covenants and agrees that prior to the Closing Date Seller shall continue to operate the Locations in good faith and in accordance with Seller's standard operating procedures for Seller's company restaurants.

13. DEFAULT

In the event that Escrow fails to close as a result of a breach or non-performance by either party, the non-breaching party shall have all rights and remedies available under this Agreement, at law or in equity, including, without limitation, the right to seek damages and(or) specific performance.

14. MISCELLANEOUS

A. All understandings and agreements heretofore had or made between the parties hereto concerning the matters herein specified are merged in this Agreement, which, alone, fully and completely expresses their agreement relating to the subject matter hereof.

B. This Agreement shall not be modified or amended except by a writing signed by each party.

C. This Agreement shall be binding upon and inure to the benefit of the parties hereto, their heirs and respective successors and assigns.

D. This Agreement shall be governed by the laws of the State of California.

E. This Agreement may be executed in one or more counterparts, each of which shall be deemed an original, but all of which together shall constitute one and the same instrument.

F. Buyer may not assign this contract or any of its rights and obligation hereunder.

G. To the extent this Agreement contains provisions which set forth covenants and(or) obligations to be performed following the Closing Date, such provisions, and the covenants and obligations described therein, shall survive and be enforceable following the Closing.

15. NOTICES

All notices, consents, approvals or other instruments required or permitted to be given by either party shall be in writing and shall be deemed to have been properly given if sent by registered, or certified mail, return receipt requested, Federal Express (including Federal Express Zap Mail Service), Airborne, Emery, DHL, Express Mail, or by other recognized overnight courier service, postage and other charges prepaid to the parties at the addresses set forth in the first paragraph hereof or to such other address as either party may specify by written notice given in accordance with this paragraph.

16. ACKNOWLEDGMENT OF RECEIPT OF FDD

By execution hereof, each of the parties constituting Buyer hereunder represents and warrants that (a) they have received Seller's current FDD and all Exhibits thereto at the earlier of the first personal meeting with Del Taco personnel regarding the transition which is the subject of this Agreement or fourteen (14) days or more prior to the execution hereof or payment of any fee in connection herewith; (b) they have had full opportunity to be advised of the terms and conditions of this Agreement and the Exhibits hereto by counsel of their own choosing prior to the execution hereof; (c) they are executing this Agreement after having made such investigations of Seller and its operations as they desire; and (d) they have not reviewed nor relied upon any representations by Seller or its officers, directors, employees, or agents that are contrary to the terms hereof or the FDD.

17. SALES TAX ON PERSONAL PROPERTY

Seller shall collect from Buyer through escrow all sales tax in connection with this transaction on the personal property located at the Location ("Sales Tax(es)"), which the parties estimate to be as follows:

Site No. _____ Sales Tax

Following the Closing Date, in the normal course of Sellers' business, Seller shall be responsible for the payment of the sales tax on personal property to the appropriate taxing authority.

18. COSTS AND EXPENSES

Except as herein provided, each party hereto shall be responsible for their own costs and expenses for any due diligence costs and expenses, sales taxes or attorneys fees, if any, attendant to this transaction.

Dated this ___ day of _____, 2024.	SELLER: DEL TACO LLC, a California limited liability company By: _____ Its: _____
Dated this ___ day of _____, 2024.	BUYER: By: _____ Print Name: _____ Its: _____

By: _____

Print Name: _____

Its: _____

SCHEDULE 1

SCHEDULE 2

EXHIBIT N

FORM OF SUBLEASE

FRANCHISE SUBLEASE

Between

Del Taco LLC,
a California limited liability company
(Sublandlord)

and

_____
_____
(Subtenant)

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Exhibit “A”	Legal Description
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FRANCHISE SUBLEASE

THIS FRANCHISE SUBLEASE ("Sublease") is dated _____, 20___, and is between Del Taco LLC, a California limited liability company ("Sublandlord") and _____ ("Subtenant").

