RED LINE

FRANCHISE DISCLOSURE DOCUMENT

Qdoba Restaurant Corporation
a Delaware corporation
4865 Ward Road, Suite 500
Wheat Ridge, Colorado 80033-1902
Tel 720.898.2300
www.qdoba.com

Qdoba® MEXICAN GRILL

We grant franchises for the operation of high-quality, quick-service or fast-casual Mexican restaurants under the service mark **Qdoba Mexican Grill®**. Our franchises offer you the right and duty to operate a **Qdoba Mexican Grill®** restaurant business under the terms and conditions of a franchise agreement.

The total investment necessary to begin operation of a **Qdoba Mexican Grill®** restaurant ranges from $594,000 and $795,000, exclusive of real estate and liquor licensing costs. This includes a $30,000 franchise fee, which must be paid to us. If you sign a development agreement with us, you must pay a $10,000 development fee which we will credit toward the franchise fee for each restaurant if you comply with all terms of your Development Agreement.

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

You may wish to receive your disclosure document in another format that is more convenient for you. To discuss the availability of disclosures in different formats, contact Franchise Development, Qdoba Restaurant Corporation, at 4865 Ward Road, Suite 500, Wheat Ridge, Colorado 80033-1902 and (720) 898-2300.

The terms of your contract will govern your franchise relationship. Don't 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 an accountant.

Buying a franchise is a complex investment. The information in this disclosure document can help you make up your mind. More information on franchising, such as "*A Consumer's Guide to Buying a Franchise*," which can help you understand how to use this disclosure document, is available from the Federal Trade Commission. You can contact the FTC at 1-877-FTC-HELP or by writing to the FTC at 600 Pennsylvania Avenue, NW, Washington D.C. 20580. You can also visit the FTC's home page at *www.ftc.gov* for additional information. Call your state agency or visit your public library for other sources of information on franchising.

There may also be laws on franchising in your state. Ask your state agencies about them.

Issuance Date: ~~January 9, 2013, as amended July 2,~~December 20, 2013

STATE COVER PAGE

Your state may have a franchise law that requires a franchisor to register or file with a state franchise administrator before offering or selling in your state. REGISTRATION OF A FRANCHISE BY A STATE DOES NOT MEAN THAT THE STATE RECOMMENDS THE FRANCHISE OR HAS VERIFIED THE INFORMATION IN THIS DISCLOSURE DOCUMENT.

Call the state franchise administrator listed in Exhibit D for information about the franchisor, or about franchising in your state.

MANY FRANCHISE AGREEMENTS DO NOT ALLOW YOU TO RENEW UNCONDITIONALLY AFTER THE INITIAL TERM EXPIRES. YOU MAY HAVE TO SIGN A NEW AGREEMENT WITH DIFFERENT TERMS AND CONDITIONS IN ORDER TO CONTINUE TO OPERATE YOUR BUSINESS. BEFORE YOU BUY, CONSIDER WHAT RIGHTS YOU HAVE TO RENEW YOUR FRANCHISE, IF ANY, AND WHAT TERMS YOU MIGHT HAVE TO ACCEPT IN ORDER TO RENEW.

Please consider the following RISK FACTORS before you buy this franchise:

1. THE FRANCHISE AGREEMENT STATES THAT COLORADO LAW GOVERNS THE AGREEMENT, AND THIS LAW MAY NOT PROVIDE THE SAME PROTECTION AND BENEFITS AS LOCAL LAW. YOU MAY WANT TO COMPARE THESE LAWS.

2. THE FRANCHISE AGREEMENT REQUIRES YOU TO RESOLVE DISPUTES WITH US BY LITIGATION ONLY IN COLORADO. OUT-OF-STATE LITIGATION MAY FORCE YOU TO ACCEPT A LESS FAVORABLE SETTLEMENT FOR DISPUTES. IT MAY ALSO COST YOU MORE TO LITIGATE WITH US IN COLORADO THAN IN YOUR OWN STATE.

THERE MAY BE OTHER RISKS CONCERNING THIS FRANCHISE.

We use the services of one or more FRANCHISE BROKERS or referral sources to assist us in selling our franchise. A franchise broker or referral source represents us, not you. We pay this person a fee for selling our franchise or referring you to us. You should be sure to do your own investigation of the franchise.

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

STATE EFFECTIVE DATES

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

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

STATES	EFFECTIVE DATE
California	~~December 28, 2012, as amended July 2, 2013~~
Hawaii	~~January 23, 2013, as amended February 11, 2013, as amended ________~~
Illinois	Self-Executing Exemption
Indiana	Self-Executing Exemption
Maryland	~~January 24, 2013, as amended July 2, 2013~~
Michigan	~~January 26, 2013, as amended July 2, 2013~~
Minnesota	~~January 22, 2013, as amended July 10, 2013~~
New York	Self-Executing Exemption
North Dakota	~~January 18, 2013, as amended July 2, 2013~~
Rhode Island	~~January 17, 2013, as amended July 2, 2013~~
South Dakota	~~January 16, 2013, as amended July 2, 2013~~
Virginia	~~January 18, 2013, as amended July 9, 2013~~
Washington	~~January 16, 2013, as amended July 2, 2013~~
Wisconsin	~~January 15, 2013, as amended July 9, 2013~~

In all other states, the effective date of this Disclosure Document is the issuance date of ~~January 9, 2013, as amended July 2,~~December 20, 2013.

TABLE OF CONTENTS

TABLE OF CONTENTS
(continued)

ITEM 1
THE FRANCHISOR, AND ANY PARENTS, PREDECESSORS AND AFFILIATES

The franchisor is Qdoba Restaurant Corporation. To simplify the language in this Disclosure document, "Qdoba," "us," "we" or "our" means Qdoba Restaurant Corporation. "You" means the person or entity that buys the franchise.

Qdoba is a Delaware corporation. Qdoba conducts business under its corporate name and the trade name "**Qdoba Mexican Grill®**" ("*Qdoba*"). Qdoba's business address and official place of business is 4865 Ward Road, Suite 500, Wheat Ridge, Colorado, 80033-1902; telephone number (720) 898-2300.

Through our predecessors, we have operated one or more *Qdoba* (formerly known as Z-TECA) restaurants since September 1995. We began offering franchises for sale in 1997.

The addresses of Qdoba's agents for service of process are listed on Exhibit E.

Qdoba's Business

Qdoba operates and offers franchises for the establishment of high-quality, Mexican-themed quick-service or fast-casual restaurants. At September ~~30, 2012,~~29, 2013, there were ~~627~~615 *Qdoba* restaurants in the United States, of which ~~316~~296 were company operated and ~~311~~319 were franchised. ~~During the third quarter of 2013, we announced a plan to close approximately 67 company-operated Qdoba restaurants by September 29, 2013.~~ Qdoba is not engaged in any other business, and does not offer franchises in any other line of business.

Qdoba restaurants are Mexican-themed fast-casual restaurants, featuring a selection of tacos and California-style jumbo-sized burritos made with steamed 12.5" tortillas and filled with cilantro-lime rice, whole beans, a choice of five fresh salsas, cheese, sour cream and the customer's choice of marinated and grilled meats or a variety of vegetarian items. All restaurants also offer a wide selection of soft drinks, and most also sell beer and margaritas.

In recent years, burritos, sometimes referred to as "wraps," and Mexican food in general, have become increasingly popular in the United States. We believe our burritos, which typically weigh more than 1-1/4 lbs. and sell for between $6.25 and $9.00, offer an appealing price-value alternative for the fast-food customer. For about the same price as a cheeseburger and fries, a more traditional fast-food meal, Qdoba's customers are able to purchase a meal with greater nutritional value. Our strategy is to take advantage of the growing American appetite for Mexican food by providing a fresh, high-quality alternative to traditional restaurants and fast-food providers.

Qdoba restaurants are ~~characterized by~~operated under a system ~~(the "System") which imparts~~that creates a Mexican quick-service environment stressing fresh, quality food. The ~~System~~system includes distinctive interior design, including exhibition-style cooking, decor, color schemes and furnishings; uniform standards, specifications and procedures for operations; consistency and uniformity of products and services offered; procedures for quality control; training and assistance; marketing and promotional programs ("System"). We will continue to improve and further develop the System, and will provide you such new information and techniques by means of Confidential Operating Manuals (the "Manuals").

Qdoba restaurants use ~~fresh~~, high-quality ingredients in ~~its~~their menu offerings~~. Fresh produce and meats are delivered to the restaurants~~. Substantially all of the salsas, vegetable stocks and meat marinades are prepared ~~from scratch~~ by our ~~exclusive~~approved suppliers ~~on a daily basis employing our secret recipes, utilizing seven different Mexican peppers in their preparation. Our ingredients are then delivered in prepared form to you on a periodic basis arranged between you and the suppliers~~using proprietary recipes. *Qdoba* restaurants offer a wide variety of low fat options to the health-conscious and fat-conscious diners as well as a variety of vegetarian items. No lard or animal fats are used in the cooking process. In addition, ~~heart-healthy~~healthier substitutes, such as low-fat sour cream, are available for certain menu items.

Qdoba restaurants provide their customers a level of service superior to that traditionally associated with fast-food restaurants. The menu items are priced to provide a high price/value perception. Additionally, menu orders are assembled to each customer's specifications as the customer moves through a cafeteria-style service line. ~~This~~The line starts with a steam table section that includes meats, rice, beans and other hot items, and ends with a refrigerated section that includes fresh salsas, lettuce, cheese, sour cream, guacamole and related toppings. Once an order is placed, it is often assembled in less than one minute, even during busy periods. Quality and efficiency of employee interaction with customers is emphasized, and viewed as a key element to success.

Qdoba restaurants may be established in a variety of locations. We have franchises in non-traditional locations, but most are in strip shopping centers and freestanding buildings. The restaurants are suited for both large and small urban areas. Typically, a *Qdoba* restaurant will be approximately 2,200-2,400 square feet, and seat approximately seventy (70) patrons. The business caters to both the eat-in customer and take-out customer with approximately 30% of sales as take-out. Currently, the business is open to the public during lunch and dinner, from 11:00 a.m. to 10:00 p.m., 7 days per week. Actual operating hours for franchised restaurants may vary, and many restaurants also offer breakfast hours. At most restaurants, lunch represents approximately 60% of sales, and dinner represents the remaining approximately 40% of sales. These figures ~~are expected to~~ vary by location, depending on the size and demographic characteristics of each site. Some restaurants offer a catering program, which can involve either take-out or delivery of larger quantities of products. The restaurants will generally serve beer, but we do not require franchisees to sell alcohol if the cost of obtaining the necessary license exceeds $6,000. Historically, alcohol sales represent 1% to 3% of total system sales.

If you sell alcohol, you will need to obtain a license to do so. State and local laws, regulations and ordinances vary significantly in the procedures, difficulty and cost associated with obtaining a license to sell alcohol, the restrictions placed on the manner in which it may be sold, and the potential liability imposed by dram shop laws addressing injuries directly and indirectly related to the sale of alcohol and its consumption. You will need to understand and comply with those laws in operating the restaurant.

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

The restaurant business is highly competitive and is affected by ~~local and~~changes in consumer preferences, national and regional economic ~~conditions, including unemployment levels, population~~, political and socioeconomic ~~trends, traffic patterns, competitive changes in a geographic area,~~conditions, and changes in consumer dining habits ~~and preferences, and~~whether based on new information regarding diet, nutrition ~~and health that affect consumer spending habits~~or health, on the cost of food at home compared to food away from home, or other factors.

The performance of a restaurant may also 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 ~~the quality and innovation in the food products offered, price and perceived value, quality of service experience, speed of service~~menu innovation, execution of operational strategies and initiatives, price, service, location, personnel, advertising, ~~name~~brand identification, ~~restaurant location, and image~~ and attractiveness of ~~the~~ facilities.

~~Restaurant sales and profitability are subject to seasonal fluctuations resulting from factors such as vacation and holiday travel and events, seasonal weather conditions, and other circumstances that affect the public's dining habits.~~

You must comply with all local, state and federal laws regarding health, sanitation, safety, fire, zoning, building, nutritional disclosures on menus and menu boards, employment, and environmental issues, among others. We encourage you to research the specific laws, regulations, and ordinances that will apply to the *Qdoba* restaurant you might operate.

Single-Unit Franchise. Under our standard franchise agreement (the "Franchise Agreement"), we will grant to certain qualified persons franchises to own and operate a **Qdoba** restaurant at a location approved by us in accordance with the terms of the Franchise Agreement, offering the products and services approved by us and utilizing our ~~formats, designs, methods, specifications, standards, operating procedures~~System and certain ~~proprietary~~ trademarks, service marks and other commercial symbols ~~comprising the System~~ (the "Marks"), including without limitation "*Qdoba*®." Your use of the Marks is subject to certain restrictions and approval by us (see Item 13 of this disclosure document).

Area Development Rights. Under our standard area development agreement (the "Development Agreement"), we also grant to certain qualified persons (each a "Developer") the right, subject to certain terms and conditions, to develop one or more *Qdoba* restaurant(s) within defined geographical areas (the "Development Area").

If you are a Developer, you must open a minimum number of *Qdoba* restaurants ("Minimum Development Quota") over a period of time as determined by us on the basis of the market potential and size of the designated area, and as agreed upon by you. For each *Qdoba* restaurant you open in your Development Area, you will be obligated to sign our then-current form of Franchise Agreement~~, which may include~~ and be subject to the rights and obligations contained in it, including our then-current fees and advertising expenditure requirements~~, and be subject to the rights and obligations contained in that Franchise Agreement~~. Subject to certain exceptions, your right to develop *Qdoba* restaurants within the Development Area is protected during the term of the Development Agreement (see Item 12 of this disclosure document regarding development rights, obligations and limitations on exclusivity).

Non-traditional Locations

We may also offer Qdoba franchises and similar arrangements~~ for **Qdoba** restaurants or parts of the **Qdoba** system to be used~~ at non-traditional locations, such as transportation facilities (airports, train or bus stations, turnpikes or other limited access highway rest stops); colleges and universities; military installations; sports arenas and entertainment facilities; casinos; and within retail outlets, malls, grocery stores and supermarkets. The standard terms and conditions of those arrangements are set out in the Non-Traditional Franchise Agreement (Exhibit B-2) but we may negotiate different or additional terms, depending upon the nature of the location.

Our Parent and Affiliates

On January 21, 2003, Qdoba became a wholly owned subsidiary of Jack in the Box Inc. ("Jack in the Box"), formerly known as Foodmaker, Inc. Jack in the Box is the parent corporation of Qdoba. Jack in the Box was incorporated in Delaware in 1971, and is the successor to a business that was formed over ~~50~~60 years ago when the first JACK IN THE BOX® restaurant opened in 1951. Jack in the Box has granted franchises for *Jack in the Box* restaurants since 1982. Jack in the Box grants franchises for, and also operates, *Jack in the Box* restaurants. As of September ~~30, 2012,~~29, 2013, there were ~~two thousand, two hundred and fifty (2,250)~~2,251 *Jack in the Box* restaurants in the United States, with ~~one thousand, seven hundred and three (1,703)~~1,786 of them franchised. *Jack in the Box* restaurants offer a variety of cooked foods, primarily hamburgers and other sandwiches, french fries, tacos, soft drinks and similar items operated under a uniform operating system that includes uniform standards, specifications and procedures for the purchase, preparation and sale of food and beverages and the operation of restaurants. Jack in the Box offers no other franchises. The principal business address of Jack in the Box is 9330 Balboa Avenue, San Diego, California 92123.

Qdoba currently has three ~~affiliate corporations~~affiliates that offer franchises or products or services to franchisees: (1) ZRC Operations, Inc., which is a subsidiary of Qdoba, and holds leaseholds and liquor licenses and operates company restaurants in certain states; (2) QMG Stored Value Card LLC, a Virginia limited liability company that facilitates our Q-card spending card program, and (3) Qdoba of Canada, Inc., which was formed to sell *Qdoba* franchises in Canada. It began selling franchises in August 2011. It has sold the rights to develop 14 restaurants. Its first franchise opened December 3, 2012. Qdoba of Canada, Inc. does not operate restaurants. Neither ZRC Operations, Inc. nor QMG

Stored Value Card LLC have offered franchises in any line of business. The principal business address of ZRC Operations, Inc., QMG Stored Value Card LLC and Qdoba of Canada, Inc., is 4865 Ward Road, Suite 500, Wheat Ridge, Colorado 80033-1902.

~~The addresses of Qdoba's agents for service of process are listed on Exhibit E.~~

ITEM 2
BUSINESS EXPERIENCE

OUR BOARD OF DIRECTORS

Director: Leonard A. Comma

Mr. Comma will become a Director of Qdoba beginning in January 2014. He has been President and Chief Operating Officer of Jack in the Box Inc. since May 2012. He was previously Executive Vice President and Chief Operating Officer of that company from November 2010 to May 2012, and served as Senior Vice President and Chief Operating Officer from February 2010 to November 2010. Mr. Comma was Vice President Operations Division II at Jack in the Box Inc. from February 2007 to February 2010. Mr. Comma will succeed Ms. Lang as the Chief Executive Officer and serve as Chairman of the Board of Jack in the Box Inc., effective January 1, 2014. Mr. Comma will also retain his title as President of Jack in the Box Inc.

Director: Linda A. Lang

Ms. Lang has been a Director of Qdoba since October 3, 2005. She is the Chief Executive Officer and Chairman of the Board for Jack in the Box Inc. in San Diego, California and has held that position since October 2005. Ms. Lang ~~has been a director of~~announced that she will be retiring from Jack in the Box Inc.~~ since November 2003.~~, effective January 1, 2014.

Director: Jerry P. Rebel

Mr. Rebel has been a Director of Qdoba since February 2005. He holds the position of Executive Vice President and Chief Financial Officer of Jack in the Box Inc. in San Diego, California, and has held that position since October 2005.

Director: Phillip H. Rudolph

Mr. Rudolph has been a Director of Qdoba since November 2009. He has been the Executive Vice President, General Counsel and Corporate Secretary of Jack in the Box Inc. in San Diego, California since February 2010. From November 2007 until February 2010, he was Senior Vice President, General Counsel and Corporate Secretary of Jack in the Box Inc.

OFFICERS, EXECUTIVES, OTHERS WITH MANAGEMENT RESPONSIBILITY

President and Chief Executive Officer: Timothy P. Casey

Mr. Casey joined Qdoba as President in March 2013. From March 2010 until March 2013, he served as President and CEO of MFOC Holdco, Inc., in Broomfield, Colorado. From January 2008 until February 2010, Mr. Casey served as Vice President and Global Brand Marketing, R&D, Product Development, and Operations of International Coffee & Tea, Los Angeles, California.

Chief Operating Officer: Richard W. Pugh

Mr. Pugh has been Chief Operating Officer of Qdoba since October 2002.

Vice President~~ of Information~~, Restaurant Technology Support: ~~Bill~~William McMillan

Mr. McMillan has been the Vice President of ~~Information~~Restaurant Technology Support at Qdoba since September 2004. From September 2001 until September 2004, he was our Director of Information Technology.

Vice President~~ of~~, Franchise Development and Operations: Gary L. Schneider

Mr. Schneider joined Qdoba in November of 2012. From October 2011 until November 2012, he was the Division Vice President of Franchise Operations at Jack in the Box, Inc. in San Diego, California. From August 2009 until October 2011, he served as Division Vice President of Company Operations at Jack in the Box Inc. From September 2008 until August 2009 he held the title of Regional Vice President of Company Operations for Jack in the Box Inc.

~~Vice President~~Director of ~~Human Resources and~~ Training~~: Michael Speck~~ and Development, Jamison Hull

Mr. ~~Speck~~Hull has been ~~Vice President of Human Resources and~~Director of Training and Development at Qdoba since ~~joining Qdoba in May 2004.~~ January 2004. From August 1997 to January 2004, he held the positions of Assistant Manager, General Manager, Training General Manager and Franchise Business Consultant.

Vice President~~ and Controller~~, Divisional Chief Financial Officer, Qdoba Brand: Bruce J. Vermilyea

Mr. Vermilyea has ~~been~~held the position of Divisional Chief Financial Officer for Qdoba since October 2013. He has served as the Vice President and Controller of Qdoba since September 2004. From July 2002 until September 2004, he was our Controller.

Chief Development Officer: John E. Dowaschinski

Mr. Dowaschinski is the Chief Development Officer at Qdoba and has held that position since April 2013. From September 2012 until April 2013, he was Division Vice President, Real Estate Analysis & Asset Planning at Jack in the Box Inc., in San Diego California. Prior to that, Mr. Dowaschinski was Director, Real Estate Analysis & Asset Planning at Jack in the Box Inc., a position he held from May 2011 until September 2012. From May 2008 to May 2011, Mr. Dowaschinski was the Director, Real Estate & Franchise Analysis for Jack in the Box Inc.

