

Name of Fee	Amount	Due Date	Remarks
Back of House Information System	Then-current fee Currently, \$145	Monthly	We require you to license a back of house information system for your Computer System. We may require you to pay this fee to us or our third-party vendor as we direct. Currently, we collect this amount and pay the vendor on your behalf. We may change this fee in any year by no more than the Allowed Adjustment.
Geofencing Service Fee	Then-current fee Currently, \$35	Monthly	Payable to us or our third-party vendor as we direct for the geofencing service integrated with the mobile ordering platform. Currently, we collect this amount and pay the vendor on your behalf. We may change this fee in any year by no more than the Allowed Adjustment.
Digital Menu Board License Fee (only applicable to certain existing Restaurants)	Then-current fee Currently, \$20 per screen	Monthly	Our current standards require that franchisees acquire the digital menu boards from our approved third-party vendor and pay any fees to that vendor rather than to us (the third party fees may vary from the fee stated here). However, we may charge this fee in limited cases for existing Restaurants operating under an existing digital menu board system, including existing Restaurants that are transferred. We may change this fee in any year by no more than the Allowed Adjustment.
Loyalty/Rewards Program Fee	Then-current fee Currently, none	As incurred	You must, at your expense, participate in our customer loyalty/rewards program. You must honor loyalty/rewards presented by members in your Restaurant. We reserve the right to modify or terminate the program. <u>We may change this fee in any year by no more than the Allowed Adjustment.</u>
Mystery Shop Program	Then-current fee Currently, \$95 per shop	As incurred	We require you to participate in the Mystery Shop program on a monthly basis. We may require you to pay this fee to us or our third-party vendor as we direct. Currently, we collect this amount and pay the vendor on your behalf. We may change this fee in any year by no more than the Allowed Adjustment.

Name of Fee	Amount	Due Date	Remarks
Insurance Cost Reimbursement	Will vary under circumstances	As incurred	You are required to obtain the insurance we require. If you do not secure or maintain the specified coverage or give us evidence of that coverage, we may obtain the insurance and charge you for it and any expenses we incur.
Premium for Loss of Business Income and Incident Response for Foodborne Illness Insurance Coverage	Then-current fee Currently, \$350	Annually	We will provide this insurance coverage. It covers our locations and each individual franchised location. You must participate in this required coverage and pay the premium associated with it. We collect this amount from you and submit it to the insurance carrier on your behalf. This amount is subject to change in an amount equal to any increase in the price charged by the insurance carrier.
Transfer Fee	Up to \$10,000, plus our reasonable costs and expenses	Upon our approval of the transferee	The exact fee will vary depending on the proposed transfer, as outlined in the Manuals. This amount includes the applicable transfer fee plus the reasonable costs and expenses (including reasonable attorneys' fees) we incur to process the proposed transfer. The fee and reimbursement of our reasonable costs and expenses are due whether a transfer occurs and is nonrefundable once paid.
Renewal Fee	25% of our then current Initial Franchise Fee	Upon renewal	You must pay us a renewal fee for each renewal of your Franchise Agreement.
Conceptual Floor Plan and Conceptual Site Plan	Then-current fee Currently, \$200 per hour	As incurred	Only due if you require revisions in addition to the initial conceptual plans. <u>We may change this fee in any year by no more than the Allowed Adjustment.</u>
Site Evaluation and Site Acquisition Support Services	Will vary under circumstances	As incurred	We may require you to reimburse us for actual expenses if we assist you with site evaluation and site acquisition support if you request our assistance.
Temporary Management Fee	15% of Net Sales for the days we manage the Restaurant	As incurred	Only charged if you cannot operate your Restaurant due to death or permanent disability and we temporarily manage the Restaurant.

3. “Net Sales” means the total revenue from all sales of the Restaurant, including all revenue from sales made at or away from the Premises of the Restaurant and revenue from the redemption of Taco John’s gift certificates, customer loyalty rewards, gift cards and other prepaid cards, and sales through mobile ordering, delivery and catering, 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, but does not include sales tax or equivalent taxes. We reserve the right to modify our policies and practices regarding inclusion or exclusion of certain revenue from “Net Sales” as circumstances, business practices, and technology change.
4. Once implemented, when we collect the Technology Fee, we will submit a portion of it to the third-party vendors who provide the services covered by this fee on your behalf. The up to 10% portion retained by us shall be used by us for technology development and support services. Such development and support may be conducted in-house and/or with third parties, and we may recover the costs of any personnel time or expenditures we incur in providing these services from the Technology Fee. The portion retained by us will be used for further development and support of technology by or for us, including changes or enhancements to ordering and AI platforms, the mobile app, data reporting platforms, custom development, or other technology innovations. We may increase the Technology Fee at any time, provided that the increase will never exceed the increase in the actual prices charged by the vendors to provide the products and services, plus 10% of the total cost to provide the products and services.
5. We are a member of the advertising cooperatives for the designated marketing areas in Billings, Montana, Cheyenne, Wyoming, and Minneapolis, Minnesota. We have controlling voting power in the Cheyenne cooperative.
6. Unless you qualify for an incentive program, the Royalty Fee is 5% of Net Sales.