W I T N E S S E T H:

Whereas, Sublandlord is the tenant under that certain Lease Agreement dated _____, with _____ ("Master Landlord"), as amended by that certain _____ (collectively, the "Master Lease"), attached as Exhibit "C" to this Sublease;

Whereas, Sublandlord, as franchisor, and Subtenant, as franchisee, are parties to that certain Franchise Agreement dated _____, 20___ (the "Franchise Agreement").

Whereas, Sublandlord wishes to sublease the real property covered by the Master Lease to Subtenant for purposes of operating a restaurant business under the terms of the Franchise Agreement.

Now, therefore, for good and valuable consideration, the receipt and adequacy of which each of the parties hereby acknowledge, Sublandlord and Subtenant hereby agree as follows:

1. Property.

Sublandlord hereby subleases to Subtenant and Subtenant hereby subleases from Sublandlord that certain real property (including all improvements from time to time located on the real property), situated in the City of _____, _____ County, State of _____, having a street address of _____; and more particularly described on Exhibit "A" to this Sublease (the "Demised Premises"). The Property comprises a land area of approximately _____ square feet.

2. Improvements.

The Building located on the Demised Premises, consists of approximately _____ square feet, with related improvements, including a drive-thru lane (individually, the "Improvement" and, collectively, the "Improvements"). For the sake of convenience, this Sublease shall refer to the Property and the Improvements as the "Demised Premises." Concurrently with this Sublease, Subtenant, under separate agreement with Sublandlord has purchased the furniture, fixtures, and equipment (the "FF&E") currently existing on the Demised Premises. Accordingly, the FF&E is deemed Subtenant's personal property.

3. Master Lease.

This Sublease is subject to the Master Lease which is incorporated into and made a part of this Sublease. Subtenant shall perform all the terms of the Master Lease as if Subtenant was the original tenant under the Master Lease and Sublandlord was the original landlord under the Master Lease, except and only to the extent that this Sublease expressly provides otherwise. Subtenant shall not do or fail to do anything that will create a breach by Sublandlord under the Master Lease. In such event, Sublandlord will have all applicable rights and remedies against Subtenant that Master Landlord has with respect to Sublandlord under the Master Lease.

4. Commencement Date.

The term of this Sublease shall commence _____ (the "Commencement Date") and expire on _____. Subtenant shall have possession of the Demised Premises upon i) full execution

of this Sublease; and ii) the appropriate insurance certificates as provided for in the Master Lease with Sublandlord also shown as additional insured, all on or before _____.

5. Rent.

From the Commencement Date through _____, Subtenant shall pay to Sublandlord monthly rent for the Demised Premises in the amount of $_____ per annum or the current rent to be paid by Sublandlord to Master Landlord under the Master Lease (the "Base Rental"), in advance on the first day of each calendar month, which Base Rental and Additional Rent will be paid by way of monthly or weekly draws (as determined by Sublandlord) made to Sublandlord upon the same terms specified in paragraph 4(c) and Exhibit B to the Franchise Agreement for weekly royalty draws. During the term of this Sublease, Subtenant shall be liable for and shall pay by way of the above-described draws, any and all financial obligations required of the tenant under the Master Lease, including but not limited to all taxes, insurance, and common area maintenance fees (if any) ("Additional Rent"). All utilities and all other costs not noted here but associated with the Demised Premises, shall be paid directly to the appropriate entity by Subtenant.

Subtenant acknowledges that the late payment of Base Rental, or any other sums due to Sublandlord under this Sublease will cause Sublandlord to incur costs not contemplated by this Sublease, the exact amount of which Sublandlord is not capable of determining. Accordingly, if any installment of Base Rental, or other sums due under this Sublease shall not be received by Sublandlord on or before the first of each month, Sublandlord may assess and Subtenant shall pay to Sublandlord a late charge equal to five percent (5%) of such overdue Base Rental, and or other sums (the "Late Charge") upon demand.