~~Division~~ Vice President ~~of~~, Marketing Communications: P. David Craven

Mr. Craven was promoted to Vice President, Marketing Communications in October 2013. Mr. Craven served as Division Vice President of Marketing ~~in~~since 2011. He has over 10 years' experience with the brand, joining Qdoba in 2005 as a Marketing Manager, and previously working on the Qdoba account while with the brand's agency of record.

~~Division~~ Vice President of Development and Construction: Peder T. Kruger

Mr. Kruger has been Vice President of Development and Construction since joining Qdoba in August 2003.

Vice President, Franchise Business Development and Asset Planning: Vanessa C. Fox

Ms. Fox has held the position of Vice President, Franchise Business Development and Real Estate Asset Planning since October 2013 for both Qdoba and Jack in the Box Inc. She served as Division Vice President, Franchise Business Development for Jack in the Box Inc. from June 2011 until October 2013, and as Director, Franchise Sales for that company from October 2010 until June 2011. From October 2005 until October 2010, she was Senior Real Estate Assets Manager at Jack in the Box Inc.

Director ~~of~~, Franchise Business Development: ~~Iannis (John) D. Dikos~~Grant H. Kreutzer

Mr. ~~Dikos~~Kreutzer has ~~been~~held the position of Director ~~of~~, Franchise Business Development since ~~October 2010. He joined Qdoba as the Manager of Franchise Sales in January 2007.~~ September 2013 for both Qdoba and Jack in the Box. He joined Jack in the Box Inc. in March 2008 as Franchise Recruiting Director. He was Director, Franchise Licensing and Recruitment from February 2011 until September 2013. Before that, he held the position of Franchise Recruiting Director from March 2008 until February 2011.

Director ~~of Supply Chain: Tim~~, Distribution and Logistics: Timothy M. Miller

Mr. Miller has been Director of Supply Chain at Qdoba since April 2005.

Director of Non-Traditional Development: Abigail E. Whetstone

Ms. Whetstone has held the position of Director of Non-traditional Development at Qdoba since January 2013. From October 2004 until January 2013, she held the position of Manager of Franchise Development with Qdoba. Since April 2011, she has also held the position of Non-traditional Development Director at Jack in the Box Inc. ~~in San Diego, California.~~

Senior Franchise Business Consultant: Bob Kuron

Mr. Kuron has been in Franchise Operations for Qdoba since June 2003. He joined Qdoba in January 1999 as a Franchise Business Consultant and later became Director of Operations. He now serves as Senior Franchise Business Consultant.

ITEM 3
LITIGATION

Other than the items listed below, no litigation is required to be disclosed in this disclosure document.

QDOBA RESTAURANT CORPORATION

Pending Cases

Qdoba Restaurant Corporation v. T & J Fresh Mex, LTD, Thomas Gooding, Matthew Roddy and James Roddy, was filed in September of 2013 in the Court of Common Pleas, Cuyahoga County, Ohio. This action seeks to recover money due under the terms of a lease for certain equipment and for personal guarantees in connection with purchasing and leasing restaurant equipment.

Concluded Cases

1. Qdoba Restaurant Corporation v. Taylors LLC, was filed on June 4, 2008, in the United States District Court for the District of Colorado (No. 08-CV-01179 MSK-KLM). Qdoba filed this declaratory relief action to address the allegations of its franchisee, Taylors LLC, that Qdoba made fraudulent representations regarding the profit that the franchisee would earn from its restaurants. Shortly thereafter, on June 18, 2008, Taylors LLC filed Taylors, LLC v. Qdoba Restaurant Corporation in the District Court for the City and County of Denver, Colorado, 2008-CV-5236. That suit sought damages and other relief regarding the same allegations. The state court action was stayed, and Taylors, LLC asserted similar allegations by counterclaim in the federal court lawsuit. In June, 2010, the federal court granted Qdoba's Motion for Summary Judgment in its entirety, dismissing all of Taylors' claims, and entered judgment in favor of Qdoba in the amount of $900,000.00 for Taylors' breach of its franchise agreements. Taylors filed a notice of appeal with the 10th Circuit Court of Appeal. On December 31, 2010, the parties entered into a settlement agreement, whereby the judgment in favor of Qdoba would be satisfied, the parties would dismiss all claims in the litigation, Qdoba would purchase the assets at Taylors' two remaining restaurant locations, and all remaining franchise agreements with Taylors would be terminated.

2. James G. Christopherson, Susan J. Christopherson, Aztonka, Inc., Edendoba, Inc., Arbordoba, Inc., and Grandoba, Inc. v. Qdoba Restaurant Corporation and Jack in the Box Inc., filed on August 2, 2004, in the United States District Court in the District of Minnesota (Case No. 0:04-cv-3476). This lawsuit was filed by the Christophersons and their corporations, which owned three Qdoba franchises within the State of Minnesota. The plaintiffs alleged violations of the Minnesota Franchise Act, Sec. 80C.01, et seq., and the Colorado Consumer Protection Act, Sec. 6-1-101, et seq., and asserted claims for declaratory judgment, breach of contract and the covenant of good faith and fair dealing,

unjust enrichment and promissory estoppel. They alleged that Qdoba made statements about the desirability of the Minnesota market, potential earnings at Qdoba locations, past franchisees, and ongoing franchise support that were false and not in compliance with state laws. The plaintiffs further alleged that Qdoba falsely represented that plaintiffs would not be defaulted for their failure to meet their development schedule. Additionally, the plaintiffs alleged that Qdoba may have failed to disclose vendor rebates that it received. The plaintiffs sought damages, rescission of their agreements, declaratory judgment, treble damages, and costs and fees. Under a settlement in December 2004, the plaintiffs' Development Agreement and Franchise Agreements were terminated, and Qdoba purchased all of the assets of the plaintiffs' business, including the three Qdoba restaurants, for $1,935,000.

JACK IN THE BOX INC.

Pending Cases

On ~~December 12, 2012, Jack in the Box filed an action entitled Jack in the Box Inc. v. Tex-Jack Foods, Bersiek, Bersiek, Abraham, and Kopchak (San Diego Superior Court Case No.: 37-2011-00102375-CU-BC-CTL) against its former franchisees for breach of contract and related claims. Jack in the Box is seeking recovery of unpaid royalties and amounts owed for equipment it purchased on the franchisees' behalf. A trial date has been set for early 2013. In a related case, entitled Bersiek and Bersiek v. Jack in the Box Inc. (District Court of Texas, 340th Judicial District, Tom Green County Case No.: C120061C), filed on September 8, 2012, the Bersieks filed a cross-claim against Jack in the Box in an action brought against them by a third party relating to a real estate matter involving the franchised restaurants. The Bersieks have brought a claim against Jack in the Box for implied indemnity, and they are demanding that Jack in the Box indemnify them for any losses they may incur in connection with the lawsuit filed by the third party. Jack in the Box has filed a plea in abatement in that case.~~ October 24, 2013, the case of Olvera v. Jack in the Box Inc. (San Diego Superior Court Case No.: 37-2013-00072707) was filed as a class and representative action for damages and injunctive relief in connection with alleged violations of California meal and rest break laws along with other wage and hour claims. The case includes a claim of unfair business practices under the California Business and Professions Code.

On September 25, 2013, we filed an action entitled Jack in the Box Inc. v. Deepak Mehta; Kiran Mehta; Mehta Enterprises, Inc.; and Deepak Enterprises Inc. (United States District Court, Northern District of California, Case No. 3:13-CV-04444-EJD) against a franchisee for breach of contract, claim and delivery, trademark infringement, unfair competition, dilution of famous marks, unfair business practices, injunctive relief and appointment of receiver because the franchisee had failed to make required payments to us and continued to occupy and operate the restaurants after the franchise agreements and lease agreements had been terminated. On October 11, 2013, the court entered an order turning over possession of the restaurants to the Company as an interim remedy pending further court order.

On ~~September 12, 2012, the case of Pratt, et al. v. Jack in the Box Restaurant Corporation, et al., was filed in the Superior Court of Alameda County (Case No. RG12647437). The putative class action complaint alleges mispricing and overcharging restaurant customers in violation of California Business and Professions Codes 17200 and~~

~~17500, fraud, deceit, and unjust enrichment. The complaint seeks recovery of compensatory damages, restitution, and punitive damages.~~ January 27, 2013, the case of Lee v. Jack in the Box Inc. (Contra Costa Superior Court Case No.: CIVMSC12-00213) was filed as a class and representative action and contained causes of action for failure to reimburse business expenses, and included a claim of unfair business practices. This action is being settled for a non-material amount and it is expected the settlement process will be completed in 2014. A related action that was filed later was settled on an individual basis in November 2013.

~~The~~On August 13, 2010, the case of Gessele, et al. v. Jack in the Box Inc. was filed in the U.S. District Court in Oregon ~~on August 13, 2010~~ (Case No. CV. 10-960-ST). This class action alleges wage and hour violations relating to workers compensation deductions, uniforms, pay cards, break laws, overtime, and working off the clock. The Complaint alleges violations of state and federal minimum wage and overtime laws, wrongful wage deductions, and wrongful payment. The Complaint seeks unpaid wages and civil penalties, liquidated damages and injunctive relief.

In 1997, Foodmaker International Franchising Inc. and Foodmaker Inc. ~~(affiliates of Jack in the Box)~~ filed an action against a former franchisee in the Republic of the Philippines to force the closure of certain units being operated improperly. The action was filed in Regional Trial Court in the Republic of the Philippines, and is entitled Foodmaker International Franchising, Inc. and Foodmaker Inc. v. JNB Food Corporation and William Ang (Case No. 97-1823). The defendants counterclaimed, asserting they suffered damages due to the franchise closures. ~~Jack in the Box~~The Company won an initial ruling relating to the closure of the units, but Defendants continue to pursue the action.

Concluded Cases

Unlawful Detainer Actions: In September 2013, we filed eighteen actions against a franchisee that remained in possession of property after the leases had been terminated. A stipulated judgment granting the Company possession was entered in each of those cases on or about November 17, 2013. The case names and numbers were:

Jack in the Box Inc. v. Deepak Mehta, Kiran Mehta and Mehta Enterprises, Inc., Alameda Superior Court Case No. RG 13697236.

Jack in the Box Inc. v. Deepak Mehta, Kiran Mehta and Mehta Enterprises, Inc., Alameda Superior Court Case No. RG 13697255.

Jack in the Box Inc. v. Deepak Mehta, Kiran Mehta and Mehta Enterprise, Inc., Alameda Superior Court Case No. RG 13697249.

Jack in the Box Inc. v. Deepak Mehta, Kiran Mehta and Mehta Enterprises, Inc., Contra Costa Superior Court Case No. RG 13-1221.

Jack in the Box Inc. v. Deepak Mehta, Kiran Mehta and Mehta Enterprises, Inc., Solano Superior Court Case No. FCM 137762.

Jack in the Box Inc. v. Deepak Mehta, Kiran Mehta and Mehta Enterprises, Inc., Solano Superior Court Case No. FCM 137753.

Jack in the Box Inc. v. Deepak Mehta, Kiran Mehta and Mehta Enterprises, Inc., Solano Superior Court Case No. FCM 137752.

Jack in the Box Inc. v. Deepak Mehta, Kiran Mehta and Mehta Enterprises, Inc., Alameda Superior Court Case No. RG 13697244.

Jack in the Box Inc. v. Deepak Mehta, Kiran Mehta and Mehta Enterprises, Inc., Contra Costa Superior Court Case No. RS 13-1220.

Jack in the Box Inc. v. Deepak Mehta, Kiran Mehta and Mehta Enterprises, Inc., Solano Superior Court Case No. FCM 137761.

Jack in the Box Inc. v. Deepak Mehta, Kiran Mehta and Mehta Enterprises, Inc., Contra Costa Superior Court Case No. PS 13-1485.

Jack in the Box Inc. v. Deepak Mehta, Kiran Mehta and Mehta Enterprises, Inc., Solano Superior Court Case No. FCM 137759.

Jack in the Box Inc. v. Deepak Mehta, Kiran Mehta and Mehta Enterprises, Inc., Contra Costa Superior Court Case No. RS 13-1219.

Jack in the Box Inc. v. Deepak Mehta, Kiran Mehta and Mehta Enterprises, Inc., Solano Superior Court Case No. FCM 137760.

Jack in the Box Inc. v. Deepak Mehta, Kiran Mehta and Mehta Enterprises, Inc., Contra Costa Superior Court Case No. RS 13-1484.

Jack in the Box Inc. v. Deepak Mehta, Kiran Mehta and Mehta Enterprises, Inc., Napa Superior Court Case No. 13UD00234.

Jack in the Box Inc. v. Deepak Mehta, Kiran Mehta and Mehta Enterprises, Inc., Contra Costa Superior Court Case No. RS 13-1486.

Jack in the Box Inc. v. Deepak Mehta, Kiran Mehta and Mehta Enterprises, Inc., Solano Superior Court Case No. FCM 137756.

~~In February 23, 2012, a case entitled Schellman v. Jack in the Box Inc. (Case No. 7274-CS) was filed in the Delaware Court of Chancery. This case challenged the exclusive forum corporate bylaw of Jack in the Box, alleging breach of fiduciary duty and seeking an injunction prohibiting our use of the bylaw. Twelve companies were sued in similar cases in Delaware. Jack in the Box, along with a majority of the other companies, elected to withdraw its bylaw. The law firm that filed these lawsuits sought a mootness fee recovery against each defendant. Along with eight other defendants, Jack in the Box settled the mootness fee claim, paying approximately $330,000.~~

On December 12, 2012, we filed an action entitled Jack in the Box Inc. v. Tex-Jack Foods, Bersiek, Bersiek, Abraham, and Kopchak (San Diego Superior Court Case No.: 37-2011-00102375-CU-BC-CTL) against former franchisees for breach of contract and related claims. The Company sought recovery of unpaid royalties and amounts owed for equipment we purchased on the franchisees' behalf. In a related case, entitled Bersiek and

Bersiek v. Jack in the Box Inc. (District Court of Texas, 340th Judicial District, Tom Green County Case No.: C120061C), filed on September 8, 2012, the Bersieks filed a cross-claim against the Company in an action brought against them by a third party relating to a real estate matter involving the franchised restaurants. Both matters were resolved by settlement in approximately January 2013 whereby the defendants agreed to pay the Company $100,000, without admitting liability.

~~In April 28, 2010, a putative class action entitled Amaya v. Jack in the Box Inc. was filed in the Superior Court for the County of Los Angeles (Case No. BC 436670.) The complaint alleged violations of California wage and hour law, including misclassification, failure to pay overtime, meals and breaks, and unfair business practices based on these alleged violations. The Complaint sought damages, waiting time penalties, restitution, injunctive relief, interest, and attorneys' fees. The class action treatment was rejected by the court, and the case went to arbitration where it settled on August 30, 2012 for $19,500.~~
Currently Effective Injunctive or Restrictive Orders or Decrees

In May 1970 the Office of the Attorney General of the State of Missouri notified ~~Foodmaker Inc.~~the Company of its intention to initiate proceedings alleging that ~~it~~the Company had engaged in deceptive advertising by selling or offering for sale "hamburgers" which contained soy grits as an extender. ~~Foodmaker Inc.~~The Company executed a consent decree dated May 28, 1970 (No. 31899 Equity) filed in the Circuit Court of St. Louis County, Missouri, which prohibits ~~it~~the Company 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.

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

ITEM 4
BANKRUPTCY

No bankruptcy information is required to be disclosed in this Item.

ITEM 5
INITIAL FEES

Franchise Agreement

For each franchise that you buy, you must pay a nonrecurring, nonrefundable, initial franchise fee in the amount of ~~thirty thousand dollars (~~$30,000~~)~~ ("Franchise Fee"). The Franchise Fee is payable in full at the time you sign a Franchise Agreement. For the first franchise developed under a Development Agreement, the Franchise Fee is due at the same time the Development Agreement is signed. For later franchises developed under a Development Agreement, the Franchise Fee is due within five (5) days after you commence construction of the restaurant. If the restaurant is developed in full compliance with the terms of a Development Agreement, the Development Fee may be applied toward the Franchise Fee, as discussed below. The Franchise Fee is fully earned when paid. In part, the fees compensate us for, and defray costs incurred in connection with, marketing sales of franchise units, screening prospective franchisees, ensuring compliance with applicable laws relating to the offer and sale of franchises, providing initial training and supervision, and related expenditures.

In Fiscal Year ~~2012,~~2013, several franchisees paid reduced franchise fees for non-traditional venues and/or for sites that fell under a Development Incentive Program that is no longer being offered. Those reduced fees ranged from ~~six thousand dollars ($6,000) to fifteen thousand ($15,000). Additionally, franchised sites opened under Development Agreements dating before 2007 provided for a Franchise Fee of twenty-five thousand dollars ($25,000). (The Franchise Fee was increased from twenty-five thousand dollars ($25,000) to thirty thousand dollars ($30,000) on January 1, 2007.)~~$15,000 to $21,000. The Franchise Fee is otherwise uniform for all traditional franchises, but we reserve the right to reduce or waive the Franchise Fee in special circumstances.

Development Agreement

At the time you sign a Development Agreement, you must pay a nonrecurring and nonrefundable development fee for each site to be developed and opened under the Development Agreement ("Development Fee.") The standard per-site Development Fee is ~~ten thousand dollars (~~$10,000~~)~~ for each restaurant to be developed by you. During the last fiscal year, all developers who entered into Development Agreements with us paid Development Fees of ~~ten thousand dollars (~~$10,000~~)~~ per site. The Development Fee is nonrefundable, but $10,000 of the per-site Development Fee may be credited toward the Franchise Fee for each site developed under the Development Agreement if you are in full compliance with that Development Agreement.

As stated above, at the time you sign a Development Agreement, you also are required to sign a Franchise Agreement for the first restaurant to be developed and opened under the Development Agreement, and pay the related Franchise Fee, minus any credit for the per-site Development Fee referenced above. For each subsequent *Qdoba* restaurant to be opened under the Development Agreement, you must sign our then-current standard Franchise Agreement and pay the initial Franchise Fee, but you will receive a $10,000 credit for the per-site Development Fee if you are in full compliance with the Development Agreement.

Non-traditional Development

We may also offer franchises and ~~other~~similar arrangements for *Qdoba* restaurants to be located at non-traditional locations, such as transportation facilities (airports, train or bus stations, turnpikes or other limited access highway rest stops); colleges and universities; military installations; sports arenas and entertainment facilities; casinos; and within retail outlets, malls, grocery stores and supermarkets. The terms and conditions of those arrangements may vary considerably from the standard terms of our Franchise Agreement or Development Agreement.

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ITEM 6
OTHER FEES

~~In addition to the fees described below, you should also refer to Item 7 of this disclosure document for additional information regarding anticipated costs of opening a **Qdoba** restaurant.~~

~~Name~~Type of Fee[1]	Amount	Due Date	Remarks
Royalty	5% of gross sales	Payable weekly on each Tuesday of the following week	Gross sales includes all revenue related to the franchised business, but does not include sales tax or use tax, certain discounts or refunds. Royalties at non-traditional sites are 6%; lower rates have been set in unusual situations.
Marketing Fees	Up to 2% of gross sales	~~Same as Royalty Fee~~ Payable weekly on each Tuesday of the following week	These funds pay for the preparation of marketing and promotional materials for both Qdoba and its franchisees. Franchises in non-traditional locations, such as airports, may pay a lower national marketing fee or not be required to pay that fee.
Local Advertising	A minimum of 2% of gross sales	Negotiated with Vendor	Paid to third parties for local advertising. Franchisees are required to spend a minimum of 2% of gross sales on ~~local~~ marketing programs in their local market. If a local or regional cooperative is formed, franchisees may be required to pay some or all of their local advertising expendi-tures to ~~such~~ the cooperative. Company-owned sites could be members of the cooperative, and would have the same voting rights as franchised sites. In no event could the cooperative require payment of monthly advertising contributions or fees in excess of the amount provided for in the franchise agreement. Franchisees at non-traditional locations are not required to conduct local advertising.
Q-Cash™ Card program fees.	Negotiated with vendor	Negotiated with vendor	Certain fees are negotiated with, and payable to, the vendor that administers the Q-Cash program.
Q-Cash™ Installation	$300	When incurred	

[1] All fees, unless otherwise indicated, are payable to us and are nonrefundable.