Multi-Unit Franchisee Incentive Program. If you qualify for the Multi-Unit Franchisee Incentive Program, and you agree to develop 4 or more Restaurants, then so long as you qualify for the incentive, we will reduce the Royalty Fee to 4% of GrossNet Sales for the 4th and subsequent Restaurant beginning the date the applicable Restaurant opens and continuing for one calendar year, then the Royalty Fee will revert to 5% of GrossNet Sales for the remainder of the term.

7. For any fee that may be increased by no more than the Allowed Adjustment, the “Allowed Adjustment” in any calendar year will not exceed, at our option, (a) 50% of the fee that is in effect at the start of the calendar year, or (b) the increase in the actual costs and expenses that we incur or that a vendor requires to provide such goods or services to you.

ITEM 7.
ESTIMATED INITIAL INVESTMENT
YOUR ESTIMATED INITIAL INVESTMENT
AREA DEVELOPMENT AGREEMENT

As described in Item 5 of this Disclosure Document, when you sign an ADA, you must pay a Development Fee equal to \$5,000 multiplied by the number of Taco John’s Restaurants you agree to develop under the ADA. We will apply \$5,000 of the Development Fee to the Initial Franchise Fee payable under each Franchise Agreement you sign under the ADA. The Development Fee is non-refundable under all circumstances. Except for the payment of the Development Fee, no initial

Minnesota Statutes Section 181.991 prohibits a franchisor from restricting, restraining, or prohibiting in any way a franchisee from soliciting or hiring an employee of the franchisor or a franchisee of the same franchisor.

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Issuance of Worthless Checks are governed by Minnesota Statute Section 604.113. As of the Issuance Date, Minnesota Statute Section 604.113 states that whoever issues any check that is dishonored is liable for a service charge not to exceed \$30, except as otherwise provided under Minnesota Statute Section 604.113.

3. 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.

4. Additional Disclosures:

THESE FRANCHISES HAVE BEEN REGISTERED UNDER THE MINNESOTA FRANCHISE ACT. REGISTRATION DOES NOT CONSTITUTE APPROVAL, RECOMMENDATION OR ENDORSEMENT BY THE COMMISSIONER OF COMMERCE OF MINNESOTA OR A FINDING BY THE COMMISSIONER THAT THE INFORMATION PROVIDED HEREIN IS TRUE, COMPLETE AND NOT MISLEADING.

THE MINNESOTA FRANCHISE ACT MAKES IT UNLAWFUL TO OFFER OR SELL ANY FRANCHISE IN THIS STATE WHICH IS SUBJECT TO REGISTRATION WITHOUT FIRST PROVIDING TO THE PROSPECTIVE FRANCHISEE, AT LEAST 7 DAYS PRIOR TO THE EXECUTION BY THE PROSPECTIVE FRANCHISEE OF ANY BINDING FRANCHISE OR OTHER AGREEMENT, OR AT LEAST 7 DAYS PRIOR TO THE PAYMENT OF ANY CONSIDERATION, BY THE FRANCHISEE, WHICHEVER OCCURS FIRST, A COPY OF THIS PUBLIC OFFERING STATEMENT, TOGETHER WITH A COPY OF ALL PROPOSED AGREEMENTS RELATING TO THE FRANCHISE. THIS PUBLIC OFFERING STATEMENT CONTAINS A SUMMARY ONLY OF CERTAIN MATERIAL PROVISIONS OF THE FRANCHISE AGREEMENT. THE CONTRACT OR AGREEMENT SHOULD BE REFERRED TO FOR AN UNDERSTANDING OF ALL RIGHTS AND OBLIGATIONS OF BOTH THE FRANCHISOR AND THE FRANCHISEE.

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	<i>Pending</i> March 31, 2026
Hawaii	Not applicable
Illinois	<i>Pending</i> March 31, 2026
Indiana	<i>Pending</i> March 31, 2026
Maryland	Not applicable
Michigan	Pending
Minnesota	Pending
New York	Pending
North Dakota	Pending
Rhode Island	<i>Pending</i> April 2, 2026
South Dakota	<i>Pending</i> March 31, 2026
Virginia	<i>Pending</i> April 10, 2026
Washington	<i>Pending</i> April 9, 2026
Wisconsin	<i>Pending</i> March 31, 2026

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.