6. Adjustment of Rent.

Base Rental and Additional Rent shall be adjusted in accordance with the schedule and terms provided in the Master Lease. (Note - Add Adjustment agreed upon by the parties).

7. Percentage Rent.

In addition to the Base Rental, Subtenant shall pay Sublandlord all percentage rent that Sublandlord must pay under the Master Lease during the term of this Sublease. In addition, Subtenant shall complete all reporting requirements pursuant to the Master Lease at least 10 days prior to the time for Sublandlord to provide those items in the Master Lease.

8. Use of Demised Premises.

Notwithstanding the provisions of the Master Lease to the contrary, Subtenant shall use and occupy the Demised Premises only for the operation of a restaurant business under the Franchise Agreement relating to the Demised Premises and for no other purpose or purposes without Sublandlord's written consent. Subtenant shall comply with all applicable laws, rules, regulations and ordinances of every governmental body or agency whose authority extends to the Demised Premises or to any business conducted on the Demised Premises.

9. Conflict with Provisions of Franchise Agreement.

If any provision of this Sublease conflicts with the Franchise Agreement, the Franchise Agreement shall control. If the Franchise Agreement terminates or expires prior to the termination or expiration of this Sublease, this Sublease shall terminate concurrently with the termination or expiration of the Franchise Agreement.

10. Communications with Master Landlord.

Except as otherwise expressly directed by Sublandlord, all communications arising from the Master Lease shall be between Sublandlord and Master Landlord only and Subtenant shall not communicate directly with or pay rent to Master Landlord. Sublandlord shall deliver to Subtenant copies of any notices received by Sublandlord from Master Landlord that concern the Demised Premises within 10 days after Sublandlord receives it. Likewise, if Master Landlord notifies Subtenant of a breach by Subtenant, Subtenant shall immediately deliver a copy of such notice to Sublandlord and shall promptly cure any breach. If Master Landlord defaults under the terms of the Master Lease, Subtenant shall notify Sublandlord and Sublandlord shall send any required notices to Master Landlord with a copy to Subtenant, and Subtenant shall join with Sublandlord, at Subtenant's expense, in making a demand on Master Landlord to fulfill its obligation under the Master Lease and in enforcing those obligations.

11. Maintenance and Repairs.

Subtenant shall maintain the Demised Premises in accordance with the terms and conditions of the Master Lease. Upon the expiration or termination of this Sublease, Subtenant shall quit and surrender the Demised Premises in the condition required under the Master Lease, Franchise Agreement and any conditions, covenants and restrictions of record ("CC&Rs"). Subtenant is accepting the Demised Premises in "as-is" condition and Sublandlord makes no warranties, express or implied.

12. Damage and Destruction of Demised Premises.

If, during the term of this Sublease, the Demised Premises suffers any damage or destruction, Subtenant shall comply with the obligations regarding reconstruction, restoration and repair of the Demised Premises as set forth in the Master Lease. Accordingly, Sublandlord shall not have any responsibility or obligation to effect any restoration, reconstruction or other repairs to the Demised Premises.

13. Eminent Domain.

Each party shall immediately deliver to the other any and all notices it receives regarding any threatened or actual condemnation affecting the Demised Premises. The provisions of the Master Lease shall govern and control any eminent domain proceedings; provided, however, any award allocated for Subtenant's furniture, fixtures and equipment, severance damages, loss of business, goodwill, and relocation expenses shall belong to Subtenant. Sublandlord shall be entitled to pursue a separate award for loss of royalties and other fees and costs which Sublandlord would have been entitled to recover from Subtenant under this Sublease and the Franchise Agreement had eminent domain not occurred. Further, if the Master Lease is a ground lease, Sublandlord shall be solely entitled to any award granted for the taking of building and site improvements.