~~Name~~Type of Fee[1]	Amount	Due Date	Remarks
Online Ordering Installation	$300	When incurred	
Online Ordering Subscription	$30	Monthly	
Interest on late Payments	18% annum	10 days after billing	Interest is charged on late Royalty payments, ~~advertising~~Marketing Fees or other fees due Qdoba.
Audit	Cost of audit plus 18%	30 days after billing	Payable only if audit shows an understatement or underpayment of at least 2% of gross sales for any month.
Transfer	The lesser of $5,000 or our actual out-of-pocket expenses incurred in approving a transfer, name change or other restructuring	Prior to consummation of transfer	Payable when you sell your franchise or when you obtain our consent to a name change or restructuring. No charge if the transfer is to a corporation that you control.
Relocation Fee	$5,000	At the commencement of construction	Payable when construction begins on an approved site, as outlined in the Qdoba Restaurant Corporation Relocation Policy.
Offering Fees	Our actual cost of review of offering materials, not to exceed $5,000	30 days after billing	~~Payable to~~To reimburse us for our costs in reviewing offering materials of debt or equity in your business.
Renewal Fee	Greater of 15% of the then-current franchise fee or $5,000	30 days before expiration of the original franchise term, at the time the new Franchise Agreement is signed	"Renewal" fee is for an additional franchise term at the same site under a new Franchise Agreement.
Training Costs	$0 (No fee)	N/A	There is no fee for standard training.
Costs for Additional Training	Reimbursement for per diem salary of trainer and related expenses	When incurred	Only for training more than three individuals or for excess training.
Corrected Deficiency Costs	Reimbursement for expenses incurred	Upon correction of deficiency	If a franchisee fails to correct a deficiency, the company may correct the deficiency and obtain reimbursement from you.
Indemnification	Varies	As incurred	You must reimburse Qdoba for claims against us resulting from the operation of your restaurant.
Attorneys' Fees	Varies	As incurred	You must pay attorneys' fees we incur due to your failure to comply with the Franchise Agreement.

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ITEM 7
ESTIMATED INITIAL INVESTMENT

The following table represents the estimated total initial investment required for the establishment of a franchised *Qdoba* restaurant at premises leased by the Franchisee. No estimate can be made as to costs of purchasing an existing restaurant or costs of developing a non-traditional location.

Type of Expenditure *	Estimated Amount	Method of Payment	When Due	To Whom Made
Franchise Fee (1)	$30,000	Lump Sum	Upon commencement of construction	Qdoba
Development costs: plans, legal fees, permits (2)	$26,000 - $39,000	As incurred	As arranged or incurred	Architects, lawyers, municipalities
Brokers and management fees	$0 - $12,000	As incurred	As arranged or incurred	Real estate firms
Leasehold improvements (3)	$210,000 - $277,000	As arranged	As arranged or incurred	Contractors & vendors
Furnishings and fixtures installed (4)	$230,000 - $270,000	As arranged	As arranged or incurred	Contractors & vendors, including Qdoba
Signage (4)	$18,000 - $30,000	As arranged	As arranged or incurred	Contractors & Vendors, in
Systems (5)	$20,000 - $32,000	As arranged	As arranged or incurred	Contractors & vendors
Opening inventory (6)	$7,000 - $10,000	As arranged	As incurred	Food suppliers
Travel and living expenses while training (7)	$1,000 - $6,000	As incurred	During training	Airlines, hotels & restaurants
Miscellaneous pre-opening expenses	$10,000 - $16,000	As arranged	As arranged or incurred	Contractors & vendors
Grand opening advertising (at traditional sites)	$5,000	As arranged	Within 30 days of opening	Vendors
Insurance (8)	$4,500 - $8,000 (excluding several types of coverage)	As incurred	As incurred	Insurance brokers or companies
Liquor license	$2,500 - $10,000 (Varies depending on location)	As arranged	As arranged	Seller or liquor board
Real property lease / purchase costs (9)	Varies depending on location	As arranged	As arranged	Seller or landlord
Additional funds – 3 months (10)	$30,000 - $50,000	As arranged	As needed	As required
TOTAL ESTIMATED COST (excluding real property costs) **$594,000 - $795,000** (11)				

* No portion of the initial investment is refundable.

Notes

The restaurants will generally occupy between 2,200 and 2,400 square feet. In some instances, the restaurants may be larger depending on the size of available sites and/or your preferences. Calculations regarding estimates for leasehold improvements, building construction and site work are based upon restaurants of 2,200 to 2,400 square feet. Unless otherwise noted all payments are non-refundable. The above cost estimates are based on the current 2013 trade dress; new trade dress is currently being designed.

(1) This Franchise Fee is for one franchise entered into under a Franchise Agreement. The standard Franchise Fee for individual restaurants is $30,000; the standard Franchise Fee for restaurants opened under the Development Agreement is $20,000 (after credit of the $10,000 Development Fee as more fully described in Item 5 of this disclosure document). We reserve the right to charge a different fee for non-traditional sites.

(2) Costs incurred for the development of an interior architectural and design plan will vary depending on the services provided and the professionals selected by you. You will also incur legal fees for assistance in negotiating leases and advice on issues relating to the opening of your units. These fees will also vary depending upon the services provided and the professionals selected by you. ~~These are nonrefundable.~~

(3) The cost of leasehold improvements will vary depending on the facility selected by you and the region or market you are in. These leasehold improvement costs assume that ~~the delivery of~~ the space ~~includes~~will already include the requirements described in Qdoba's standard landlord work letter. If the space is delivered AS-IS, the leasehold improvement costs will likely be higher. This estimate is based on square foot construction costs of approximately $60 - $115 per square foot for interior improvements. The estimate also assumes a landlord improvement allowance of $50,000. ~~Such~~The allowance may be ~~lesser, greater~~more, less, or may not be available, depending on the circumstances regarding your selected location. If no landlord improvement allowance is available, ~~the~~your leasehold improvement costs ~~should~~will be ~~increased. Additionally, the Total Development Costs and Total Estimated Initial Investment should be increased.~~higher.

(4) You must lease or purchase the following items, among others: signs; kitchen equipment package and smallwares; display stands; interior decor package (tables, chairs, accessories, paneling, lighting, ceiling and window and floor treatments and artifacts), and decorations.

(5) Systems include the following items that you must lease or purchase: phones, point of sale register and computer equipment, security system, safe, Q card system, music system and cable.

(6) You will be required to purchase certain recipe items, as specified by us, which constitute key components of the System. Also included in this number are the opening food inventory, uniforms, linens, smallwares, first aid supplies, office supplies, initial cleaning supplies, gift certificates, menus and other printed items and opening cash drawer.

(7) The travel and living expenses for trainees will depend upon factors such as travel distance, quality of accommodations, wages and per diem allotment. The estimate in this table includes expenses for three (3) trainees.

(8) These figures are estimates for general liability coverage only. They exclude costs for property insurance, builder's risk insurance, workers compensation insurance, business automobile insurance and earthquake and flood insurance and other types of insurance, due to the great variation in such costs. Insurance costs vary depending upon several factors, including type of site (stand-alone or in-line site), location, construction type, loss history, whether fire hazard protection is purchased, sales, market, payroll, workers compensation rates, number of locations, number of vehicles, radius of vehicle operations, type of vehicle, DMV history, among other factors.

(9) The cost to purchase or lease real estate will vary depending on factors such as the location of the property, the condition of the local real estate market, the ability to negotiate favorable terms of sale or lease, current economic conditions, etc.

(10) The amount of additional funds you will need will depend on the time necessary to achieve cash flow to cover operating expenses. This amount is the minimum recommended for a three (3) month contingency.

(11) We have compiled these estimates based on our experience in Company markets across the United States, excluding Manhattan, New York, ~~given that it is~~because of its atypical ~~due to~~ population density. ~~You should review these figures carefully with a business advisor before making any decisions to purchase the franchise.~~

You should review these figures carefully with a business advisor before making any decisions to purchase the franchise.

SHORTFALLS OF CAPITAL MAY ARISE FROM INDEPENDENT ECONOMIC FACTORS SUCH AS LABOR SHORTAGES, OR DELAYS IN CONSTRUCTION OR DELIVERY AND INSTALLATION OF LEASEHOLD IMPROVEMENTS AND EQUIPMENT. IF YOU COMMENCE OPERATIONS WITH INADEQUATE CASH, YOUR OPERATION MAY FAIL, AND YOU MAY EXPERIENCE A TOTAL LOSS OF YOUR INVESTMENT.

THERE ARE NO OTHER DIRECT OR INDIRECT PAYMENTS IN CONJUNCTION WITH THE PURCHASE OF THE FRANCHISE.

ITEM 8
RESTRICTIONS ON SOURCES OF PRODUCTS AND SERVICES

The salsas, ~~burrito wraps~~tortillas, spices, and certain other food products produced for use at *Qdoba* restaurants are distinctive because they are specifically produced under secret formulae and processes. Such food products are intended to be uniquely identified with *Qdoba* restaurants, and are inherent to the uniformity of the taste and quality of the food served. The reputation and goodwill of *Qdoba* restaurants are based, in part, upon the use of such food products at *Qdoba* restaurants and, in our view, can be maintained only by the use of such food products. Therefore, your restaurant will only be allowed to prepare and offer for sale burritos, tacos, and other food products using the salsas, ~~wraps~~tortillas, spices, cheeses, and other items produced by suppliers approved by us. All product specifications are maintained in writing.

You are also required to purchase specified computer and POS equipment to operate your restaurant. Those items are more fully described in Item 11 of this disclosure document. Although we provide a list of recommended suppliers, you may purchase those items from any supplier you choose.

We also have standards and specifications relating to the design of *Qdoba* restaurants, fixtures, furniture, equipment and related items. Although we may provide you with names of possible suppliers, you may purchase those items from any supplier you choose.

We will provide you ~~our~~ a list of approved suppliers upon request. None of the officers of Qdoba own a substantial interest in any of our approved suppliers~~, other than in our parent company, Jack in the Box Inc., which until recently was an approved supplier of certain food, beverage and smallwares products.~~ . If you wish to buy any items from a supplier other than one on the list, you must obtain our approval as discussed in Section 12 of the Franchise Agreement, which basically requires that you identify the proposed supplier, its name and address, and the items you desire to purchase from that supplier. We may condition our approval on the supplier agreeing in writing not to disclose any confidential information regarding us or our operations, complying faithfully with our specifications for the items it sells, allowing our periodic inspections of its facilities, selling any materials bearing our marks only to our franchisees, demonstrating to our reasonable satisfaction that it is able to supply commodities meeting our specifications on a continuing basis, and on the supplier being, and continuing to be, of good standing in the business community with respect to its financial soundness and the reliability of its product and service. Where approved existing suppliers are capable of providing an existing product, we may require a fee from you or the supplier to cover the reasonable costs and expenses (including travel-related expenses) of inspection, testing, training supplier employees, and coordinating product rollouts. We may limit the number of approved suppliers for any given item. We grant approval of suppliers, and revoke such approval in writing. To seek approval for a proposed supplier, you must submit all information ~~in full as required by us~~that we require. We will provide you written notice of approval or disapproval within sixty (60) days; however, we reserve the right to later withdraw approval. We will disapprove or withdraw our approval of any supplier by written notice to you.

The *Qdoba* specifications and standards of products are available to approved suppliers of those products if they provide a written request and sign a confidentiality agreement in a form ~~and content~~ satisfactory to us.

We currently estimate that your required purchases (i.e., purchases from our approved suppliers) for establishing your restaurant will represent between forty percent (40%) to sixty percent (60%) of your overall purchases in establishing your restaurant, and that your required purchases for operating your restaurant will be between sixty percent (60%) and ninety percent (90%) of your overall purchases in operating your restaurant.

Currently, Qdoba is not an approved supplier of any goods required to operate a *Qdoba* franchise. Qdoba does negotiate prices with ~~some~~ suppliers on behalf of itself and its franchisees.

Certain approved suppliers provide us with marketing allowances, rebates, or similar funds. If Qdoba receives funds that are based upon the volume of products purchased within a given time frame, those amounts are then paid to the franchisees either directly or by crediting individual franchisees' accounts with Qdoba. The amounts attributable to franchisees' purchases are deemed to be proportionate to their total sales in that same time frame. Any other supplier funds are applied to the National Marketing Fund or are returned to Company-operated and franchised restaurants on a pro-rata basis, net of our costs of monitoring and auditing all suppliers. Other than the funds described above, Qdoba does not receive any funds or material consideration due to franchisee purchases

Franchisees do not receive any material benefits from us based on the Franchisee's purchase of particular products or services or use of particular suppliers.

There are no purchasing or distribution cooperatives.

~~Jack in the Box was one of our approved distributors during Fiscal Year 2012, and it distributed food, beverages and packaging products to multiple franchised and company **Qdoba** restaurants. The revenue Jack in the Box received from sales to Qdoba franchisees during the 2012 fiscal year was $16,329,323. In addition to the revenue from sales to franchisees, Jack in the Box received compensation from suppliers (such as certain soft drink suppliers) for distribution services it performed. Jack in the Box also received some discounts for early payment of invoices and various payments and marketing-related allowances from suppliers; Jack in the Box reduced the price of the products it sold to franchisees or credited their accounts to reflect the amount of these funds attributable to the products sold to franchisees. Other than the funds described above, Jack in the Box did not receive any funds or material consideration due to franchisee purchases. Jack in the Box began transitioning out of the distribution business beginning in September 2012, so the revenues Jack in the Box will receive from the sale or leasing of items to franchisees will be significantly smaller in Fiscal Year 2013. Jack in the Box is no longer a distributor for any product used or sold at **Qdoba** restaurants.~~

ITEM 9
FRANCHISEE'S OBLIGATIONS

This table lists your principal obligations under the franchise and other agreements. It will help you find more detailed information about your obligations in these agreements and in other items in this disclosure document.

	Obligation	Section in Agreement	Item in Disclosure Document
(a)	Site selection and acquisition/lease	Sections 4 and 5 of the Franchise Agreement and Non-Traditional Franchise Agreement; Section 6 of the Development Agreement.	Item 11
(b)	Pre-opening purchases/leases	Section 11 and 12 of the Franchise Agreement and Non-Traditional Franchise Agreement.	Items 5, 7, and 11
(c)	Site development and other pre-opening	Sections 6-8 and 10-12 of the Franchise Agreement and Non-Traditional Franchise Agreement; Section 6	Items 7 and 11

	Obligation	Section in Agreement	Item in Disclosure Document
	requirements	of the Development Agreement.	
(d)	Initial and Ongoing Training	Section 8 of the Franchise Agreement and Non-Traditional Franchise Agreement.	Item 11
(e)	Opening	Section 7 of the Franchise Agreement and Non-Traditional Franchise Agreement; Sections 2, 4, and 6 of the Development Agreement.	Item 11
(f)	Fees	Section 3 of the Franchise Agreement and Non-Traditional Franchise Agreement; Section 5 of the Development Agreement.	Items 5 and 6
(g)	Compliance with standards and policies/Operating Manual	Section 10 of the Franchise Agreement and Non-Traditional Franchise Agreement (also see references in recitals and sections 1,2,4-8,11-17, 23, 29 of the Franchise Agreement and Non-Traditional Franchise Agreement); Recitals and Sections 4, 6, and 15 of the Development Agreement.	Items 11 and 14
(h)	Trademarks & Proprietary Information	Recitals and sections 1, 10, 12, 20, 23, 24, 29, 30, 31, and 34 of the Franchise Agreement and Non-Traditional Franchise Agreement; Recitals and sections 4, 8, 15, 16, and 17 of the Development Agreement.	Items 13 and 14
(i)	Restrictions on products/services offered	Section 12 of the Franchise Agreement and Non-Traditional Franchise Agreement.	Items 8 and 16
(j)	Warranty & customer service requirements	Not applicable	Not applicable
(k)	Territorial development & sales quotas	Sections 1 and 4 of the Franchise Agreement and Non-Traditional Franchise Agreement; Sections 1, 2, 4, 6, and 15 and Exhibits A and B of Development Agreement.	Item 12
(l)	Ongoing Product/ Service Purchases	Section 12 of the Franchise Agreement and Non-Traditional Franchise Agreement.	Item 8
(m)	Maintenance, appearance & remodeling requirements	Recitals and sections 1, 2, 6, and 10 of the Franchise Agreement and Non-Traditional Franchise Agreement.	Item 17
(n)	Insurance	Section 22 of the Franchise Agreement and Non-Traditional Franchise Agreement; Section 18 of the Development Agreement.	Item 7
(o)	Advertising	Section 13 of the Franchise Agreement and Non-Traditional Franchise Agreement;	Items 6 and 11
(p)	Indemnification	Section 32 of the Franchise Agreement and Non-Traditional Franchise Agreement; Section 19 of the Development Agreement.	Not applicable
(q)	Owner's Participation/ Management/ Staffing	Sections 8, 15, and 31 of the Franchise Agreement and Non-Traditional Franchise Agreement; Sections 2 and 17 of the Development Agreement.	Item 15
(r)	Records and Reports	Section 14 of the Franchise Agreement and Non-Traditional Franchise Agreement.	Not applicable
(s)	Inspections and audits	Section 17 of the Franchise Agreement and	

	Obligation	Section in Agreement	Item in Disclosure Document
		Non-Traditional Franchise Agreement.	Items 1, 8 and 11
(t)	Transfer	Section 25 of the Franchise Agreement and Non-Traditional Franchise Agreement; Section 11 of the Development Agreement.	Item 15 and 17
(u)	Renewal	Section 2 of the Franchise Agreement and Non-Traditional Franchise Agreement; Section 3 of the Development Agreement.	Item 17
(v)	Post-termination obligations	Section 30 of the Franchise Agreement and Non-Traditional Franchise Agreement; Section 16 of the Development Agreement.	Item 17
(w)	Non-Competition covenants	Section 31 of the Franchise Agreement and Non-Traditional Franchise Agreement; Section 17 of the Development Agreement.	Item 17
(x)	Dispute Resolution	Section 33 of the Franchise Agreement and Non-Traditional Franchise Agreement; Section 20 of the Development Agreement.	Item 17
(y)	Right of First Refusal	Section 26 of the Franchise Agreement and Non-Traditional Franchise Agreement; Section 12 of the Development Agreement.	Item 17

ITEM 10
FINANCING

We do not offer direct or indirect financing at this time. We do not guarantee your lease or any note or other obligation you may incur.

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

Except as listed below, we are not required to provide you with any assistance.

A. Pre-Opening Obligations.

Site Selection and Acceptance: Our only obligation regarding site selection is to accept or refuse to accept the site you propose (Franchise Agreement, Section 4). Section C below discusses the main criteria we use to evaluate sites.

Before acquiring a site for the restaurant, whether through lease, purchase or otherwise, you must apply for and obtain our written acceptance of the site. To request site acceptance, you must complete and submit our form of Site Submittal Package, and such other information and materials as we may reasonably require, together with a letter of intent or other evidence satisfactory to us confirming your favorable prospects for obtaining the site. (If the premises will be leased, you may also be required to submit to us evidence that the lease contains the terms and conditions discussed above in Section 5 of the Franchise Agreement.) If we elect to visit the site before accepting or not accepting it, you may be required to pay for our related expenses. There is no time limit for our acceptance. If you have not obtained possession of the accepted site within one hundred twenty (120) days of receiving our acceptance, we have the right to withdraw such acceptance. No site will be deemed accepted unless it has been expressly accepted in writing by us.

If we do not agree with you regarding the site, you will not be permitted to open your restaurant, but we will work with you to identify a mutually agreeable site. If no site is agreed upon by the date your Development Agreement requires you to open the site, we have the right to terminate your Development Agreement. Our acceptance of a site does not constitute a representation, guaranty or warranty of the successful operation of a restaurant at that site.

Some of the factors we might consider in assessing a site include general location and neighborhood, population, traffic patterns, parking, size, physical characteristics of existing buildings, and other businesses in the area.

If you will be developing a *Qdoba* restaurant in accordance with a Development Agreement, you must provide ~~to us for our review,~~ a market development plan for the trade areas within your Development Area. The market plan must include all relevant trade area information, including, at a minimum, residential population, daytime population, total business, median household incomes, income growth, per capital income, and population growth, all according to our requirements as modified from time to time. You must also provide a map showing the trade areas and plotting all malls, power centers, grocery stores, and food service establishments. No sites will be accepted until the market plan is submitted and reviewed.

Leases: Our only obligation regarding acquiring the rights to the premises is to provide you with a standard lease form or lease addendum that meets our requirements. (Franchise Agreement, Section 5.)

Design and Construction of the Restaurant: We will provide you with design details for a standard *Qdoba* restaurant, prepare a schematic layout that will be based upon the critical dimension measurements you provide, and loan~~ to~~ you one set of construction plans of a previously built company-owned restaurant or one set of drawings for a prototypical *Qdoba* restaurant. Additionally, we will approve or disapprove the final construction plans you or your architect prepare, but we do not make representations concerning, nor guaranty or warranty the adequacy of those plans (Franchise Agreement, Section 6). You must ensure that the premises conform to all local ordinances and building codes, and obtain all necessary permits. You must also ensure that the premises are decorated in accordance with our standards.

Initial Training: After the site is approved but before the restaurant is opened, we will provide an initial training program for your Designated Operating Partner, your General Manager, and one other person employed in the restaurant. For further information about our training, see Section F below. You are responsible for training any of your other employees.

Equipment: Our only obligation regarding equipment is to provide you with updated specifications for the equipment you are required to use in your restaurant. There are no contractual limitations on the frequency or cost of equipment upgrades.

Supervision Before and During Opening: We will provide ~~such~~the on-site pre-opening and opening supervision and assistance ~~as~~ we deem advisable, subject to the availability of personnel (Franchise Agreement, Section 9.1.).