14. Alterations.

Subtenant shall not make or allow any alterations of the Demised Premises, without the prior written consent of Sublandlord. Any additions to or alterations of the Demised Premises shall become a part of the realty and shall belong to Sublandlord or Master Landlord. If Subtenant obtains the written consent of Sublandlord to any proposed alterations, Subtenant shall advise Sublandlord in writing of the date upon which Subtenant will begin the alterations in order to permit Sublandlord and Master Landlord to post a notice of non-responsibility. Subtenant shall indemnify and hold Sublandlord free and harmless from any liability, loss or damage and shall defend Sublandlord by attorneys of Subtenant's selection which are approved in advance by Sublandlord (at Subtenant's sole expense) against any mechanic's lien claim for work performed or materials furnished in connection with any

alterations. Subtenant shall be entitled to the same signs as are currently on the Demised Premises, subject to the approval of any and all governmental authorities.

15. Assignment and Subletting.

Subtenant shall not assign this Sublease or any interest in this Sublease and shall not sublet all or any part of the Demised Premises without the prior written consent of Sublandlord.

16. Default by Subtenant.

In the event Subtenant shall be in default of any covenant of, or shall fail to honor any obligation under, this Sublease or the Franchise Agreement, Sublandlord shall have available to it against Subtenant all of the remedies available to Landlord under the Franchise Agreement and the Master Lease in the event of a similar default on the part of Sublandlord thereunder and at law or in equity.

Notwithstanding the foregoing, if no self-help rights exist for the landlord under the Master Lease, in the event of a default by Subtenant under this Sublease, the Master Lease or the Franchise Agreement, which remains uncured as of the expiration of the applicable notice and cure periods, if any, Sublandlord may, but will not be obligated to, make any payment or undertake to perform such covenant or agreement constituting such default. In such event, amounts so paid and amounts expended in undertaking such performance, together with all costs, expenses and reasonable attorneys' fees incurred by Sublandlord, will be additional rent under this Sublease payable as provided for herein.

17. Subordination.

This Sublease is subordinate to the lien of any mortgage, deed of trust, or other encumbrance, together with any renewals, extensions, replacements of any mortgage, deed of trust, or other encumbrance, now or later placed, charged or enforced against all or any portion of the Demised Premises.

18. Right to Inspect the Demised Premises.

Sublandlord and its agents shall have free access to the Demised Premises at reasonable times for purposes of inspecting the Demised Premises.

19. Resolution of Disputes.

If a dispute arises, the parties will try in good faith to settle it through mediation conducted by a mediator to be mutually agreed upon. The parties will share the costs of the mediator equally and will cooperate fully and fairly with the mediator and will attempt to reach a mutually satisfactory compromise to the dispute. If the dispute is not resolved within 30 days after being referred to the mediator, either party may pursue resolution through binding arbitration

20. Entire Agreement.

This Sublease constitutes the entire agreement of the parties with regard to the subject matter of this Sublease and replaces and supersedes all other written and oral agreements and statements of the parties relating to the subject matter of this Sublease. The effective date will be the last day that all parties have signed and initialed this Sublease.

21. Waiver.

The failure of a party to insist in any one or more instances on the performance of any term or condition of this Sublease shall not operate as a waiver of any future performance of that term or condition or the validity and enforceability thereof, or as a waiver of any other provision of this Sublease. No waiver shall be deemed to have made unless it is in writing and signed by the party charged with making the waiver.

22. Choice of Law.

This Sublease is made and delivered within the State of California and shall be construed and enforced in accordance with the laws of the State of California.

23. Construction.

The parties acknowledge that each party and/or its legal counsel have reviewed and made revisions to this Sublease. The rule of construction requiring the resolution of any ambiguities in this Sublease against the drafting party shall not apply to the construction of this Sublease or any exhibits to this Sublease. The addition, deletion or modification of any language contained in any prior draft of this Sublease shall not create any inferences.

24. Headings.

The headings used in this Sublease appear strictly for the parties' convenience in identifying the provisions of this Sublease and shall not affect the construction or interpretation of the provisions of this Sublease.

25. Binding Effect.

This Sublease shall bind and benefit the parties and their respective permitted successors, heirs, legal representatives, and assigns. This section does not address, directly or indirectly, whether a party may assign its rights or delegate its performance under this Sublease. Paragraph 15 addresses those matters.

26. Severability.

If a court of competent jurisdiction holds any provision of this Sublease invalid or ineffective with respect to any person or circumstance, the holding shall not affect the remainder of this Sublease or the application of this Sublease to any other person or circumstance. If a court of competent jurisdiction holds any provision of this Sublease too broad to allow enforcement of the provision to its full extent, the court shall have the power and authority to enforce the provision to the maximum extent permitted by law and may modify the scope of the provision accordingly pursuant to an order of the court.

27. Amendments.

No amendments to this Sublease shall become effective or binding on the parties, unless agreed to in writing by all of the parties.

28. Time.

Time constitutes an essential part of each and every part of this Sublease.

29. Notices.

Notices by either party shall be in writing and sent by facsimile or e-mail, by a nationally recognized overnight carrier, personally delivered or by depositing the same in the United States mail, postage prepaid, certified or registered, and addressed to the parties at the following address, or such other addresses each party may from time to time designate in writing in the manner as provided for in this paragraph 29:

Sublandlord: Del Taco LLC
25521 Commercentre Drive, Suite 150
Lake Forest, California 92630
Attn: Legal Department

Subtenant: _____
_____
_____
Attn: _____

Service shall be conclusively deemed made on (i) the second business day after delivery is attempted or upon receipt (as evidenced by proof of delivery provided by the carrier), whichever is sooner for hard copies, and (ii) upon electronic confirmation for electronic transmission (or confirmation from the recipient of receipt, if sooner given).

30. Counterpart Execution.

The parties may execute this Sublease in one or more counterparts, each of which shall constitute an original and all of which shall constitute one agreement. This Sublease may be executed and delivered by facsimile, "pdf" or electronically, and each party has the right to rely upon a facsimile, "pdf" or electronically signed counterpart of this Agreement signed by the other party to the same extent as if such party had received an original counterpart with a "wet" signature.

31. Guaranty.

To induce Sublandlord to execute this Sublease, concurrently with Subtenant's delivery of this Sublease to Sublandlord, _____ ("Guarantor"), shall execute and deliver to Sublandlord a guaranty of Subtenant's obligations under this Sublease in the form attached hereto as Exhibit "B" (the "Guaranty"). The Guaranty shall remain in effect throughout the term of this Sublease, as same may be extended by agreement of the parties.

[SIGNATURE PAGE FOLLOWS]

SIGNATURE PAGE TO FRANCHISE SUBLEASE BETWEEN DEL TACO LLC (SUBLANDLORD) AND _____ (SUBTENANT) FOR DEL TACO NO._____

IN WITNESS WHEREOF, the parties have executed this Sublease as of the date first set forth above.

Sublandlord:_____ Del Taco LLC,
_____ a California limited liability company

Dated:_____ By:_____
_____ Name:_____
_____ Title:_____

Subtenant:_____
_____

Dated:_____ By:_____
_____ Name:_____
Title:_____

EXHIBIT "A"
Legal Description

EXHIBIT "B"
Form of Guaranty

GUARANTY

Sublandlord: Del Taco LLC, a California limited liability company

Subtenant: _____

Premises: _____

Date of Sublease: _____, 20___

Guarantor: _____

THIS GUARANTY OF SUBLEASE (this "Guaranty") is dated for reference purposes and executed as of _____, 20___, by the guarantor identified above ("Guarantor"), with reference to the following facts:

A. Sublandlord and Subtenant have entered into and executed the Sublease described above by the terms of which Sublandlord leased to Subtenant and Subtenant leased from Sublandlord certain Premises more particularly described in the Sublease.

B. Guarantor has a financial interest in Subtenant and a material interest in ensuring that Sublandlord and Subtenant enter into the Sublease.