Manuals: We will provide ~~to~~ you with a copy of our most recent confidential operating manuals, consisting of the Franchise Real Estate Manual, Operations Manual, Store Opening Manual, Manager-in-Training Manual, and Specifications Manual (collectively the "Manuals") or make the Manuals available to you through the *Qdoba* intranet. We will also provide ~~to~~ you with standards, specifications and the identity of approved suppliers, all of which are necessary for the operation of the Restaurant (Franchise Agreement, Section 9.2.).

B. Time of Opening. We estimate the time from acceptance of the site to the commencement of restaurant operations in an existing structure converted to the *Qdoba®* system will be approximately five (5) months. This time may vary depending on the time necessary to lease the site, your ability to obtain financing, local building regulations, weather conditions and the time required to obtain the necessary permits and licenses for the construction and operation of the restaurant. None of these factors are within our control (Franchise Agreement, sections 3, 6, and 7).

C. Continuing Obligations. During the operation of the restaurant, we are required to provide the following assistance to you:

Management and Operating Techniques: We will provide you, from time to time, advice and written materials concerning techniques of managing and operating the restaurant, including new developments and improvements in restaurant equipment, food products, packaging and preparation (Franchise Agreement, Section 9.3.). We will not provide you direction regarding personnel or safety or security matters.

Sample Accounting Materials: We will provide you with samples of the standardized chart of accounts, statement of earnings, and balance sheet, which you must use in the operation of your business.

Inspections: We will seek to maintain the high standards of quality, appearance and service of the System, and to that end will conduct, as we deem advisable, inspections of your restaurant and evaluations of the products sold and services rendered at the restaurant (Franchise Agreement, Section 9.4.).

Ongoing Training: Your Designated Operating Partner (if applicable), General Manager and/or certain other employees must ~~also~~ attend such refresher courses, seminars and other training programs as we may reasonably require from time to time. The cost of all travel, lodging, meals, training materials, and any trainee salary expenses associated with refresher courses will be your responsibility.

Updated Standards: We will continue to loan to you one copy of the Manuals, or make them available to you through the *Qdoba* intranet. We will also continue to provide to you standards, specifications and the identity of approved suppliers (Franchise Agreement, Section 9.2.). Exhibit H to this disclosure document sets forth the table of contents of the Store Operations Manual as of the date of this disclosure document, the number of pages devoted to each subject and the total number of pages in that manual.

D. Advertising. National Marketing Fund. As discussed in Item 6 of this disclosure document under the heading "Marketing Fees," we have established a fund for the production of advertisements, marketing material and other marketing-related services for the System ("National Fund").

The National Fund is maintained and administered by us. We oversee all marketing and promotional programs, with sole discretion to approve or disapprove the creative concepts, materials and media used in such programs and in the placement and allocation of them. This includes local and regional advertising in electronic and print media and on the internet. The National Fund is used to maximize general public recognition and acceptance of the proprietary Marks for the benefit of the System, but we have no obligation to make expenditures for you that are equal or proportionate to your contribution, or to ensure that any particular franchisee benefits directly or pro rata from expenditures by the National Fund. We have no franchisee advertising council.

If you operate a traditional *Qdoba* restaurant, you will be required to make weekly advertising contributions to the National Fund in an amount of no more than two percent (2%) of the gross sales from your ~~Restaurant~~restaurant. Contributions from non-traditional sites may be less. Qdoba will make contributions to the National Fund on behalf of restaurants it operates on the same basis as assessments required of the majority of franchisees within the System.

We will use the contributions to the National Fund exclusively to maintain and administer the National Fund, and direct and prepare advertising and/or promotions, including, among other things, preparing and conducting television, radio, magazine, and newspaper advertising campaigns; purchasing radio, television, internet, magazine, newspaper and other media for the distribution of advertising campaigns; advertising through direct mail and outdoor billboards; preparing and conducting marketing surveys, consumer feedback surveys and other public relations activities; preparing and executing e-mail and internet-based marketing programs; employing advertising agencies; and providing promotional brochures and other marketing materials for the restaurants operated under the System. This includes defraying our reasonable salaries, expenses and administrative costs and overhead, if any, as we may incur in activities reasonably related to the administration or direction of the National Fund, and the execution of marketing, promotional and advertising programs. In our discretion, we may directly pass through to the National Fund such administrative costs and salaries, or we may charge the National Fund a reasonable administrative fee calculated as a percentage of the contributions to the National Fund. The National Fund will not otherwise inure to our exclusive benefit.

Contributions to the National Fund are not used to advertise for the sale of franchises.

Generally, all contributions to the National Fund are ~~expended~~spent during the fiscal year within which such contributions are received. If excess funds remain in the National Fund at the end of a fiscal year, all expenditures in the following fiscal year(s) will be made first out of excess funds from previous years, next out of funds in the current year, and finally from contributions.

All sums paid by you into the National Fund are accounted separately from other accounts. The statement of the operations of the National Fund will be reviewed annually by us, and made available upon request to the franchisees. The National Fund is not independently audited. During the last fiscal year, approximately ~~34~~42% of the National Fund was spent on professional fees (i.e., ~~ad agency~~ agencies, graphic design internal marketing personnel, research, etc.); ~~11~~29% was spent on production of ~~ads, radio~~various advertising assets, marketing materials, ~~etc.; and 34% was spent on the web site~~POP, website, social media campaigns, public relations~~ and email marketing~~, photography, etc.; and 1% was spent on administrative expenses. The remaining ~~20~~28% went to other expenses ~~which may include~~including, but ~~are~~ not limited to, ~~research, Loyalty Program~~Rewards program, Voice of the Guest, ~~online ordering, etc~~ and the email program.

Although the National Fund is intended to be of perpetual duration, we have the right to terminate the National Fund at our sole discretion. The National Fund will not be terminated, however, until all monies in the National Fund have been expended for marketing and/or promotional purposes, or refunded to franchisees and company-owned restaurants pro rata (Franchise Agreement, Section 13.2.).

Franchise Advisory Council. We have created a Franchise Advisory Council to provide us advice regarding various marketing and advertising-related matters. The board is currently composed of three (3) franchisees that are elected by the franchise community, and serve two- (2) year terms. Qdoba reserves the right to change or dissolve the Franchise Advisory Council.

Local Advertising. If you operate at a traditional site, you will be required to spend up to $5,000 on grand opening advertising. Additionally, on an ongoing basis, you are also required to spend at least 2% of Gross Sales on local advertising. You are responsible for the cost of the placement of such advertising with various media. You may develop advertising material for your own use at your own cost; however, before you may use any such advertising material, in whatever form or medium, including the internet, you must obtain our prior written approval of the material (Franchise Agreement, Section 13.1.2.).

Advertising Cooperative. Although we currently have no advertising cooperatives, we have the right to designate any geographical area for the purpose of establishing such a cooperative for traditional *Qdoba* franchised restaurants. We may also require that a geographic area for a cooperative be changed or that a cooperative be merged or dissolved. If such a cooperative is established, you may be required to contribute up to two percent (2%) of your Gross Sales, as defined in the Franchise Agreement, to the cooperative. That contribution would be credited toward your local advertising obligation. If a cooperative is established in your area after you commence operation under the Franchise Agreement, you must become a member of the cooperative not later than thirty (30) days after the cooperative commences operation (Franchise Agreement, Section 13.3.).

E. Computer Systems. We currently require that you use the following POS and computer equipment, but our requirements may change in the future:

(a) Aloha® POS - Aloha system point-of-sale software is a Windows compatible software package that allows a cashier to ring in and tender out food orders placed at the restaurant via touchscreen hardware. Aloha software is produced and distributed by NCR. ~~Franchisees~~ You are required to run an approved PA-DSS (Payment Application Data Security Standard) version of Aloha POS as defined by the Director of IT for Qdoba. ~~Franchisees~~You are also required to use EDC for credit card processing, Aloha Online and Aloha Takeout for online ordering and Aloha Loyalty for the *Qdoba* guest loyalty program. Approved Aloha versions will reach an end to their useful life and will have to be replaced periodically as directed by the Director of IT.

(b) POS Hardware - Any POS Hardware that meets Aloha POS specification. The current standard for POS hardware is ~~the~~at least one (1), Radiant Systems P~~1560~~1530 15" Capacitive Touchscreen POS terminal with ~~2~~4GB RAM running the Windows ~~XP Professional~~ PosReady 7 operating system on the front counter. The current standard for the back office file server is the Dell Optiplex ~~9010~~9020 with 4GB RAM running the Windows 7 Professional operating system. Both the back office fileserver and the POS terminal(s) ~~are required to~~must run the Aloha system point-of-sale software.

(c) Secure access or similar remote access software as directed by Company - Remote access software allows a person who is not physically near a computer to connect and control the computer via an Internet connection.

(d) Sales Reporting ("Polling") Software – Qdoba uses centralized polling software to transfer information from ~~Franchisee's~~the franchisees' computerized point-of-sale ~~device~~devices. Client software must be installed on ~~the franchisee's~~your computer system for polling functionality. ~~Franchisee will be responsible for~~You must pay a one-time license charge for this software.

(d) DSL or high-speed broadband connection - ~~Franchisees are responsible for maintaining~~You must maintain a broadband internet connection with static internet IP address. Examples of this type of connection include, but are not limited to, DSL, T1 and cable. DSL and T1 are generally available through the local telephone company, and cable is supplied through the local cable company. DSL is the preferred connection type. Internet provided via satellite or air-card is not approved for use.

(e) Antivirus software – This software protects the local computer from viruses and other threats perpetuated on the Internet.

(f) Hardware stateful firewall – The current device ~~required by Qdoba~~we require is the Fortinet FWF-60C unified threat management appliance. This firewall is intended to protect the computer system from malicious Internet-based or virus attacks. Franchisees are required to purchase and install a hardware firewall capable of performing stateful packet inspection as approved by the Director of IT. Because such security appliances will reach an end to their useful life, they will have to be replaced periodically as directed by the Director of IT. The firewall must be configured and maintained exclusively by the Qdoba IT department or its delegate.

Although we do not currently require you to purchase these items from any particular supplier, we reserve the right to do so. If we require you to purchase or lease any such system from a third party, we may require that any assistance or support relating to such system be provided by a third party and not by us. The estimated cost of purchasing a POS system is approximately $13,876 (for one terminal) to $20,200 (for two terminals). Estimated maintenance costs are approximately $~~1,680~~1,300 per year (for one terminal) to $~~2,612~~1,800 (for two terminals). We also require the right to ~~gain independent~~independently access ~~to~~ your system and ~~to~~ all information and data that is electronically collected on the system (Franchise Agreement, sections 9, 11, 12, and 23).

We may require ~~that~~ you to update or upgrade the computer and POS equipment during the term of your franchise. There are no contractual limitations on the frequency or cost of computer and POS upgrades.

In addition, ~~all franchisees~~you are required to maintain full compliance with the Payment Card Industry Data Security Standard (PCI-DSS) and to prove ~~such~~your compliance by providing to the Director of IT: (a) copies on a quarterly basis of a passing vulnerability assessment scan that was performed by a PCI authorized scan vendor (ASV) as defined by the PCI consortium; and (b) an executed copy of the PCI self-assessment questionnaire or the PCI report on compliance, whichever is appropriate, on an annual basis.

F. Training. Your Designated Operating Partner ("DOP"), General Manager and a third person designated by you (such as an assistant manager) must attend our ~~four (4) to~~f five- (5) week Manager in Training ("MIT") program. The DOP is required to attend an additional week of Regional Manager training. The program starts every Monday with an orientation at the Corporate Support Center in the Denver Metro area in Colorado. Thereafter, the trainee will attend on-the-job training at a certified training restaurant in the Denver Metro area, and classroom training at the Corporate Support Center. Approximately twelve (12) weeks before the scheduled opening of your restaurant, we will begin training your Designated Operating Partner. Your General Manager should complete training about three (3) to four (4) weeks before the opening of your restaurant. A third person should complete training at least one (1) week before the restaurant opens. Such persons must attend and complete the training program to our satisfaction in order to open a *Qdoba* restaurant. Our training program is outlined in Exhibit I to this disclosure document.

There is no cost to the franchise for attending the MIT Program. The number of attendees is unlimited. All trainer salaries, bonuses, and materials are paid for by the Franchisor. All travel and living expenses are the responsibility of the franchisee.

The instructional materials for the MIT are the Store Operations Manual and the Career Map. The Career Map outlines the necessary restaurant operational knowledge to help them build new skills and refine current talents. It allows the MIT and the training manager to certify, evaluate, and confirm progress. The Career Map describes different levels of training team members to complete: Crew Member, Shift Supervisor, MIT, ~~Second~~ Assistant~~, First Assistant, General~~ Manager ~~Support~~, General Manager, and Training General Manager. The Post 30-Day Career Development section provides all of the tools necessary for an MIT graduate to grow to their full potential. Topics covered include customer relations, food presentation and preparation, service standards and procedures, inventory control and financial control.

Our training is conducted under the ~~general~~ direction of ~~Michael Speck, Vice President, Human Resources and Training,~~ Jamison Hull, Director of Training and Development whose responsibilities include overseeing and coordinating on-site training. Mr. ~~Speck has been Vice President of Human Resources and Training since joining Qdoba in May 2004. From April 2003 to February 2004, he was the Chief People Officer with Cici's Pizza located in Denver, Colorado. From June 1998 to April 2003, Mr. Speck served as Vice President of Human Resources for Red Robin Gourmet Burgers, Inc. in Greenwood Village, Colorado. Jamison~~ Hull~~, Director of Training,~~ is directly responsible for overseeing and coordinating the franchisee training. Mr. Hull joined Qdoba in 1997 and has held the positions of Assistant Manager, General Manager, Training General Manager and Franchise Business Consultant. He assumed the role of Director of Training in 2004. He is supported by Training General Managers, who are top performers from the store level operations, have been promoted through the ranks to the current position, and have graduated from the Qdoba Corporation Train the Trainer Program. The average tenure of a Training General Manager is three (3) years.

ITEM 12
TERRITORY

You will not receive an exclusive territory under our Development Agreement or our Franchise Agreement. You may face competition from other franchisees, from outlets that we own, or from other channels of distribution of competitive brands that we control. Under both our Development Agreement and Franchise Agreement, we will grant you a protected territory, but some areas or sites may be carved out of that territory, as discussed below.

Development Agreement. The Development Agreement grants you certain rights (as described below) within a designated geographical area (the "Development Area"). The Development Area is described in an exhibit attached to the Development Agreement. The size of the designated Development Area will vary depending on population concentrations in such areas and other factors. During the term of your Development Agreement we will not establish nor license anyone other than you to establish any *Qdoba* restaurant in the Development Area, except as ~~provided~~described in the Development Agreement. We may continue to allow pre-existing *Qdoba* restaurants to operate within the Development Area. We may sell products and services within the Development Area, provided that such sales are through channels of distribution that are dissimilar to yours. We also may operate or allow others to operate *Qdoba* restaurants at certain locations in the Development Area, such as college campuses and military installations that we believe are more appropriately developed by us or an institutional food service company. We may also allow the operation of restaurants in the Development Area if you fail to open an accepted restaurant within 180 days after you receive our Notice of Site Acceptance. The exceptions are more fully described in the Development Agreement.

In order to maintain your territorial rights during the development period, you must fulfill specific development obligations and other obligations as described in the Development Agreements and Franchise Agreements you have entered into with us. You will be required to open and maintain in operation the number of *Qdoba* restaurants required by us ("Minimum Development Quota"). The development schedule and Minimum Development Quota are determined by us on the basis of our view of the market and size of the Development Area. The development schedule and Minimum Development Quota will be described in an exhibit to the Development Agreement. If you fail to comply with the development schedule you will gradually lose the right to have your development fees credited toward your franchise fees, as more fully described in the Development Agreement, and will ultimately be deemed in material default of your Development Agreement.

If you fail to comply with the development schedule, or fail to comply with any material terms or conditions of any Franchise Agreement or Development Agreement between you and us, such action will constitute a default under the Development Agreement. Upon such default, we may, at our option, terminate the Development Agreement and all rights granted in it, including the territorial protections. Depending upon the circumstances, we may not be required to afford you any opportunity to cure the default, and the termination may become effective immediately upon your receipt of written notice to you, or as otherwise provided by state law. However, termination of your Development Agreement will not necessarily affect any territorial protection that any of your restaurants may have under the Franchise Agreement relating to such restaurant.

Franchise Agreement. The Franchise Agreement grants you the right to operate a single *Qdoba* restaurant at a specific, Accepted Location, and, except at certain non-traditional locations, grants you certain territorial rights in a geographic radius referenced in an exhibit to the Franchise Agreement. The protected geographic territory ("Protected Territory") will generally be a radius ~~of the lesser~~ of two miles from the Franchised Restaurant ~~or such~~, but may be a smaller radius ~~surrounding the restaurant agreed~~that we agree to before we sign the Franchise Agreement. During the term of the Franchise Agreement, we will not, without your consent, establish or franchise another to establish, a new *Qdoba* restaurant at any location that falls within your Protected Territory except as provided in the Franchise Agreement. We may continue to allow pre-existing *Qdoba* restaurants to operate within the Protected Territory, ~~and we may~~ allow those to be transferred to a new franchisee or renew those franchises. We may sell products and services within the Protected Territory, provided that such sales are through channels of distribution that are dissimilar to yours. We also may operate or allow others to operate *Qdoba* restaurants at certain locations in the Protected Territory that we believe are more appropriately developed by us or an institutional food service company, such as college campuses and military installations. We may also allow the operation of restaurants in the Protected Territory if you fail to open an accepted restaurant within 180 days after you receive our Notice of Site Acceptance. These exceptions are more fully described in the Franchise Agreement. The relocation of any franchised restaurant will be subject to our prior written approval, which may be withheld on whatever basis we determine is in our best interests.

The Franchise Agreement gives you no right to establish or buy additional *Qdoba* restaurants, or to use alternate channels of distribution, such as the internet. At the expiration of your Franchise Agreement, if you have consistently met our System standards and remain qualified to continue to be a franchisee, you will have the option to enter into a new Franchise Agreement (in the form then in use by the Qdoba) for the same location.

The Protected Territory granted to you is not dependent upon the achievement of a certain sales volume, market penetration or similar contingency. Except as provided above, absent our mutual consent, the protected area granted to you may not be altered before the Franchise Agreement expires or is terminated.

Other than as specified in Franchise Agreements, we retain the right, in our sole discretion, to operate, or to grant to other persons the right to operate, *Qdoba* restaurants at any location or Development Area on such terms and conditions as we deem appropriate. We also retain the right to sell products and services authorized under the System bearing our trademarks, through similar or dissimilar channels of distribution as we deem appropriate.

Currently, we do not operate or franchise, or have any affiliate that operates or franchises, or has any presently formulated plans or policy to operate or franchise any business that sells primarily Mexican food or wraps under different trademarks. As described in Item 1 of this disclosure document, Jack in the Box operates and franchises JACK IN THE BOX® fast-food restaurants, which serve a variety of foods, primarily hamburgers and other sandwiches, french fries, tacos, specialty salads, soft drinks and similar items. A significant percentage of its sales are at the drive-thru windows or for take-out. Jack in the Box operates and franchises restaurants under its JACK IN THE BOX® symbol. Restaurants owned by Jack in the Box or its franchisees may be located near your restaurant location, and may solicit and accept orders from customers near your restaurant location. If you sign a Development Agreement that provides for a Development Area for a specified period of time, restaurants owned or franchised by Jack in the Box may be located within your Development Area at the time you sign the Development Agreement, at any time during the term of your Development Agreement or at any time after that. We anticipate no conflicts with or between our franchisees regarding territory, customers or franchisor support because Qdoba and Jack in the Box have separate ~~headquarters and~~ business management and training personnel, and because the restaurant concepts offer different food products and dining experiences. The process of licensing the brand, which involves franchisee recruitment and granting development territories and franchise agreements, is managed by business development personnel that manage both Qdoba and Jack in the Box Inc. If conflicts do arise, Qdoba will analyze the conflict and take actions (if any) that we deem appropriate, which may include participating in nonbinding mediation.

ITEM 13
TRADEMARKS

The Franchise Agreement grants you the right to operate a restaurant using the principal trademark Qdoba®, Qdoba Mexican Grill®, and other of our marks, as they may be changed, improved and further developed over time. Principal trademarks include service marks, names, logos and symbols used to identify your ~~Restaurant~~restaurant.

The following trademarks, service marks, logos or other commercial symbols are on file with the United States Patent and Trademark Office on the Principal Register. All required affidavits of use and applications for renewal have been filed.

Description	Federal Registration or Serial Number	Date of Registration (* indicates renewal date)
Qdoba	2,462,773	6/19/01 (*1/24/11)
Qdoba Mexican Grill	2,452,146	5/15/01 (*1/25/11)
~~Qdoba Mexican Grill & Design~~	~~2,464,633~~	~~6/26/01~~
Qdoba Mexican Grill & Design	2,574,316	5/28/02 (*12/16/11)
Qdoba Mexican Grill (stylized)	4,227,729	10/16/12
~~Cactus Button Design~~	~~2,876,701~~	~~6/26/01~~
~~Cactus Design~~	~~2,499,125~~	~~5/28/02~~
Cactus Button Design	2,876,701	8/24/04
Naked Burrito	2,831,477	4/13/04
Quesofy	4,344,272	5/28/13
What are you going to love at Qdoba?	3,162,726	10/24/06
Burrito Boredom	3,984,638	6/28/2011
Food Lovers Fighting Burrito Boredom	3,973,848	6/7/11
Food Lovers Fighting Burrito Boredom (design)	3,973,849	6/7/11

The following trademarks, service marks, logos or other commercial symbols are on file with the Canadian Intellectual Property Office. All required affidavits of use and applications for renewal have been filed.

Description	Canadian Registration Number	Date of Registration
Qdoba	TMA752530	11/09/2009
Qdoba Mexican Grill	TMA752529	11/09/2009
Qdoba Rewards	TMA848898	4/18/2013
Qdoba Mexican Grill (stylized)	TMA848897	4/18/2013
Qdoba Mexican Grill & Design	TMA752527	11/09/2009
Cactus Button Design (with underline)	TMA754366	12/02/2009
Cactus Button Design	TMA848896	04/18/2013
Naked Burrito	TMA752528	11/09/2009

There are no currently effective determinations of the Patent and Trademark Office, the trademark administrator of any state, or any court, or cancellation proceeding, nor any pending material litigation involving the proprietary marks.

There are no agreements currently in effect that significantly limit our rights to use or license the use of any of the Marks.

We also own and will grant to you the right to use many other common law trademarks and trade names, as well as various international marks.

Subject to the terms of the Franchise Agreement, we are obligated by the Franchise Agreement to protect any rights granted to you to use the Marks, and to protect you against claims of infringement or unfair competition with respect to them, provided you have used the Marks in compliance with the terms of your Franchise Agreement.

In the event that litigation involving the Marks is instituted or threatened against you, you must promptly notify us, and cooperate fully in defending or settling ~~such~~that litigation. You must comply with our instructions in filing and maintaining the requisite trade name or fictitious name registrations, and must sign any documents deemed necessary by us or our counsel to obtain protection for the Marks or to maintain their continued validity and enforceability.

The right and license of the Marks granted to you under the Franchise Agreement ~~to you is~~are nonexclusive. Thus, we have and retain, the rights, among others, to use the Marks, to grant others the license to use them, and to develop other systems using the same or similar Marks, with the same right to use, grant or license such new Marks.

You must modify or discontinue use of a Mark if we modify it or discontinue its use. If this happens, we will reimburse you for your tangible costs of compliance (for example, changing signs). We do not know of any infringing uses that could materially affect your use of our Marks.

ITEM 14
PATENTS, COPYRIGHTS AND PROPRIETARY INFORMATION

We do not own any rights in or to any patents or copyrights that are material to the franchise. We claim copyrights in the Manuals, specially designed menus, advertising materials and related items used in operating the franchise. ~~Such~~Those copyrights have not been registered with the United States Registrar of Copyrights but have been protected under the federal copyright laws, where appropriate, by virtue of our placing the appropriate notice of copyright on such items.

Certain materials supplied to you will contain proprietary information and trade secrets of Qdoba, including operating procedures that you are required to follow at your restaurant. They will be supplied to you and your key personnel under contractual provisions limiting their use to the operation of the franchised restaurant and prohibiting their reproduction or unauthorized disclosure. Under the Franchise Agreement, you agree that you will not allow proprietary information to be used for the benefit of any third party (see Franchise Agreement, section 24, and the Confidentiality and Non-disclosure Agreement attached as Exhibit E to the Franchise Agreement, and attached as Exhibit D to the Development Agreement).

ITEM 15
OBLIGATIONS TO PARTICIPATE IN THE ACTUAL OPERATION OF THE FRANCHISED BUSINESS

Development Agreement. You or another individual approved by us, must supervise the development of all restaurants to be opened. That person must devote best efforts to the development of the **Qdoba** restaurants.

Franchise Agreement. Except certain non-traditional restaurants, each *Qdoba* restaurant must at all times be under the full-time supervision of a Designated Operating Partner and a General Manager (unless otherwise approved by Qdoba). If you have more than one franchised restaurant, your Designated Operating Partner must have at least three (3) years of multi-unit experience in the operation of a casual-dining, fast-food, family-dining or cafeteria-style restaurant, and must be approved by us. Your General Manager must have a minimum of one (1) year of experience as a General Manager in the restaurant industry. The person who is responsible for the day-to-day supervision of your restaurant must assume such responsibilities on a full-time basis, and may not engage in any other business or other activity, directly or indirectly, that requires any significant management responsibility, time commitments, or otherwise may conflict with your obligations under the Franchise Agreement.

Even if a General Manager is in charge of the day-to-day supervision of the restaurant, your Designated Operating Partner (if applicable) must nevertheless remain active in overseeing the operations of the restaurant or restaurants on a full-time basis. Your Designated Operating Partner (if applicable) and each General Manager must satisfactorily complete Qdoba's certified training program.

Guarantees. If the Franchise Agreement or Development Agreement is held by a corporation, partnership or other legally formed entity, the owners of the entity and their spouses (regardless of whether they are parties to agreement) may be required to personally guarantee the full performance of the obligations under the Franchise Agreement and Development Agreement. Sample guarantees are attached to the Franchise Agreement and Development Agreement (see Exhibits B and C).

Confidentiality and Non-Competition. Qdoba may require you, all partners or members of franchisee, and all shareholders or other holders of at least a 5% interest in franchisee to sign confidentiality and non-competition agreements. The current form of confidentiality and non-competition agreement is attached to the Franchise Agreement as Exhibit E (see Exhibit B to this disclosure document). Qdoba may also require your managers and other key personnel to sign a confidentiality agreement.

ITEM 16
RESTRICTIONS ON WHAT FRANCHISEE MAY SELL

You must use the restaurant premises solely for the operation of a *Qdoba* restaurant. You must sell or offer for sale only such menu items, products or services ~~as~~that we have ~~been~~ expressly approved ~~in writing~~ for sale ~~by us or specified by us~~. You may only purchase from approved suppliers, as discussed in Item 8 of this disclosure document. You may not deviate from our standards and specifications without our prior written consent. You must offer for sale the entire *Qdoba* menu, as specified by us. We may alter menu items at any time. With respect to the offer and sale of most menu items, products, and services, you will have discretion as to the prices to be charged customers.

ITEM 17
RENEWAL, TERMINATION, TRANSFER AND DISPUTE RESOLUTION

This table lists important provisions of the Franchise Agreement, Development Agreement and related agreements. You should read the provisions in the agreements attached to this disclosure document:

THE FRANCHISE RELATIONSHIP

Provision	Section in Franchise Agreement	Summary
a. Term of the Franchise	Section 2	Ten (10) Years.
b. Renewal or extension of the term	Section 2	If you are not in default, remodel the restaurant and meet ~~the~~certain other requirements, you can enter into a new franchise for an additional ten-(10) year term for an additional fee.
c. Requirements for you to renew or extend	Section 2	Provide notice, remodel, sign new franchise agreement and release, pay fee, obtain right to possession of premises. The terms of the new franchise agreement may be different than the terms of the current Franchise Agreement.
d. Termination by you	Section 29	If you are in compliance with the Franchise Agreement and we fail to comply with a material term of the agreement, you can terminate the franchise agreement after giving notice and an opportunity to cure.

Provision	Section in Franchise Agreement	Summary
e. Termination by us without cause	Not applicable.	Not applicable.
f. Termination by us with cause	Section 29	We can only terminate if you default under the Franchise Agreement or certain other agreements with us.
g. "Cause" defined –defaults which can be cured	Section 29	"Curable defaults" are not specifically defined, but the Franchise Agreement references notice and correction opportunities relating to defaults due to nonconforming operations, loss of possession of premises, unauthorized transfers, breach of in-term non-competition covenant, refusal to permit audit, failure to submit financial statements, failure to pay taxes, violation of labor laws, failure to keep business open, failure to pay, failure to restore premises, default under other agreements, among others.
h. "Cause" defined – defaults which cannot be cured or can be cured at our option	Sections 27 and 29	**Immediate termination:** Assignment for benefit of creditors; bankruptcy*; insolvency; receivership; dissolution, levy or foreclosure; cessation of operations. **Termination at our option:** Danger to public health or safety; conviction of felony or similar offense; unsatisfied judgment; breach of confidentiality or non-competition covenant; maintaining false books or records; multiple defaults; material misrepresentations; unauthorized use of Marks; failure to designate a new certified manager after death or permanent disability.
i. Your obligations on termination/nonrenewal	Section 30	Cease operations; complete de-identification; return all

* The provision allowing for termination upon bankruptcy of the franchisee may not be enforceable under federal bankruptcy law (11 U.S.C. Section 101 et seq.).

Provision	Section in Franchise Agreement	Summary
		confidential and proprietary materials; agree to assign your lease to us (at our election); pay all amounts due to us and vendors; comply with post-termination covenant not to compete; pay all costs relating to actions to enforce the Franchise Agreement; sell equipment and inventory (at our election) (see also r. below).
j. Assignment of contract by us	Section 25	Unrestricted right to assign.
k. "Transfer" by you – defined	Section 25	Includes transfer of contract or assets by ownership change.
l. Our approval of transfer by you	Section 25	We have the right to approve any transfer, but we will not unreasonably withhold approval, provided all conditions are met.
m. Conditions for our approval of transfer	Section 25	All amounts ~~owing~~owed to us must be paid; no defaults in agreements; general release signed; transferee guarantees all obligations; transferee ~~qualifies~~is qualified; current agreement signed by transferee; ~~Restaurant~~restaurant refurbished; transfer fee paid; training program completed~~; new agreement signed by transferee~~; transferor remains liable; subordination of financing; acknowledgment that we do not guarantee success.—
n. Our right of first refusal to acquire your business	Section 26	We can match any offer to buy for your restaurant or any interest in your restaurant.
o. Our option to purchase your business	Section 30.5	Option to take over the lease.
p. Your death or disability	Section 27	New manager must be appointed within thirty (30) days. Franchise must be assigned by estate to approved buyer within twelve (12) months.
q. Non-competition	Section 31	No involvement in Mexican-

Provision	Section in Franchise Agreement	Summary
covenants during the term of the franchise		theme fast-food or wrap-style restaurant, where customers place orders at the counter, or any restaurant deriving thirty (30%) or more of its revenue from burritos and/or wraps, located in the U.S.
r. Non-competition covenants after the franchise is terminated or expires	Section 31 (not applicable at non-traditional locations)	No involvement in Mexican-theme fast-food or wrap-style restaurant, where customers place orders at the counter, or any restaurant deriving thirty percent (30%) or more of its revenue from burritos and/or wraps, located within five (5) miles of any *Qdoba* restaurant for two (2) years past termination.
s. Modification of the Agreement	Section 33	No modifications without mutual agreement, but all Manuals are subject to change by us in our sole discretion.
t. Integration/merger clause	Section 33	Only the terms of the Franchise Agreement and Development Agreement are binding (subject to state law). Except for the statements contained in this disclosure document, you may not rely on any other oral or written statements you have been provided about the franchise.
u. Dispute resolution by arbitration or mediation	Section 33	You are required to participate in nonbinding mediation.
v. Choice of forum	Section 33	Litigation must be in Denver, Colorado.
w. Choice of law	Section 33	Colorado law applies.

Provision	Section in Development Agreement	Summary
a. Term of the Agreement	Section 3/Exhibit B	Development schedule is established through case-by-case determination.
b. Renewal or extension of	Section 3	~~Option to further development~~

Provision	Section in Development Agreement	Summary
the term		~~of territory. However, once waived, your option is forfeited~~None.
c. Requirements for you to renew or extend	Section 3	Be in compliance with all agreements.
d. Termination by you	Section 15	You may terminate the Development Agreement at any time by not proceeding. You will forfeit any development fee paid.
e. Termination by us without cause	Not applicable.	Not applicable.
f. Termination by us with cause	Section 2; Section 15	Your default under your Development Agreement (including your failure to meet your development quotas) or default under other agreements with us.
g. "Cause" defined – defaults which can be cured.	Section 15.3	"Curable defaults" are not specifically defined, but the Development Agreement references notice and correction opportunities relating to defaults due to non-conforming operations, possession of premises, unauthorized transfers, breach of in-term non-competition covenant, refusal to permit audit, failure to submit financial statements, failure to pay taxes, violation of labor laws, failure to keep business open, failure to pay, failure to restore premises, default under other agreements, among others.
h. "Cause" defined – defaults which cannot be cured or can be cured at our option	Section 15.1 and 15.2	**Immediate termination:** Assignment for benefit of creditors; bankruptcy*; insolvency; receivership; dissolution levy or foreclosure; Cessation of operations.

* The provision allowing for termination upon bankruptcy of the franchisee may not be enforceable under federal bankruptcy law (11 U.S.C. Section 101 et seq.).

Provision	Section in Development Agreement	Summary
		Termination at our option: Danger to public health or safety; conviction of felony or similar offense; unsatisfied judgment; breach of confidentiality or non-competition covenant; maintaining false books or records; multiple defaults, material misrepresentations; failure to unauthorized use of Marks.
i. Your obligations on termination/nonrenewal	Section 16	Meet Minimum Development Quota; cease operations; complete de-identification; return all proprietary materials; assign to us your lease (at our election); pay all amounts due to us and vendors; comply with post-termination covenant not to compete, pay all costs relating to actions to enforce the Franchise Agreement; sell equipment and inventory at our election (see also r. below).
j. Assignment of contract by us	Section 11	No restriction on our right to assign.
k. Transfer by you –defined	Section 11	Includes transfer of Agreement or assets or ownership change.
l. Our approval of transfer by you	Section 11	We have the right to approve all transfers.
m. Conditions for our approval of transfer	Section 11	All amounts owing paid; no defaults in agreements; general release (See Exhibit M); transferee guarantees all obligations; transferee qualifies; current agreement signed by transferee; restaurant refurbished; transfer fee paid; training program completed; transfer must include all restaurants covered by a Development Agreement; at least one restaurant in operation; execution of

Provision	Section in Development Agreement	Summary
		non-compete agreement and acknowledgements, subordination of conventional financing.
n. Our right of first refusal to acquire your business	Section 12	We can match any offer for your business.
o. Our option to purchase your business	Not applicable.	Not applicable.
p. Your death or disability	Section 13	The transfer of any development rights in the event of death requires our prior written consent.
q. Noncompetition covenants during the term of the Agreement	Section 17	No involvement in Mexican-theme fast-food or wrap-style restaurant deriving thirty (30%) or more of its revenue from burritos and/or wraps, located in the U.S.
r. Noncompetition covenants after the Agreement is terminated or expires	Section 17	No involvement in Mexican-theme fast-food or wrap-style restaurant deriving thirty (30%) or more of its revenue from burritos and/or wraps, located within five (5) miles of any *Qdoba* restaurant.
s. Modification of the Agreement	Section 20.5	No modifications without mutual agreement, but all Manuals are subject to change.
t. Integration/merger clause	Section 20.4	Only the terms of the Franchise Agreement and Development Agreement are binding (subject to state law). Except for the statements contained in this disclosure document, you may not rely on any other oral or written statements you may have been provided about the franchise.
u. Dispute resolution by arbitration or mediation	Section 20.6	You are required to participate in nonbinding mediation.

Provision	Section in Development Agreement	Summary
v. Choice of forum	Section 20.7.2	Litigation must be in Denver, Colorado.
w. Choice of law	Section 20.7.1	Colorado law applies.

Provision	Section in Non-Traditional Franchise Agreement	Summary
a. Term of the Franchise	Section 2	Ten (10) Years.
b. Renewal or extension of the term	Section 2	If you are not in default, remodel the restaurant and meet the other requirements, you can enter into a new franchise for an additional ten- (10) year term for an additional fee.
c. Requirements for you to renew or extend	Section 2	Provide notice, remodel, sign new franchise agreement and release, pay fee, obtain right to possession of premises. The terms of the new franchise agreement may be different than the terms of the current Franchise Agreement.
d. Termination by you	Section 29	If you are in compliance with the Franchise Agreement and we fail to comply with a material term of the agreement, you can terminate the franchise agreement after giving notice and an opportunity to cure.
e. Termination by us without cause	Not applicable.	Not applicable.
f. Termination by us with cause	Section 29	We can only terminate if you default under the Franchise Agreement or certain other agreements with us.
g. "Cause" defined –defaults which can be cured	Section 29	"Curable defaults" are not specifically defined, but the Franchise Agreement references notice and correction opportunities relating to defaults due to nonconforming operations, loss of possession of premises,

Provision	Section in Non-Traditional Franchise Agreement	Summary
		unauthorized transfers, breach of in-term non-competition covenant, refusal to permit audit, failure to submit financial statements, failure to pay taxes, violation of labor laws, failure to keep business open, failure to pay, failure to restore premises, default under other agreements, among others.
h. "Cause" defined – defaults which cannot be cured or can be cured at our option	Sections 27 and 29	**Immediate termination:** Assignment for benefit of creditors; bankruptcy*; insolvency; receivership; dissolution, levy or foreclosure; cessation of operations. **Termination at our option:** Danger to public health or safety; conviction of felony or similar offense; unsatisfied judgment; breach of confidentiality or non-competition covenant; maintaining false books or records; multiple defaults; material misrepresentations; unauthorized use of Marks; failure to designate a new certified manager after death or permanent disability.
i. Your obligations on termination/nonrenewal	Section 30	Cease operations; complete de-identification; return all confidential and proprietary materials; agree to assign your lease to us (at our election); pay all amounts due to us and vendors; comply with post-termination covenant not to compete; pay all costs relating to actions to enforce the Franchise Agreement; sell equipment and inventory (at our election) (see also r. below).

* The provision allowing for termination upon bankruptcy of the franchisee may not be enforceable under federal bankruptcy law (11 U.S.C. Section 101 et seq.).

Provision	Section in Non-Traditional Franchise Agreement	Summary
j. Assignment of contract by us	Section 25	Unrestricted right to assign.
k. "Transfer" by you – defined	Section 25	Includes transfer of contract or assets by ownership change.
l. Our approval of transfer by you	Section 25	We have the right to approve any transfer, but we will not unreasonably withhold approval, provided all conditions are met.
m. Conditions for our approval of transfer	Section 25	All amounts owing paid; no defaults in agreements; general release; transferee guarantees all obligations; transferee qualifies; current agreement signed by transferee; Restaurant refurbished; transfer fee paid; training program completed; new agreement signed by transferee; transferor remains liable; subordination of financing; acknowledgment that we do not guarantee success.—
n. Our right of first refusal to acquire your business	Section 26	We can match any offer to buy for your restaurant or any interest in your restaurant.
o. Our option to purchase your business	Not applicable	Not applicable
p. Your death or disability	Section 27	New manager must be appointed within thirty (30) days. Franchise must be assigned by estate to approved buyer within twelve (12) months.
q. Non-competition covenants during the term of the franchise	Not applicable	Not applicable
r. Non-competition covenants after the franchise is terminated or expires	Section 31 (not applicable at non-traditional locations)	No involvement in Mexican-theme fast-food or wrap-style restaurant, where customers place orders at the counter, or any restaurant deriving thirty percent (30%) or more of its revenue from burritos and/or wraps, located within five (5) miles of any *Qdoba* restaurant for

Provision	Section in Non-Traditional Franchise Agreement	Summary
		two (2) years past termination.
s. Modification of the Agreement	Section 33	No modifications without mutual agreement, but all Manuals are subject to change by us in our sole discretion.
t. Integration/merger clause	Section 33	Only the terms of the Franchise Agreement are binding (subject to state law). Except for the statements contained in this disclosure document, you may not rely on any other oral or written statements you have been provided about the franchise.
u. Dispute resolution by arbitration or mediation	Section 33	You are required to participate in nonbinding mediation.
v. Choice of forum	Section 33	Litigation must be in Denver, Colorado.
w. Choice of law	Section 33	Colorado law applies.

ITEM 18
PUBLIC FIGURES

We do not use any public figure to promote our franchise.

ITEM 19
FINANCIAL PERFORMANCE REPRESENTATION

The FTC's Franchise Rule permits a franchisor to disclose information about the actual or potential financial performance of its franchised and/or company-operated outlets, if there is a reasonable basis for the information, and the information is included in the disclosure document. Financial performance information that differs from the information included in Item 19 may be given only if: (1) a franchisor provides the actual records of an existing outlet you are considering buying; or (2) a franchisor supplements the information provided in this Item 19, for example, by providing information about performance at a particular location or under particular circumstances.