C. Sublandlord would not execute the Sublease if Guarantor did not execute and deliver to Sublandlord this Guaranty.

NOW, THEREFORE, for and in consideration of Sublandlord's execution of the Sublease and as a material inducement to Sublandlord to enter into the Sublease, Guarantor hereby covenants with and represents and warrants to Sublandlord as follows:

1. Guarantor hereby jointly, severally, irrevocably and unconditionally guarantees, for and during the term of the Sublease as extended or renewed, the prompt payment by Subtenant of all obligations arising from or in connection with the Sublease (the "***Guaranteed Obligations***"). If, at any time, Subtenant shall default in the payment of any sums payable by Subtenant under the Sublease or in the performance of any of the terms, conditions or covenants of the Sublease to be kept, performed or observed by Subtenant, Guarantor will immediately pay such sums.

2. This Guaranty shall not be released, modified or affected by failure or delay on the part of Sublandlord to enforce any of the rights or remedies of Sublandlord under the Sublease, whether pursuant to the terms thereof or at law or in equity. No provisions of this Guaranty or rights of Sublandlord hereunder can be waived in whole or in part nor can Guarantor be released from Guarantor's obligations hereunder except by a writing duly executed by an authorized officer of Sublandlord.

3. Sublandlord may proceed directly and simultaneously against Subtenant and or Guarantor following any breach or default by Subtenant under the Sublease and may serve notice or demand upon either or both Subtenant or Guarantor.

4. If any provision or portion thereof of this Guaranty is declared or found by a court of competent jurisdiction to be unenforceable or null and void, such provision or portion thereof shall be deemed stricken and severed from this Guaranty, and the remaining provisions and portions thereof shall continue in full force and effect.

5. This Guaranty shall inure to the benefit of Sublandlord and shall bind the heirs, executors, administrators, personal representatives, successors and assigns of Guarantor.

6. When the context and construction so require, all words used in the singular herein shall be deemed to have been used in the plural and vice versa, and the masculine shall include the feminine and neuter and vice versa. The word "person" as used herein shall include any individual, company, firm, association, partnership, corporation, trust or other legal entity of any kind whatsoever.

7. In the event any action is brought to enforce or interpret the terms of this Guaranty, the prevailing party in such action shall be entitled to reimbursement by the other party of its costs and expenses, including without limitation its reasonable attorneys' fees, incurred therein.

8. This Guaranty and all matters that in any way relate to the transactions contemplated by this Guaranty shall be governed by the laws of the State of ----------, and venue of all court actions shall be in ---------- County.

WHEREFORE, Guarantor has executed this Guaranty as of the day and year first above written.

GUARANTOR:

_____

By:_____
Name:_____
Its:_____

EXHIBIT "C"
Master Lease

State Effective Dates

The following states have franchise laws that 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.

This document is effective and may be used in the following states, where the document is filed, registered, or exempt from registration, as of the Effective Date stated below:

State	Effective Date
California	~~August 8, 2023~~Pending
Hawaii	~~April 17, 2023~~Pending
Illinois	~~September 18, 2023~~Pending
Indiana	~~April 11, 2023~~Pending
Maryland	~~April 17, 2023~~Pending
Michigan	~~July 14, 2023~~Pending
Minnesota	~~May 19, 2023~~Pending
New York	~~June 29, 2023~~Pending
North Dakota	~~June 14, 2023~~Pending
Rhode Island	~~April 12, 2023~~Pending
South Dakota	~~April 10, 2023~~Pending
Virginia	~~April 19, 2023~~Pending
Washington	~~September 1, 2023~~Pending
Wisconsin	~~April 10, 2023~~Pending

Other states may require registration, filing, or exemption of a franchise under other laws, such as those that regulate the offer and sale of business opportunities or seller-assisted marketing plans.

RECEIPT

This Disclosure Document summarizes certain provisions of the franchise agreement and other information in plain language. Read this Disclosure Document and all agreements carefully.