The following figures represent the average sales and operating figures of certain traditional, company-operated *Qdoba* restaurants. The information is based on the unaudited operating results of ~~one~~two hundred ~~ninety-six (196~~nine (209) company-operated restaurants that were open and operating for at least the last three (3) years. We use restaurants that have been open three (3) years or more because, in our experience, it takes a number of years for sales to mature at new restaurants, particularly in new markets. The data covers all applicable company-operated restaurants for the fiscal year ending September ~~30, 2012,~~29, 2013, except that we have excluded from this table information for the following: (i) one restaurant that operates in an airport because the unique venue and twenty-four (24) hour operating time are not representative of the system; and (ii) any locations that were acquired from franchisees that may have been open more than three (3) years but have not been operated by the Company for a full year. We also ~~do~~did not include ~~seven (7) Manhattan restaurants, as they are not typical of our system~~one (1) restaurant, due to a fire rebuild.

The ~~one~~two hundred ~~ninety-six (196~~nine (209) restaurants represent approximately thirty ~~one~~four percent (~~31~~34%) of the entire Qdoba system as of September ~~30, 2012,~~29, 2013, which includes both franchised and company-operated restaurants.

We calculated the average gross sales of restaurants, along with their average costs and expenses. Certain fees that you must pay us, and other differences between the expenses of company-operated and franchised restaurants, are not reflected in the averages. These fees and expenses include, but are not limited to, development fees, franchise fees, royalties, local advertising and marketing costs, national marketing fund contributions, administrative costs, such as regional or corporate management, and interest expense that you will incur if you finance any part of your initial investment.

You also should take into consideration that this information gives no weight to regional or national variations or the number of restaurants operating in a particular market. In particular, it is likely that rent and other occupancy costs will differ widely from one geographic region to another. You must make your own investigation into the likely costs available in your geographic area, as the occupancy costs we incur in our company-operated restaurants may be very different from those in other geographic areas.

Sales realized and costs and expenses incurred will vary from unit to unit and market to market. Your restaurant's sales, costs and expenses will be directly affected by many factors, such as the restaurant's size and geographic location; competition from other restaurants in the market; the presence of other *Qdoba* restaurants in the market; the quality of management and service at your restaurant; your operating hours; your contractual relationships with your landlord and suppliers; the extent to which you finance the construction and operation of your restaurant; your legal, accounting, real estate and other professional fees; federal, state and local income, gross profits or other taxes; and discretionary expenditures. Certain benefits and economies of scale that we may derive as a result of operating restaurants on a consolidated basis (for example, liability and workers' compensation insurance policies) may not be available to you. You should therefore use this information only as a reference to conduct your own analysis. Written substantiation for the financial performance representation will be made available upon reasonable request.

THIS INFORMATION IS NOT BASED UPON THE EXPERIENCE OF FRANCHISED QDOBA MEXICAN GRILL RESTAURANTS. THE SALES, AVERAGE COSTS, AND OPERATING PROFITS REFLECTED IN THE INFORMATION ARE OF CERTAIN COMPANY-OPERATED RESTAURANTS ONLY, AND SHOULD NOT BE CONSIDERED AS THE ACTUAL OR POTENTIAL SALES, COSTS, OR OPERATING PROFITS THAT YOU WILL REALIZE. WE DO NOT REPRESENT THAT ANY OPERATOR CAN EXPECT TO ATTAIN THE SALES, COSTS, OR OPERATING PROFITS PRESENTED, OR ANY OTHER PARTICULAR LEVEL OR RANGE OF SALES, COSTS, OR OPERATING PROFITS. YOUR SUCCESS WILL DEPEND LARGELY ON YOUR ABILITY AND EFFORTS.

IN ADDITION, WE DO NOT REPRESENT THAT YOU WILL DERIVE INCOME FROM YOUR RESTAURANT THAT EXCEEDS YOUR INITIAL PAYMENT FOR OR INVESTMENT IN YOUR RESTAURANT. THE INDIVIDUAL FINANCIAL RESULTS OF ANY FRANCHISED RESTAURANT ARE LIKELY TO DIFFER FROM THE INFORMATION DESCRIBED HERE. IF YOU CHOOSE TO PURCHASE A FRANCHISE FROM US, YOU MUST ACCEPT THE RISK THAT YOUR FRANCHISE WILL BE LESS PROFITABLE THAN THE RESULTS SHOWN HERE. YOU ARE URGED TO CONSULT WITH APPROPRIATE FINANCIAL, BUSINESS AND LEGAL ADVISERS TO CONDUCT YOUR OWN ANALYSIS, USING THE INFORMATION PRESENTED HERE.

The information below is based on company-operated restaurants in the following states:

Units by State	Number
California	~~8~~5
Colorado	~~52~~53
~~Florida~~	~~2~~
Illinois	~~18~~10
Indiana	~~20~~21
Kentucky	17
Massachusetts	~~15~~11
Maryland	8
Michigan	~~24~~26
Minnesota	~~3~~1
Missouri	~~24~~19
Nebraska	5
New Jersey	~~2~~3
~~Ohio~~	~~1~~
Pennsylvania	~~4~~3
South Dakota	2
Tennessee	2
Virginia	8
Washington	~~16~~15
Total	~~196~~209

Average Costs and Sales of Company-Operated Restaurants for the 12-month Period Ended September ~~30,~~29, ~~2012~~2013		
Number of Locations - ~~196~~206 Restaurants		
REVENUES:		
Restaurant sales (1)	$~~1,055,820~~ 1,201,876	~~108.0~~108.9%
Less: promotions (2)	$~~78,458~~97,747	~~8.0~~8.9%
	---	---
Net Restaurant Sales	$~~977,362~~1,104,129	100.0%

Average Costs and Sales of Company-Operated Restaurants for the 12-month Period Ended September ~~30,~~29, ~~2012~~2013		
Restaurant costs of revenues:		
Costs of sales (3)	$~~284,576~~331,808	~~29.1~~30.1%
Salaries and benefits (4)	$~~260,930~~289,253	~~26.7~~26.2%
Other operating expenses (5)	$~~100,372~~111,003	~~10.3~~10.1%
Depreciation & amortization (6)	$~~52,131~~52,056	~~5.3~~4.7%
Occupancy costs (7)	$~~99,164~~101,770	~~10.1~~9.2%
	---	---
Total cost of revenues	$~~797,173~~885,890	~~81.6~~80.2%
Operating margin (8)	**$~~180,189~~219,175**	**~~18.4~~19.9%**
Add back depreciation & amortization	$~~52,131~~52,056	~~5.3~~4.7%
	---	---
EBITDA (8)	**$~~232,320~~271,231**	**~~23.8~~24.6%**
Number and percentage of locations meeting or exceeding average sales	**~~87~~90 (~~44~~43%)**	
Number and percentage of locations meeting or exceeding average operating margin	**~~87~~89 (~~44~~43%)**	

*** These figures have not been audited.**

(1) Restaurant sales figures represent all food, beverage and catering sales, but do not include sales or service taxes.

(2) Promotions consist of the dollar amount of coupons, other promotional discounts and manager-complimentary items.

(3) Costs of sales includes cost of food, paper and other packaging costs, net of any applicable vendor rebates. These figures are based on the costs of distribution to the geographical areas above. The costs of sales may vary considerably based on the geographical areas in which you operate and those serviced by our approved suppliers and distributors.

(4) Salaries and benefits includes wages paid to management (but does not include any wages or overhead above the store management level) and employees of restaurant,

including shift supervisors; management bonuses; payroll taxes; the cost of group insurance; workers compensation; vacation; and other employee benefits.

(5) Other operating expenses include repairs and maintenance, smallwares, cleaning supplies, office supplies, POS maintenance, pest control, delivery charges, credit card processing fees, bank charges, telephone and internet expenses, trash services, equipment rental, property and liability insurance, security expenses, license and business taxes, cost of utilities, and other miscellaneous expenses.

(6) Depreciation and amortization include depreciation on furniture, fixtures, equipment, and smallwares (collectively, "FF&E"); and amortization on leasehold improvements. Depreciation and amortization may vary based on estimated cost of leasehold improvements, estimated lives of FF&E, and the lease term of the restaurant used to determine the life of the leasehold improvements. Amortization may also vary based on additional items capitalized by the franchisee that we may not capitalize, such as, but not limited to, franchise fees.

(7) Occupancy Costs include base rent, percentage rent, common area maintenance, real estate taxes, personal property taxes, landlord-billed insurance, and other miscellaneous lease expenses.

(8) This amount does not include certain fees you must pay under the Development Agreement and/or Franchise Agreement (see Items 5 and 6 in this Disclosure Document), and other expenses between a company-operated restaurant and a franchised restaurant. For example, these fees and expenses may include but are not limited to development fees, franchise fees, ongoing royalties, local advertising and marketing costs, national marketing fund contributions and administrative costs, such as regional or corporate management.

ITEM 20
OUTLETS AND FRANCHISEE INFORMATION

Table 1
System-wide Outlet Summary
For Fiscal Years ~~2010~~2011 to ~~2012~~2013

Outlet Type	Year	Outlets at the Start of the Year	Outlets at the End of the Year	Net Change
Franchised Outlets	~~2010~~201	~~353~~337	~~337~~338	~~-16~~ +1
	~~2011~~	~~337~~	~~338~~	~~+1~~
	2012	338	311	-27
	2013	311	319	+8
Company-Owned	~~2010~~201	~~157~~188	~~188~~245	+~~31~~57
	~~2011~~	~~188~~	~~245~~	~~+57~~
	2012	245	316	+71
	2013	316	296	-20
Total Outlets	~~2010~~201	~~510~~525	~~525~~583	+~~15~~58
	~~2011~~	~~525~~	~~583~~	~~+58~~
	2012	583	627	+44
	2013	627	615	-12

~~Data for all tables is for the periods: 2010: 09-28-09 thru 10-03-10~~
~~2011: 10-04-10 thru 10-02-11~~
~~2012: 10-03-11 thru 09-30-12~~

Table 2
Transfers of Outlets from Franchisees to New Owners
(Other than the Franchisor)
For Fiscal Years ~~2010~~2011 to ~~2012~~2013

State	Year	Number of Transfers
	~~2010~~	~~1~~
~~Indiana~~Arizona	2011	0
	2012	0
	~~2010~~2013	~~5~~ 1
~~Nevada~~Indiana	2011	0
	2012	0
	~~2010~~2013	~~0~~1
~~North Carolina~~Iowa	2011	0
	2012	~~5~~0
	~~2010~~2013	1
~~Pennsylvania~~North Carolina	2011	0
	2012	~~0~~5
	~~2010~~2013	~~1~~0
~~Tennessee~~Ohio	2011	0
	2012	0
	~~2010~~	~~2~~
	~~2011~~2013	~~0~~2
~~Virginia~~Pennsylvania	2011	0
	2012	0
	2013	1
Texas	2011	0
	2012	0
	2013	1
West Virginia	~~2010~~2011	~~0~~1
	~~2011~~	~~1~~
	2012	0
	2013	0
Total	**~~2010~~2011**	**~~10~~1**
	~~2011~~	**~~1~~**
	2012	**5**
	2013	**7**

Table 3
Status of Franchised Outlets
For Fiscal Years ~~2010~~2011 to ~~2012~~2013

State	Year	Outlets at Start of Year	Outlets Opened	~~Termina-tions~~Terminations	Non-Renewals	Reacquired by Franchisor	Ceased Operations Other Reasons	Acquired from Corporate	Outlets at End of the Year
Alabama	~~2010~~2011	~~3~~1	0	0	0	0	~~2~~1	0	~~1~~0
	~~2011~~2012	~~1~~0	0	0	0	0	~~1~~0	0	0

State	Year	Outlets at Start of Year	Outlets Opened	~~Termina-tions~~Terminations	Non-Renewals	Reacquired by Franchisor	Ceased Operations Other Reasons	Acquired from Corporate	Outlets at End of the Year
	12								
	~~2012~~2013	0	0	0	0	0	0	0	0
Alaska	~~2010~~2011	3	0	0	0	0	0	0	3
	~~2011~~2012	3	0	0	0	0	0	0	3
	~~2012~~2013	3	~~0~~1	0	0	0	0	0	~~3~~4
Arizona	~~2010~~2011	6	0	0	0	0	~~0~~1	0	~~6~~5
	~~2011~~2012	~~6~~5	~~0~~3	0	0	0	~~1~~0	0	~~5~~8
	~~2012~~2013	~~5~~8	~~3~~0	0	0	0	0	0	8
Arkansas	~~2010~~2011	1	~~0~~1	0	0	0	0	0	~~1~~2
	~~2011~~2012	~~1~~2	~~1~~0	0	0	0	0	0	2
	~~2012~~2013	2	~~0~~1	0	0	0	0	0	~~2~~3
California	~~2010~~2011	~~8~~4	~~1~~4	0	0	0	~~5~~0	0	~~4~~8
	~~2011~~2012	~~4~~8	~~4~~1	0	0	0	~~0~~8	0	~~8~~1
	~~2012~~2013	~~8~~1	1	0	0	0	~~8~~0	0	~~1~~2
Colorado	~~2010~~2011	17	~~0~~3	0	0	0	0	0	~~17~~20
	~~2011~~	~~17~~	~~3~~	~~0~~	~~0~~	~~0~~	~~0~~	~~0~~	~~20~~
	2012	20	1	0	0	0	0	0	21
	2013	21	0	0	1	0	0	0	20
DC	~~2010~~2011	2	~~0~~1	0	0	0	0	0	~~2~~3
	~~2011~~2012	~~2~~3	~~2~~0	0	0	0	0	0	~~4~~3
	~~201~~	~~4~~3	0	0	0	0	0	0	~~4~~3

State	Year	Outlets at Start of Year	Outlets Opened	~~Termina-tions~~Terminations	Non-Renewals	Reacquired by Franchisor	Ceased Operations Other Reasons	Acquired from Corporate	Outlets at End of the Year
	~~2~~2013								
Delaware	~~2010~~2011	1	0	0	0	0	0	0	1
	~~2011~~2012	1	0	0	0	0	0	0	1
	~~2012~~2013	1	0	0	0	0	0	0	1
Florida	~~2010~~2011	~~12~~13	1	0	0	~~0~~2	~~0~~1	0	~~13~~11
	~~2011~~2012	~~13~~11	~~1~~0	0	0	~~2~~0	~~1~~0	0	11
	~~2012~~2013	11	0	0	0	0	~~0~~1	0	~~11~~10
Georgia	~~2010~~2011	~~4~~3	0	0	0	0	~~1~~0	0	3
	~~2011~~2012	3	~~0~~1	0	0	0	0	0	~~3~~4
	~~2012~~2013	~~3~~4	1	0	0	0	0	0	~~4~~5
Idaho	~~2010~~2011	~~6~~5	0	0	0	0	~~1~~0	0	5
	~~2011~~	~~5~~	~~0~~	~~0~~	~~0~~	~~0~~	~~0~~		~~5~~
	2012	5	1	0	0	0	0	0	6
	2013	6	0	0	0	2	0	0	4
Illinois	~~2010~~2011	~~5~~8	~~3~~0	0	0	0	0	0	8
	~~2011~~2012	8	~~0~~1	0	0	0	0	0	~~8~~9
	~~2012~~2013	~~8~~9	~~1~~3	0	0	0	~~0~~1	0	~~9~~11
Indiana	~~2010~~2011	26	~~1~~3	0	0	~~0~~20	~~1~~0	0	~~26~~9
	~~2011~~2012	~~26~~9	3	0	0	~~20~~2	0	0	~~9~~10
	~~2012~~2013	~~9~~10	~~3~~1	0	0	~~2~~1	0	0	10

State	Year	Outlets at Start of Year	Outlets Opened	~~Termina-tions~~Terminations	Non-Renewals	Reacquired by Franchisor	Ceased Operations Other Reasons	Acquired from Corporate	Outlets at End of the Year
Iowa	~~2010~~2011	3	0	0	0	0	~~0~~1	0	~~3~~2
	~~2011~~2012	~~3~~2	~~0~~1	0	0	0	~~1~~0	0	~~2~~3
	~~2012~~2013	~~2~~3	1	0	0	0	~~0~~1	0	3
Kansas	~~2010~~2011	1	0	0	0	0	0	0	1
	~~2011~~2012	1	0	0	0	0	0	0	1
	~~2012~~2013	1	~~0~~3	0	0	0	0	0	~~1~~4
Kentucky	~~2010~~2011	~~16~~18	~~2~~1	0	0	0	0	0	~~18~~19
	~~2011~~2012	~~18~~19	~~1~~0	0	0	~~0~~18	0	0	~~19~~1
	~~2012~~2013	~~19~~1	0	0	0	~~18~~0	0	0	1
Louisiana	~~2010~~2011	2	0	0	0	0	0	0	2
	~~2011~~2012	2	0	0	0	0	0	0	2
	~~2012~~2013	2	0	0	0	0	~~0~~1	0	~~2~~1
Maryland	~~2010~~2011	~~13~~14	~~1~~3	0	0	0	0	0	~~14~~17
	~~2011~~	~~14~~	~~3~~	~~0~~	~~0~~	~~0~~	~~0~~	~~0~~	~~17~~
	2012	17	1	0	0	10	0	0	8
	2013	8	1	0	0	0	2	0	7
Massachusetts	~~2010~~2011	~~17~~0	~~1~~0	0	0	~~16~~0	~~2~~0	0	0
	~~2011~~2012	0	0	0	0	0	0	0	0
	~~2012~~2013	0	0	0	0	0	0	0	0
Michigan	~~201~~	10	~~0~~2	0	0	0	0	0	~~10~~12

State	Year	Outlets at Start of Year	Outlets Opened	~~Termina-tions~~Terminations	Non-Renewals	Reacquired by Franchisor	Ceased Operations Other Reasons	Acquired from Corporate	Outlets at End of the Year
	~~0~~2011								
	~~2011~~	~~10~~	~~2~~	~~0~~	~~0~~	~~0~~	~~0~~		~~12~~
	2012	12	1	0	0	3	0	0	10
	2013	10	0	0	0	0	0	0	10
Minnesota	~~2010~~2011	~~8~~7	~~0~~1	0	0	0	~~1~~0	0	~~7~~8
	~~2011~~2012	~~7~~8	1	0	0	0	0	0	~~8~~9
	~~2012~~2013	~~8~~9	~~1~~0	0	0	~~0~~1	0	0	~~9~~8
Mississippi	~~2010~~2011	~~1~~2	~~1~~0	0	0	0	0	0	2
	~~2011~~2012	2	0	0	0	0	0	0	2
	~~2012~~2013	2	0	0	0	0	~~0~~1	0	~~2~~1
Missouri	~~2010~~2011	4	0	0	0	0	0	0	4
	~~2011~~2012	4	~~0~~1	0	0	0	0	0	4~~5~~
	~~2012~~2013	4~~5~~	~~1~~2	0	0	0	0	0	~~5~~7
Montana	~~2010~~2011	1	~~0~~1	0	0	0	0	0	~~1~~2
	~~2011~~2012	~~1~~2	~~1~~0	0	0	0	0	0	2
	~~2012~~2013	2	~~0~~1	0	0	~~0~~1	0	0	2
Nebraska	~~2010~~2011	7	~~0~~1	0	0	~~0~~6	0	0	~~7~~2
	~~2011~~2012	~~7~~2	~~1~~0	0	0	~~6~~0	0	0	2
	~~2012~~2013	2	0	0	0	0	0	0	2
Nevada	~~2010~~2011	~~12~~10	0	0	0	0	~~2~~0	0	10

State	Year	Outlets at Start of Year	Outlets Opened	~~Termina-tions~~Terminations	Non-Renewals	Reacquired by Franchisor	Ceased Operations Other Reasons	Acquired from Corporate	Outlets at End of Year
	~~2011~~2012	10	0	0	0	0	0	0	10
	~~2012~~2013	10	~~0~~1	0	0	0	~~0~~1	0	10
New Jersey	~~2010~~2011	8	~~0~~2	0	0	~~0~~1	0	0	~~8~~9
	~~2011~~2012	~~8~~9	~~2~~0	0	0	~~1~~0	0	0	9
	~~2012~~2013	9	0	0	0	0	~~0~~1	0	~~9~~8
New Mexico	~~2010~~2011	~~0~~1	~~1~~0	0	0	0	0	0	1
	~~2011~~2012	1	0	0	0	0	0	0	1
	~~2012~~2013	1	0	0	0	0	0	0	1
New York	~~2010~~2011	~~5~~3	0	0	0	0	~~2~~1	0	~~3~~2
	~~2011~~2012	~~3~~2	0	0	0	0	1	0	~~2~~1
	~~2012~~2013	~~2~~1	0	0	0	0	~~1~~0	0	1
North Carolina	~~2010~~2011	~~19~~20	1	0	0	0	0	0	~~20~~21
	~~2011~~	~~20~~	~~1~~	~~0~~	~~0~~	~~0~~	~~0~~		~~21~~
	2012	21	0	0	0	0	1	0	20
	2013	20	2	0	0	0	0	0	22
North Dakota	~~2010~~2011	3	~~0~~1	0	0	0	0	0	~~3~~4
	~~2011~~2012	~~3~~4	1	0	0	0	0	0	~~4~~5
	~~2012~~2013	~~4~~5	~~1~~0	0	0	~~0~~4	0	0	~~5~~1
Ohio	~~2010~~2011	~~19~~17	~~0~~1	0	0	0	~~2~~3	0	~~17~~15
	~~201~~	~~17~~15	~~1~~0	0	0	0	~~3~~0	0	15

State	Year	Outlets at Start of Year	Outlets Opened	~~Termina-tions~~Terminations	Non-Renewals	Reacquired by Franchisor	Ceased Operations Other Reasons	Acquired from Corporate	Outlets at End of the Year
	~~1~~2012								
	~~2012~~2013	15	~~0~~1	0	0	0	~~0~~1	3	~~15~~18
Oklahoma	~~2010~~2011	11	0	0	0	0	0	0	11
	~~2011~~2012	11	~~0~~2	0	0	0	0	0	~~11~~13
	~~2012~~2013	~~11~~13	2	0	0	0	0	0	~~13~~15
Oregon	~~2010~~2011	6	~~0~~2	0	0	0	0	0	~~6~~8
	~~2011~~2012	~~6~~8	~~2~~0	0	0	0	0	0	8
	~~2012~~2013	8	0	0	0	0	0	0	8
Pennsylvania	~~2010~~2011	~~21~~20	~~0~~1	~~1~~0	0	~~0~~1	~~0~~1	0	~~20~~19
	~~2011~~2012	~~20~~19	~~1~~0	0	0	~~1~~0	~~1~~0	0	19
	~~2012~~2013	19	0	0	0	~~0~~1	0	0	~~19~~18
South Carolina	~~2010~~2011	3	1	0	0	0	~~1~~0	0	~~3~~4
	~~2011~~2012	~~3~~4	~~1~~0	0	0	0	~~0~~1	0	~~4~~3
	~~2012~~2013	~~4~~3	0	0	0	0	~~1~~0	0	3
South Dakota	~~2010~~2011	5	~~0~~1	0	0	~~0~~2	0	0	~~5~~4
	~~2011~~2012	~~5~~4	~~1~~0	0	0	~~2~~0	0	0	4
	~~2012~~2013	4	~~0~~1	0	0	0	0	0	~~4~~5
Tennessee	~~2010~~2011	7	~~0~~1	0	0	0	0	0	~~7~~8

State	Year	Outlets at Start of Year	Outlets Opened	~~Termina-tions~~Terminations	Non-Renewals	Reacquired by Franchisor	Ceased Operations Other Reasons	Acquired from Corporate	Outlets at End of the Year
	~~2011~~	~~7~~	~~1~~	~~0~~	~~0~~	~~0~~	~~0~~		~~8~~
	2012	8	1	0	0	5	1	0	3
	2013	3	0	0	0	0	2	0	1
Texas	~~2010~~2011	~~7~~9	~~2~~3	0	0	0	0	0	~~9~~12
	~~2011~~	~~9~~	~~3~~	~~0~~	~~0~~	~~0~~	~~0~~		~~12~~
	2012	12	5	0	0	0	1	0	16
	~~2010~~2013	~~14~~16	2	0	0	0	~~0~~3	0	~~16~~15
~~Virginia~~Utah	2011	0	0	0	0	0	0	0	0
	~~2011~~2012	~~16~~0	~~2~~0	0	0	0	0	0	~~18~~0
	~~2012~~2013	~~18~~0	1	0	0	~~8~~0	0	0	~~11~~1
~~Washington~~ Virginia	~~2010~~2011	~~2~~16	~~0~~3	0	0	0	0	0	~~2~~19
	~~2011~~2012	~~2~~19	~~2~~1	0	0	~~0~~8	0	0	~~4~~12
	~~2012~~2013	~~4~~12	0	0	0	0	0	0	~~4~~12
Washington	2011	2	2	0	0	0	0	0	4
	2012	4	0	0	0	0	0	0	4
	2013	4	0	0	0	3	0	0	1
West Virginia	~~2010~~2011	~~1~~2	~~1~~0	0	0	0	0	0	2
	~~2011~~	~~2~~	~~0~~	~~0~~	~~0~~	~~0~~	~~0~~		~~2~~
	~~2012~~	~~2~~	~~2~~	~~0~~	~~0~~	~~0~~	~~0~~		~~4~~
	~~2010~~	~~31~~	~~2~~	~~0~~	~~0~~	~~0~~	~~0~~		~~33~~
Wisconsin	~~2011~~2012	~~33~~2	~~1~~2	0	0	0	0	0	~~34~~4
	2013	4	0	0	0	0	0	0	4
Wisconsin	2011	33	1	0	0	0	0	0	34
	2012	34	2	0	0	0	0	0	36
	2013	36	5	0	0	0	0	0	41
Wyoming	~~2010~~2011	2	0	0	0	0	0	0	2
	2012	2	2	0	0	0	0	0	4
	2013	4	1	0	0	0	0	0	5
Manitoba	2011	~~2~~0	0	0	0	0	0	0	~~2~~0

State	Year	Outlets at Start of Year	Outlets Opened	~~Termina-tions~~Terminations	Non-Renewals	Reacquired by Franchisor	Ceased Operations Other Reasons	Acquired from Corporate	Outlets at End of the Year
Canada	2012	0	0	0	0	0	0	0	0
	2013	0	1	0	0	0	0	0	1
~~Totals~~Ontario, Canada	2011	0	0	0	0	0	0	0	0
	2012	~~2~~0	~~2~~0	0	0	0	0	0	~~4~~0
	~~2010~~2013	~~353~~0	~~21~~1	~~1~~0	0	~~16~~0	~~20~~0	0	~~337~~1
Totals	2011	337	42	0	0	32	9	0	338
	2012	338	32	0	0	46	13	0	311
	2013	311	34	0	1	13	15	3	319

Table 4
Status of Company-Owned Outlets*
For Years ~~2010~~2011 to ~~2012~~2013

State	Year	Outlets at Start of Year	Outlets Opened	Reacquired from Franchisees	Outlets Closed	Outlets Sold to Franchisees	Outlets at End of Year
	~~2010~~	~~8~~	~~3~~	~~0~~	~~0~~	~~0~~	~~11~~
California ~~Colorado~~	2011	11	2	0	0	0	13
	2012	13	2	0	0	0	15
	2013	15	0	0	10	0	5
Colorado	~~2010~~ 2011	~~52~~53	~~1~~0	0	0	0	53
	~~2011~~ 2012	53	~~0~~1	0	0	0	~~53~~54
	~~2012~~ 2013	~~53~~54	1	0	0	0	~~54~~55
~~Florida~~ Connecticut	~~2010~~ 2011	0	0	0	0	0	0
	2012	0	0	0	0	0	0
	2013	0	1	0	0	0	1
Florida	2011	0	0	2	0	0	2
	2012	2	0	0	0	0	2
	2013	2	0	0	2	0	0
~~Illinois~~ Idaho	~~2010~~ 2011	~~18~~0	~~5~~0	0	0	0	~~23~~0
	2012	0	0	0	0	0	0
	2013	0	1	2	0	0	3
~~Indiana~~Illinois	2011	23	2	0	0	0	25
	2012	25	4	0	0	0	29
	2013	29	0	0	19	0	10

State	Year	Outlets at Start of Year	Outlets Opened	Reacquired from Franchisees	Outlets Closed	Outlets Sold to Franchisees	Outlets at End of Year
Indiana	~~2010~~ 2011	0	0	~~0~~20	0	0	~~0~~20
	~~2011~~	~~0~~	~~0~~	~~20~~	~~0~~	~~0~~	~~20~~
	2012	20	0	2	0	0	22
	2013	22	4	1	0	0	27
Iowa	~~2010~~ 2011	0	0	0	0	0	0
	~~2011~~	~~0~~	~~0~~	~~0~~	~~0~~	~~0~~	~~0~~
	2012	0	1	0	0	0	1
	2013	1	1	0	0	0	2
Kentucky	~~2010~~ 2011	0	0	0	0	0	0
	~~2011~~	~~0~~	~~0~~	~~0~~	~~0~~	~~0~~	~~0~~
	2012	0	1	18	0	0	19
	~~2010~~ 2013	~~0~~19	~~0~~3	0	0	0	~~0~~22
~~Maryland~~Maine	2011	0	0	0	0	0	0
	2012	0	0	~~10~~0	0	0	~~10~~0
	~~2010~~ 2013	0	~~0~~1	~~16~~0	0	0	~~16~~1
Maryland	2011	0	0	0	0	0	0
	2012	0	0	10	0	0	10
	2013	10	2	0	0	0	12
Massachusetts	2011	16	2	0	0	0	18
	2012	18	3	0	0	0	21
	~~2010~~ 2013	~~25~~21	~~0~~2	0	~~0~~ 6	0	~~25~~17
Michigan ~~Minnesota~~	2011	25	5	0	0	0	30
	2012	30	8	3	1	0	40
	2013	40	5	0	0	0	45
Minnesota	~~2010~~ 2011	3	0	0	0	0	3
	~~2011~~	~~3~~	~~0~~	~~0~~	~~0~~	~~0~~	~~3~~
	2012	3	1	0	0	0	4
	2013	4	1	1	2	0	4
Missouri	~~2010~~ 2011	24	~~0~~1	0	0	0	~~24~~25
	~~2011~~	~~24~~	~~1~~	~~0~~	~~0~~	~~0~~	~~25~~
	2012	25	0	0	0	0	25
	2013	25	0	0	5	0	20
Montana	2011	0	0	0	0	0	0
	2012	0	0	0	0	0	0
	~~2010~~	0	0	~~0~~1	0	0	~~0~~1

State	Year	Outlets at Start of Year	Outlets Opened	Reacquired from Franchisees	Outlets Closed	Outlets Sold to Franchisees	Outlets at End of Year
	2013						
Nebraska ~~New Jersey~~	2011	0	1	6	0	0	7
	2012	7	0	0	0	0	7
	2013	7	0	0	0	0	7
New Hampshire	2011	0	0	0	0	0	0
	2012	0	0	0	0	0	0
	2013	0	1	0	0	0	1
New Jersey	~~2010~~ 2011	~~1~~3	~~2~~6	~~0~~1	0	0	~~3~~10
	~~2011~~	~~3~~	~~6~~	~~1~~	~~0~~	~~0~~	~~10~~
	2012	10	1	0	0	0	11
	2013	11	3	0	2	0	12
New York	~~2010~~ 2011	6	~~0~~1	0	0	0	~~6~~7
	~~2011~~ 2012	~~6~~7	1	0	0	0	~~7~~8
	~~2012~~ 2013	~~7~~8	~~1~~2	0	~~0~~ 7	0	~~8~~3
~~Ohio~~ North Dakota	~~2010~~ 2011	~~1~~0	~~1~~0	0	0	0	~~2~~0
	2012	0	0	0	0	0	0
	2013	0	0	4	0	0	4
Ohio	2011	2	2	0	0	0	4
	2012	4	1	0	0	0	5
	~~2010~~ 2013	~~2~~5	~~2~~0	0	~~0~~ 2	~~0~~3	~~4~~0
Pennsylvania ~~South Dakota~~	2011	4	2	1	0	0	7
	2012	7	2	0	0	0	9
	2013	9	4	1	4	0	10
South Dakota	~~2010~~ 2011	0	0	~~0~~2	0	0	~~0~~2
	~~2011~~	~~0~~	~~0~~	~~2~~	~~0~~	~~0~~	~~2~~
	2012	2	0	0	0	0	2
	~~2010~~ 2013	~~0~~2	0	0	0	0	~~0~~2
~~Tenn~~Tennessee.	2011	0	0	0	0	0	0
	2012	0	0	5	0	0	5
	~~2012~~ 2013	~~0~~5	0	~~5~~0	~~0~~ 2	0	~~5~~3
Virginia	~~2010~~ 2011	0	0	0	0	0	0
	~~2011~~ 2012	0	0	~~0~~8	0	0	~~0~~8
	~~2012~~	~~0~~8	~~0~~1	~~8~~0	0	0	~~8~~9

State	Year	Outlets at Start of Year	Outlets Opened	Reacquired from Franchisees	Outlets Closed	Outlets Sold to Franchisees	Outlets at End of Year
	2013						
Washington	~~2010~~ 2011	~~17~~18	1	0	0	0	~~18~~19
	~~2011~~	~~18~~	~~1~~	~~0~~	~~0~~	~~0~~	~~19~~
	2012	19	0	0	0	0	19
	2013	19	1	3	3	0	20
Totals	**~~2010~~ 2011**	**~~157~~188**	**~~15~~25**	**~~16~~32**	**0**	**0**	**~~188~~245**
	~~2011~~	**~~188~~**	**~~25~~**	**~~32~~**	**~~0~~**	**~~0~~**	**~~245~~**
	2012	245	**26**	**46**	**1**	**0**	**316**
	2013	**316**	**34**	**13**	**64**	**3**	**296**

~~*During the period June 15, 2013 through September 29, 2013, Qdoba plans to close approximately 67 company-operated Qdoba restaurants.~~

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Table 5
Projected Openings for Upcoming Fiscal Year

State	Franchised Agreements ~~Committed~~Signed But Outlet Not Open	Projected New Franchised Outlets in next Fiscal Year	Projected New Company-Owned Outlets in Current Fiscal Year
~~Alaska~~	~~1~~	~~1~~	~~0~~
Arizona	~~11~~1	~~1~~0	0
~~Arkansas~~	~~1~~	~~0~~	~~0~~
~~California~~	~~1~~	~~1~~	~~0~~
Colorado	~~2~~0	~~0~~2	~~1~~4
Connecticut	0	0	3
~~DC~~Delaware	~~5~~0	~~2~~0	0
~~Georgia~~	~~3~~	~~1~~	~~0~~
~~Florida~~	~~0~~	~~0~~	~~1~~
~~Idaho~~	~~1~~	~~0~~	~~0~~
Illinois	~~13~~9	~~3~~0	0
Indiana	~~3~~0	~~1~~0	~~3~~1
Iowa	~~8~~4	~~1~~0	~~1~~0
Kansas	~~8~~5	~~1~~3	0
Kentucky	~~2~~3	~~0~~1	~~3~~1
~~Maryland~~	~~2~~	~~0~~	~~2~~
Massachusetts	0	0	~~3~~1
Michigan	5	~~0~~3	~~3~~2
Minnesota	~~0~~1	~~0~~1	3
~~Mississippi~~	~~1~~	~~0~~	~~0~~
Missouri	~~4~~1	~~1~~0	0
Montana	~~4~~3	1	0
Nebraska	0	0	~~1~~2
~~Nevada~~	~~1~~	~~1~~	~~0~~
New Hampshire	0	0	~~3~~1
New Jersey	0	0	~~4~~1
New York	~~0~~3	~~0~~2	~~1~~4
North Carolina	~~1~~3	~~1~~0	0
Ohio	8	1	0
North Dakota	2	3	0
Oklahoma	5	~~3~~4	0
Pennsylvania	~~7~~0	~~0~~1	~~5~~1
Rhode Island	0	0	~~2~~1
South Dakota	~~2~~1	1	~~0~~1
Tennessee	0	1	0
Texas	~~23~~4	~~2~~1	0
Utah	~~2~~1	~~2~~1	0
Virginia	~~3~~1	0	~~0~~2
Washington	0	~~1~~0	~~1~~2
West Virginia	3	0	0
Wisconsin	~~13~~8	3	0
Wyoming	1	1	0
TOTAL	**~~141~~72**	**~~30~~35**	**~~40~~30**

The following is a list of the names, addresses and telephone numbers of all franchisees who have signed a Development Agreement and/or Franchise Agreement, but who have not yet opened an outlet.

Greens Restaurants, LLC Name: Atman Kadakia Joined System: 6/26/2012	14252 Culver Drive A-358 Irvine, CA 92604 PH: (714) 730-6633	Status: DA – 2 units
Seven Hills Inc. Name: Raghu Tadavarthy Joined System: 7/5/2012	5010 Lenker Street, Suite 100 Mechanicsburg, PA 17050 PH: (717) 909-0580	Status: FA - Single Unit Non-Traditional Development
QMG Venture, LLC Name: Matthew Herridge Joined System: 1/4/2013	373 Timberline Parkway Vienna, WV 26105 PH: (304) 865-2222	Status: DA – 3 units
Big Red Burritos, LLC Name: Jack Scharlow Joined System: 8/13/13	3048 Wyatt Drive Bowling Green, KY 42101 PH: (270) 535-7512	Status: FA – Single Unit Development
Salsa Brothers, LLC Name: Anthony Page Joined System: 4/29/13	P.O. Box 9226 Paducah, KY 42002 PH: (402) 290-1648	Status: DA – 5 units

The following franchisee signed a non-traditional franchise agreements, but has not yet opened a unit.

~~Taco Joint, LLC~~ ~~Name: Anand Patel~~ ~~Joined System: 5-7-2012~~	~~4100 East Johnson Avenue~~ ~~Jonesboro, AR 72401~~ ~~PH: (769) 226-6588~~	~~Status: FA - Single Unit Development~~
~~Greens Restaurants, LLC~~ ~~Name: Atman Kadakia~~ ~~Joined System: 6-26-2012~~	~~14252 Culver Drive A-358~~ ~~Irvine, CA 92604~~ ~~PH: (714) 730-6633~~	~~Status: DA - 2 units~~
~~New West Fresh Concepts, LLC~~ ~~Name: Jesse Allison~~ ~~Joined System: 1-26-2011~~	~~708 Santa Paula~~ ~~Solana Beach, CA 92075~~ ~~PH: (858) 729-8787~~	~~Status: DA - 4 units~~
~~Estes Enterprises, Inc.~~ ~~Name: Eric Estes~~ ~~Joined System: 6-11-2012~~	~~109 W. 3rd~~ ~~Pratt, KS 67124~~ ~~PH: (620) 508-6040~~	~~Status: DA – 4 units~~
~~Fiesta Ventures, Inc.~~ ~~Name: Shalinder Kular~~ ~~Joined System: 5-15-2012~~	~~12972 Chesney Drive~~ ~~Fishers, IN 46037~~ ~~PH: (317) 750-3212~~	~~Status: DA – 5 units~~
~~Appalachian Partners, LLC~~ ~~Name: Richard Conley~~ ~~Joined System: 2-26-2012~~	~~90 Thompson Poynter Road~~ ~~London, KY 40741~~ ~~PH: (606) 878-6879 x4~~	~~Status: FA - Single Unit Development~~
~~Kim-Geo, Inc.~~ ~~Name: George Cox~~ ~~Joined System: 10-5-2011~~	~~2708 Queensberry Drive~~ ~~Huntingtown, MD 20639~~ ~~PH: (240) 644-6541~~	~~Status: DA - 2 units~~
~~Bullys Burritos, LLC~~ ~~Name: Ryan Henderson~~ ~~Joined System: 11-15-2011~~	~~110 Bassett Lane~~ ~~Madison, MS 39110~~ ~~PH: (301) 941-2837~~	~~Status: FA - Single Unit Development~~
~~The Primadonna Company~~ ~~Name: Bill Hiers~~ ~~Joined System: 3-7-2012~~	~~31700 Las Vegas Blvd. South~~ ~~Primm, NV 89019~~ ~~PH: (702) 679-5454~~	~~Status: FA - Single Unit Development~~
~~Lakestop, Inc.~~ ~~Name: Jon Gambill~~	~~937 Town N Country Drive~~ ~~Wilkesboro, NC 28697~~	~~Status: FA - Single Unit Development~~

~~Joined System: 2-10-2012~~	~~PH: (336) 846-5401~~	
~~Fresco Food Group, LLC~~ ~~Name: David Bookman~~ ~~Joined System: 1-26-2011~~	~~4046 Westridge Drive~~ ~~Mason, OH 45040~~ ~~PH: (513) 229-3697~~	~~Status: DA – 3 units~~
~~Franchisee: Seven Hills Inc.~~ ~~Name: Raghu Tadavarthy~~ ~~Joined System: 7-5-2012~~	~~5010 Lenker Street, Suite 100~~ ~~Mechanicsburg, PA 17050~~ ~~PH: (717) 909-0580~~	~~Status: FA - Single Unit Non-Traditional Development~~
~~Franchisee: Deeptaran QMG, Inc.~~ ~~Name: Deepinder Singh~~ ~~Joined System: 7-5-2012~~	~~5201 Central Fwy. #104~~ ~~Wichita Falls, TX 76306~~ ~~PH: (719) 207-3417~~	~~Status: DA – 2 units~~
~~Akers Investments, LLC~~ ~~Name: Patrick Akers~~ ~~Joined System: 8-26-2011~~	~~1323 Cottonwood Circle~~ ~~Sheridan, WY 82801~~ ~~PH: (970) 420-6866~~	~~Status:~~ ~~FA – Single Unit Development~~

Sodexo Operations, LLC Name: John Wright Joined System: 8/31/2013	6081 Hamilton Boulevard Allentown, PA 18106 PH: (610) 395-3800	Status: Master Franchise Agreement

The following is a list of the names, addresses and last known telephone numbers of all franchisees who have had their *Qdoba* restaurant franchise outlet(s) terminated, cancelled, not renewed or otherwise voluntarily or involuntarily ceased to do business under a Franchise Agreement during the most recently completed fiscal year ended September ~~30, 2012,~~29, 2013, or who have not communicated with us within the ten (10) weeks preceding the date of this disclosure document.