If Del Taco LLC ("Del Taco") offers you a franchise, Del Taco must provide this Disclosure Document to you at least 14 calendar days (or sooner, if required by applicable state law) before you sign a binding agreement with, or make a payment to, Del Taco, or any affiliate of Del Taco in connection with the proposed franchise sale.

New York and Iowa require that Del Taco give you this Disclosure Document at the earlier of the first personal meeting or 10 business days (14 calendar days for Iowa) before the execution of the franchise or other agreement or the payment of any consideration that relates to the franchise relationship. Michigan requires that Del Taco give you this Disclosure Document at least 10 business days before the execution of any binding franchise or other agreement or the payment of any consideration, whichever occurs first.

If Del Taco does not deliver this Disclosure Document on time or if it contains a false or misleading statement or a material omission, a violation of federal law and state law may have occurred and should be reported to the Federal Trade Commission, Washington, D.C. 20580 and the applicable state agency listed on Exhibit A to this Disclosure Document.

The franchisee sellers offering the franchise are Mark Bixler and Thomas Rose, 25521 Commercentre Drive, Suite 150, Lake Forest, California 92630, (949) 462-9300, Tim Linderman, Van Ingram, Ronniann Silver, Jeremy Korzen, Kimberly Thompson, Michael Wooton, Jr., and/or Dustin Thompson, 9357 Spectrum Center Blvd., San Diego, California 92123, (858) 571-2121, or as listed below (with name, address, and telephone number to be inserted, as necessary): _____.

We have authorized the persons listed on Exhibit A to this Disclosure Document to receive service of process for us in the listed states.

Issuance Date: March ~~31~~7, ~~2023~~2024

I have received this Disclosure Document dated March ~~31~~7, ~~2023~~2024. Please refer to the State Effective Dates page for the effective date of this Disclosure Statement in your state. This Disclosure Document included the following exhibits:

A	State Agencies and Registered Agents		G	Hardware and Software License and Support Agreement
B	Financial Statements		H	Franchisee Information ~~(Including Supplemental Information)~~
C	Guarantee Agreement of Jack in the Box Inc.		I	Form of General Release
D	Development Agreement		J	Agreement for Gift Card Processing
D-1	Development Incentive Program Addendum to Development Agreement		K	Agreement to Participate in the Ceridian Platform
E	Franchise Agreement		L	Non-Disclosure Agreement
E-1	Development Incentive Program Addendum to Franchise Agreement		M	Form of Asset Purchase Agreement
F	State Specific Addenda		N	Form of Sublease

_____	_____
Date of Receipt	Signature of Prospective Franchisee (on behalf of the prospective franchisee and any corporation, limited liability company, or other business entity having or proposed to have an interest in the franchise or any proposed franchised location)
	By _____
	Print Name
_____	_____
Date of Receipt	Signature of Prospective Franchisee (on behalf of the prospective franchisee and any corporation, limited liability company, or other business entity having or proposed to have an interest in the franchise or any proposed franchised location)
	By _____
	Print Name
Del Taco Sales Person:	Print Name: _____
	Signature: _____
Del Taco Sales Person:	Print Name: _____
	Signature: _____

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E-1	Development Incentive Program Addendum to Franchise Agreement		M	Form of Asset Purchase Agreement
F	State Specific Addenda		N	Form of Sublease

_____ Date of Receipt	_____ Signature of Prospective Franchisee (on behalf of the prospective franchisee and any corporation, limited liability company, or other business entity having or proposed to have an interest in the franchise or any proposed franchised location) By _____ Print Name
_____ Date of Receipt	_____ Signature of Prospective Franchisee (on behalf of the prospective franchisee and any corporation, limited liability company, or other business entity having or proposed to have an interest in the franchise or any proposed franchised location) By _____ Print Name
Del Taco Sales Person:	Print Name: _____ Signature: _____
Del Taco Sales Person:	Print Name: _____ Signature: _____