If you buy this franchise, your contact information may be disclosed to other buyers when you leave the franchise system.

~~**Terminated, Repurchased, Closed or Franchises That Have Ceased Operations**~~		
~~Franchisee: Buena Ventures, LLC~~ ~~Name: Peter Shipman~~ ~~Joined System: 6/5/03~~	~~401 E. Stadium Blvd.~~ ~~Ann Arbor, MI 48104~~ ~~PH: 734.368.4108~~	~~Status: No, left system~~ ~~If "no," date left: 10/17/11~~ ~~If "no," reason: Corporate acquired 3 units~~
~~Franchisee: QCarolina Restaurants, LLC~~ ~~Name: Tom Lewison~~ ~~Joined System: 7/28/08~~	~~10915 Southern Loop Blvd.~~ ~~Pineville, NC 28134~~ ~~PH: 704.731.8446~~	~~Status: 5 Units transferred to a current Franchisee and 2 Units closed~~ ~~Still Active? Yes~~
~~Franchisee: Richmond Mexgrill, LLC~~ ~~Name: Bob Means~~ ~~Joined System: 1/25/02~~	~~9900 Shelbyville Road Suite 6~~ ~~Louisville, KY 40223~~ ~~PH: 502.426.9449~~	~~Status: No, left system~~ ~~If "no," date left: 12/19/11~~ ~~If "no," reason: Corporate acquired 8 units~~
~~Franchisee: MADALEX, LLC~~ ~~Name: Scott Edelstein~~	~~25 Cambridge Road~~ ~~Scarsdale, NY 10583~~	~~Status: No, left system~~ ~~If "no," date left: 4/18/12~~

~~Joined System: 4/21/05~~	~~PH: 917.502.4384~~	~~If "no," reason: Closed one unit and exited system~~
~~Franchisee: T&J Fresh Mex, Ltd.~~ ~~Name: Tom Gooding~~ ~~Joined System: 9/24/03~~	~~24500 Chagrin Blvd.~~ ~~Beachwood, OH 44122~~ ~~PH: 440.740.0357~~	~~Status: No, left system~~ ~~If "no," date left: 4/23/12~~ ~~If "no," reason: Ownership of 7 units assumed by partner and exited system~~
~~Franchisee: Q-Mex of Maryland, LLC~~ ~~Name: Brad Hoag~~ ~~Joined System: 8/28/02~~	~~1937 Greenspring Drive~~ ~~Timonium, MD 21093~~ ~~PH: (410) 561-3100~~	~~Status: No, left system~~ ~~If "no," date left: 7/23/12~~ ~~If "no," reason: Corporate acquired 10 units~~
~~Franchisee: 4G Management, Inc.~~ ~~Name: Brandon Graspointner~~ ~~Joined System: 12/8/06~~	~~2250 Rockefeller Drive Suite 7~~ ~~Ceres, CA 95307~~ ~~PH: (704) 538-9500~~	~~Status: No, left system~~ ~~If "no," date left: 7/30/12~~ ~~If "no," reason: 8 Units Closed Voluntarily~~
~~Franchisee: Adobo Enterprises, LLC~~ ~~Name: Greg Willman~~ ~~Joined System: 3/13/1998~~	~~5625 N. Post Road, Ste. 103~~ ~~Indianapolis, IN 46216~~ ~~PH: (317) 634-2809~~	~~Status: 1 Unit Closed Voluntarily~~ ~~Still Active? Yes~~
~~Franchisee: O&S First Investments, Inc.~~ ~~Name: Bassam Odeh~~ ~~Joined System: 2/23/05~~	~~1915 Pine Street~~ ~~Grand Prairie, TX 75050~~ ~~PH: 469.865.1300~~	~~Status: 1 Unit Closed Voluntarily~~ ~~Still Active? Yes~~
~~Franchisee: ZT of Louisville, LLC~~ ~~Name: Don Doyle and Mike Grisanti~~ ~~Joined System: 3/21/98~~	~~333 East Main Street Suite 304~~ ~~Louisville, KY 40202~~ ~~PH: (502) 379.8540~~	~~Status: No, left system~~ ~~If "no," date left: 2/20/12~~ ~~If "no," reason: Corporate acquired 25 units~~

~~The following is a list of developers who have not fulfilled their Development Agreement, resulting in a termination or other inactivity of the Development Agreement at issue, and loss of an exclusive Development Area. Many of these Developers remain in the System as franchisees, and may be offered the right to develop additional restaurants in the future.~~

~~Terminated, Inactive or Nonrenewed Development Agreements~~		
~~Developer: Big Burritos, LLC~~ ~~Name: Travis Bolster~~ ~~Joined System: 11/1/07~~	~~15 Jubilee Point~~ ~~Hattiesburg, MS 39402~~ ~~PH: 601.466.0466~~	~~Status: DA Terminated~~ ~~Date terminated: 10/7/11~~ ~~Still Active? Yes, 1 unit open~~

~~Developer: EDCO Enterprises – Wichita, Inc.~~ ~~Name: Ed Melvin~~ ~~Joined System: 9/8/08~~	~~15421 FM 1954~~ ~~Wichita Falls, TX 76310~~ ~~PH: 940.692.3016~~	~~Status: DA Terminated~~ ~~Date terminated: 10/12/11~~ ~~Still Active? Yes, 1 unit open~~
~~Developer: QCarolina Restaurants, LLC~~ ~~Name: Tom Lewison~~ ~~Joined System: 7/28/08~~	~~10915 Southern Loop Blvd.~~ ~~Pineville, NC 28134~~ ~~PH: 704.731.8446~~	~~Status: DA Terminated~~ ~~Date terminated: 12/07/11~~ ~~Still Active? Yes, multiple units open~~
~~Developer: Q-Mex GI, LLC~~ ~~Name: Tom Middleton~~ ~~Joined System: 4/7/09~~	~~2716 W. Old Highway 30~~ ~~Grand Island, NE 68803~~ ~~PH: 308.382.2550~~	~~Status: DA Terminated~~ ~~Date terminated: 12/14/11~~ ~~Still Active? Yes, 1 unit open~~
~~Developer: Wieser Enterprises, Inc.~~ ~~Name: Jerry Wieser~~ ~~Joined System: 4/10/08~~	~~1415 Donna Lynn Drive~~ ~~Jackson, MO 63755~~ ~~PH: 573.450.7971~~	~~Status: DA Terminated~~ ~~Date terminated: 2/10/12~~ ~~Still Active? Yes, 1 unit open~~
~~Developer: Kosmos Hospitality, LLC~~ ~~Name: Shawn Koh~~ ~~Joined System: 12/5/08~~	~~11163 Willow Green Way~~ ~~Marriottsville, MD 21104~~ ~~PH: 443.540.6312~~	~~Status: DA Terminated~~ ~~Date terminated: 3/23/12~~ ~~Still Active? Yes, multiple units open~~
~~Developer: Rojo Caliente Restaurantes, Inc.~~ ~~Name: Michael Bladow~~ ~~Joined System: 3/10/04~~	~~5055 Avenida Encinas, #200~~ ~~Carlsbad, CA 92008~~ ~~PH: 760.476.3411~~	~~Status: DA Terminated~~ ~~Date terminated: 4/23/12~~ ~~Still Active? Yes, multiple units open~~
~~Developer: Scott's Q Restaurants, Inc.~~ ~~Name: Nicholas N. Scott~~ ~~Joined System: 6/23/10~~	~~Executive Suites - HGI~~ ~~2225 Downs Drive, 6th Flr.~~ ~~Erie, PA 16509~~ ~~PH: 814.397.2101~~	~~Status: DA Terminated~~ ~~Date terminated: 4/23/12~~ ~~Still Active? Yes, 1 unit open~~
~~Franchisee: 4G Management Inc.~~ ~~Name: Brandon Graspointner~~ ~~Joined System: 12/8/06~~	~~2250 Rockefeller Dr., Ste. 7~~ ~~Ceres, CA 95307~~ ~~PH: (209) 538-9500~~	~~Status: Closed 8 Stores and DA terminated~~ ~~Date terminated: 7-30-12~~ ~~Still Active?: No, left the system~~
~~Franchisee: Perseus, Inc.~~ ~~Name: Demetrios Florakis~~ ~~Joined System: 1/20/11~~	~~1220 Richmond Road, Unit E~~ ~~Williamsburg, VA 23185~~ ~~PH: (757) 846-6960~~	~~Status: DA Terminated~~ ~~Date terminated: 8-6-12 Still Active?: Yes, 1 unit open~~
~~Franchisee: QD Food Enterprises, Inc.~~ ~~Name: Joseph Wong~~ ~~Joined System: 10-10-11~~	~~930 Executive Way, #200~~ ~~Redding, CA 96002-0211~~ ~~PH: (530) 222-1311~~	~~Status: DA Terminated~~ ~~Date terminated: 6-18-12~~ ~~Still Active?: No, left the system~~
~~Franchisee: AVM Development Inc.~~ ~~Name: Akash Gupta~~ ~~Joined System: 9-27-11~~	~~867 Harbour Place~~ ~~Sugarland, TX 77478~~ ~~PH: (512) 650-4861~~	~~Status: DA Terminated~~ ~~Date terminated: 9-4-12 Still Active?: No, left the system~~
~~Franchisee: Great Wraps, LLC~~ ~~Name: Richard Holland~~ ~~Joined System: 5-1-09~~	~~1515 N. Academy Blvd.~~ ~~Colorado Springs, CO 80909~~ ~~PH: (719) 955-2047~~	~~Status: DA Terminated~~ ~~Date terminated: 9-7-12 Still Active?: Yes, 1 unit open~~
~~Franchisee: Adobo Enterprises LLC~~	~~5625 N. Post Road, Ste. 103~~	~~Status: DA Terminated~~

~~Name: Greg Willman~~ ~~Joined System: 3-13-1998~~	~~Indianapolis, IN 46216~~ ~~PH: (317) 634-2809~~	~~Date terminated: 9-27-12~~ ~~Still Active?: Yes, multiple units open~~

Terminated, Repurchased, Closed or Franchises That Have Ceased Operations		
Franchisee: QCarolina Restaurants, LLC Name: Tom Lewison Joined System: 7/28/08	10915 Southern Loop Blvd. Pineville, NC 28134 PH: 704.731.8446	Status: 1 Unit Closed Voluntarily Still Active? Yes
Franchisee: Aztec Partners, LLC Name: Greg Willman Joined System: 3/13/1998	5625 N. Post Road, Ste. 103 Indianapolis, IN 46216 PH: (317) 634-2809	Status: 1 Unit acquired by Corporate Still Active? Yes
Franchisee: O&S First Investments, Inc. Name: Bassam Odeh Joined System: 2/23/05	1915 Pine Street Grand Prairie, TX 75050 PH: (469) 865-1300	Status: 2 Units Closed Voluntarily Still Active? Yes
Franchisee: IJ Franchising, Inc. Name: Marc Steren Joined System: 5/30/05	16 Pinnacle Point Lititz, PA 17543 PH: (717) 286-6965	Status: No, left system If "no," date left: 11/05/12 If "no," reason: Corporate acquired 1 unit
Franchisee: GoFoods, LLC Name: Patrick Gaunce Joined System: 12/6/05	113 W. Public Square Glasgow, KY 42141 PH: (270) 651-9302	Status: No, left system If "no," date left: 12/09/12 If "no," reason: Closed two units and exited the system
Franchisee: EDCO Enterprises – Wichita, Inc. Name: Ed Melvin Joined System: 09/08/08	15421 FM 1954 Wichita Falls, TX 76310 PH: (940) 692-3016	Status: No, left system If "no," date left: 12/10/12 If "no," reason: Transferred one store to franchisee
Franchisee: Stine Restaurant Group Name: Adam Stine Joined System: 12/29/05	10621 North 43rd Avenue Phoenix, AZ 85029 PH: (602) 689-1414	Status: 1 Unit transferred to Franchisee Still Active? Yes
Franchisee: PMC Investment Group, Inc. Name: Lee Maloof Joined System: 10/28/98	270 Center Drive, Suite 230 Vernon Hills, IL 60061 PH: (847) 281-9714	Status: 1 Unit transferred to Franchisee and 2 Units Closed Voluntarily Still Active? Yes
Franchisee: Quality Fast Foods, Inc.	1003 Hugh Wallis Road South, Suite G-6	Status: 1 Unit Closed Voluntarily

Name: Keith Trahan Joined System: 8/12/03	Lafayette, LA 70508 PH: (337) 234-8442	Still Active? Yes
Franchisee: OHMEX Restaurant Group, Inc. Name: Michael Burke Joined System: 2/13/03	2301 Hunters Ridge Blvd. Beavercreek, OH 45434 PH: (937) 479-9014	Status: No, left system If "no," date left: 12/31/12 If "no," reason: 2 units transferred to Franchisee
Franchisee: River Q, LLC Name: Grant Hensrud Joined System: 8/7/03	3522 Woodbury Park Drive South Fargo, ND 58103 PH: (701) 280-2189	Status: No, left system If "no," date left: 12/31/12 If "no," reason: Corporate acquired 5 units
Franchisee: OSA Strategic Assets, LLC Name: Paul Morad Joined System: 8/17/09	26650 The Old Road, Third Floor Valencia, CA 91381 PH: (661) 286-8787	Status: 1 Unit Closed Voluntarily Still Active? Yes
Franchisee: SPEK Food, LLC Name: Prince Samuel Joined System: 7/13/10	4221 Washington Avenue Evansville, IN 47714 PH: (812) 760-7503	Status: No, left system If "no," date left: 1/1/13 If "no," reason: 1 unit transferred to Franchisee
Franchisee: T & J Fresh Mex, Ltd. Name: Matthew Roddy Joined System: 4/23/12	24500 Chagrin Blvd., Suite 105 Beachwood, OH 44122 PH: (440) 740-0357	Status: 1 Unit Closed Voluntarily Still Active? Yes
Franchisee: CC Northwest, LLC Name: Stanley Pine Joined System: 12/28/97	690 N. Meridian, Suite 108 Kalispell, MT 59901 PH: (406) 755-7395	Status: No, left system If "no," date left: 3/18/13 If "no," reason: Corporate acquired 6 units
Franchisee: DM Franchising, LLC Name: Donald McLean Joined System: 1/4/10	487 N. Oak Street Lititz, PA 17543 PH: (717) 385-4517	Status: No, left system If "no," date left: 7/29/13 If "no," reason: 1 unit transferred to Franchisee
Franchisee: VKC Management, LP Name: Brij Agrawal Joined System: 6/23/10	322 Julie Rivers Drive Sugarland, TX 77478 PH: (281) 269-7605	Status: 1 Unit Closed Voluntarily Still Active? Yes
Franchisee: Bullys Burritos, LLC Name: Ryan Henderson Joined System: 11/15/11	110 Bassett Lane Madison, MS 39110 PH: (301) 941-2837	Status: FA Single Unit Development Terminated Still Active? No
Franchisee: Appalachian Partners, LLC Name: Richard Conley Joined System: 2/26/12	90 Thompson Poynter Road London, KY 40741 PH: (606) 878-6879 x4	Status: FA Single Unit Development Terminated Still Active? No

Franchisee: HMS Host Joined System: 6/29/07	6905 Rockledge Drive Bethesda, MD 20817 PH: (240) 694-4100	Status: 1 unit closed due to FA Not Renewed. Still Active? No
Franchisee: Capitol Q Restaurants, LLC Name: Richard Pawlowski Joined System: 7/12/05	152 West 57th Street 46th Floor New York, NY 10019 PH: (212) 277-5620	Status: 1 Unit Closed Voluntarily Still Active? Yes
Franchisee: Double R Equity Partners, LLC Name: Robert Lyon Joined System: 5/22/03	20 Indian Hill Road Towaco, NJ 07082 PH: (973) 809-9538	Status: 1 Unit Closed Voluntarily Still Active? Yes
Franchisee: Kim Geo, Inc. Name: George Cox Joined System: 10/5/2011	2708 Queensberry Drive Huntingtown, MD 20639 PH: (240) 644-6541	Status: 1 Unit Closed Voluntarily Still Active? No
Franchisee: JED Development, LLC Name: Wade Oney Joined System: 9/21/04	9600 Delegates Drive Orlando, FL 32837 PH: (407) 876-1893	Status: 1 Unit Closed Voluntarily Still Active? No

The following is a list of developers who have not fulfilled their Development Agreement, resulting in a termination or other inactivity of the Development Agreement at issue, and loss of an exclusive Development Area. Many of these Developers remain in the System as franchisees, and may be offered the right to develop additional restaurants in the future.

Terminated, Inactive or Nonrenewed Development Agreements

Developer: New West Fresh Concepts, LLC Name: Roy Allison Joined System: 1/26/11	708 Santa Paula Solana Beach, CA 92075 PH: (858) 729-8787	Status: DA Terminated Date terminated: 2/1/13 Still Active?: No, left the system
Developer: KTAAP, Inc. Name: Kevin Pogue Joined System: 3/3/08	2401 West Cabana Court Peoria, IL 61614 PH: (309) 253-6511	Status: DA Terminated Date terminated: 1/22/13 Still Active?: Yes, multiple units open
Developer: Fresh Made Foods, LLC Name: Tim Velleca Joined System: 8/7/07	1122 Oxford Crescent Atlanta, GA 30319 PH: (678) 478-0048	Status: DA Terminated Date terminated: 6/9/13 Still Active?: Yes, multiple units open
Developer: QMG Vail, LLC Name: James Comerford Joined System: 4/6/10	27 Main Street, Suite 104W Edwards, CO 81632 PH: (970) 926-8709	Status: DA Terminated Date terminated: 6/19/13 Still Active?: Yes, multiple units open
Developer: Aztec Partners, LLC	5625 N. Post Road, Suite	Status: DA Terminated

Name: Greg Willman Joined System: 3/13/98	103 Indianapolis, IN 46216 PH: (317) 634-2809	Date terminated: 7/1/13 Still Active?: Yes, multiple units open
Developer: VKC Management, LP Name: Brij Agrawal Joined System: 6/23/10	322 Julie Rivers Drive Sugarland, TX 77478 PH: (281) 269-7605	Status: DA Terminated Date terminated: 8/1/13 Still Active?: Yes, multiple units open

ITEM 21
FINANCIAL STATEMENTS

Jack in the Box Inc. has agreed to guaranty and assume the obligations of Qdoba under our Franchise Agreement with you. A copy of their Guaranty is attached as Exhibit G.

Attached hereto as Exhibit A are copies of the audited consolidated balance sheets of Jack in the Box Inc. and subsidiaries as of September ~~30, 2012,~~29, 2013, and ~~October 2, 2011~~September 30, 2012; and the related consolidated statements of earnings, comprehensive income, cash flows, and stockholders' equity for the fifty-two weeks ended September 29, 2013; September 30, ~~2012,~~2012; and October 2, ~~2011, and the fifty-three weeks ended October 3, 2010.~~ 2011.

~~Based upon the closure of approximately 67 company-operated Qdoba restaurants, Jack in the Box Inc. currently estimates it will incur pre-tax charges during fiscal 2013 of approximately $40 million, including an estimated $28 million in non-cash impairment charges and approximately $12 million in charges related to cash lease obligations and employee severance costs.~~

ITEM 22
CONTRACTS

Attached are copies of all agreements used by us regarding the offering of a franchise:

Franchise Agreement — Exhibit B-1
- Accepted Location
- Currently Authorized Trademarks and Service Marks
- Guaranty and Assumption of Franchise Owner's Obligations
- Authorization for Prearranged Payments
- Confidentiality and Non-Competition Agreement

Non-Traditional Franchise Agreement — Exhibit B-2
- Accepted Location
- Currently Authorized Trademarks and Service Marks
- Guaranty and Assumption of Franchise Owner's Obligations
- Authorization for Prearranged Payments
- Confidentiality and Non-Competition Agreement

Development Agreement — Exhibit C

Development Area
Minimum Development Quota
Guaranty and Assumption of Developer's Obligations
Confidentiality and Non-Competition Agreement
Confidentiality Agreement

Disclosure Acknowledgment Statement	Exhibit F
Amendments to Franchise Agreements and Development Agreements (State-Specific Addenda)	Exhibit J
Sample General Release	Exhibit M

ITEM 23
RECEIPT

The last pages of this disclosure document are documents acknowledging receipt of the disclosure document ("Receipts"). You should detach one receipt, sign it, and deliver it to us. You may keep the other for your records.