Solicitation Version

IN THE UNITED STATES BANKRUPTCY COURT
FOR THE NORTHERN DISTRICT OF TEXAS
DALLAS DIVISION

In re:	§	**Case No. 18-[-----] (---)**
	§	
TACO BUENO RESTAURANTS, INC., et al.,	§	**(Chapter 11)**
	§	
	§	**(Joint Administration Pending)**
Debtors.[1]	§	

DISCLOSURE STATEMENT FOR THE DEBTORS' JOINT PREPACKAGED CHAPTER 11 PLAN OF REORGANIZATION

NO CHAPTER 11 CASE HAS BEEN COMMENCED AS OF THE DATE OF DISTRIBUTION OF THIS DISCLOSURE STATEMENT. THIS DISCLOSURE STATEMENT IS DISTRIBUTED TO YOU AS PART OF A PREPETITION SOLICITATION OF YOUR VOTE ON A PREPACKAGED PLAN OF REORGANIZATION.

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Dated: November 6, 2018

[1] The Debtors in these chapter 11 cases, along with the last four digits of each Debtor's federal tax identification number, are as follows: CBI Restaurants, Inc. (3490); Taco Bueno Equipment Company (0677); Taco Bueno Franchise Company L.P. (2397); Taco Bueno Restaurants, Inc. (8214); Taco Bueno Restaurants L.P. (6189); Taco Bueno West, Inc. (6200); TB Corp. (8535); TB Holdings II, Inc. (7703); TB Holdings II Parent, Inc. (3347); and TB Kansas LLC (6158). The location of the Debtors' corporate headquarters and the Debtors' service address is: 300 East John Carpenter Freeway, Suite 800, Irving, Texas 75062.

Important Information for You to Read[2]

THE DEADLINE TO VOTE ON THE PLAN IS NOVEMBER 6, 2018 AT 1:00 PM CENTRAL TIME UNLESS EXTENDED BY THE DEBTORS (THE "*VOTING DEADLINE*").

FOR YOUR VOTE TO BE COUNTED, YOUR BALLOT MUST BE ACTUALLY RECEIVED BY PRIME CLERK BEFORE THE VOTING DEADLINE IN ACCORDANCE WITH THE INSTRUCTIONS PROVIDED HEREIN.

THE DEBTORS AND TACO SUPREMO LLC SUPPORT THE PLAN AND STRONGLY URGE HOLDERS OF CLAIMS WHOSE VOTES ARE BEING SOLICITED TO ACCEPT THE PLAN.

Taco Bueno Restaurants, Inc. and its nine (9) Debtor affiliates (collectively, the "*Debtors*," "*Taco Bueno*," or the "*Company*") are providing you with the information in this *Disclosure Statement for the Debtors' Joint Prepackaged Chapter 11 Plan of Reorganization* (as may be amended, altered, modified, revised, or supplemented from time to time, the "*Disclosure Statement*") because you may be a creditor entitled to vote on the Plan. Nothing in this Disclosure Statement may be relied upon or used by any entity for any other purpose. The Debtors are commencing the solicitation of your vote to approve the Plan before the Debtors decide whether to file voluntary reorganization cases under chapter 11 of the Bankruptcy Code.

If sufficient votes to obtain confirmation of the Plan are received and certain other conditions are met, the Debtors intend to file voluntary reorganization cases (the "*Chapter 11 Cases*") under chapter 11 of the Bankruptcy Code to implement the Plan. Because the Chapter 11 Cases have not yet been commenced, this Disclosure Statement has not been approved by the United States Bankruptcy Court for the Northern District of Texas (the "*Court*") as containing "adequate information" within the meaning of section 1125(a) of the Bankruptcy Code. If the Debtors file the Chapter 11 Cases, they will promptly seek an order of the Court: (i) approving this Disclosure Statement as containing "adequate information"; (ii) approving the solicitation of votes as complying with sections 1125(g) and 1126(b) of the Bankruptcy Code; and (iii) confirming the Plan. The Court may order additional disclosures.

SPECIAL NOTICE REGARDING FEDERAL AND STATE SECURITIES LAWS

Neither this Disclosure Statement nor the Plan has been filed or reviewed by the Court or any state authority. The Plan has not been approved (or disapproved) by the Securities and Exchange Commission (the "SEC") or any state securities commission and neither the SEC nor any state securities commission has passed upon the accuracy or adequacy of this Disclosure Statement or the merits of the Plan. Any representation to the contrary is a criminal offense.

This Disclosure Statement was prepared pursuant to section 1125 of the Bankruptcy Code and Bankruptcy Rule 3016(b) (but has not been approved by the Court as complying with section 1125 of the Bankruptcy Code and Bankruptcy Rule 3016(b)) and is not necessarily in accordance with federal or state securities laws or other similar laws. The securities to be issued on or after the Effective Date will not have been the subject of a registration statement filed with the SEC under the Securities Act or any securities regulatory authority of any state under any state securities law (any such law, a "*Blue Sky Law*"). Prior to the

[2] Capitalized terms used but not immediately defined herein have the meanings ascribed to such terms later in the Disclosure Statement or in the *Debtors' Joint Prepackaged Chapter 11 Plan of Reorganization*, dated November 6, 2018, attached hereto as **Exhibit A** (including all exhibits and schedules attached thereto, and as may be amended, altered, modified or supplemented from time to time, the "***Plan***"), as applicable; *provided that* any capitalized term used but not defined herein or in the Plan that is defined in chapter 11 of title 11 of the United States Code (the "***Bankruptcy Code***"), the Federal Rules of Bankruptcy Procedure (the "***Bankruptcy Rules***"), or the Bankruptcy Local Rules for the Northern District of Texas (the "***Local Rules***") will have the meaning ascribed to such term in the Bankruptcy Code, the Bankruptcy Rules, or the Local Rules, as applicable.

filing of the Chapter 11 Cases, the Debtors will rely on the exemption provided by 4(a)(2) of the Securities Act to the extent section 1145 of the Bankruptcy Code is not available, and after the filing of the Chapter 11 Cases, the Debtors expect to rely on the exemption from the Securities Act and equivalent state law registration requirements provided by section 1145(a)(1) of the Bankruptcy Code to exempt the issuance of new securities in connection with the solicitation and the Plan from registration under the Securities Act and Blue Sky Law.

This Disclosure Statement contains "forward looking statements" within the meaning of the Private Securities Litigation Reform Act of 1995. Such statements consist of any statement other than a recitation of historical fact and can be identified by the use of forward looking terminology such as "may," "expect," "anticipate," "estimate," "continue," the negative thereof, or other variations thereon or comparable terminology. You are cautioned that all forward looking statements are necessarily speculative and that there are certain risks and uncertainties that could cause actual events or results to differ materially from those referred to in such forward looking statements. The Liquidation Analysis set forth in Exhibit C, the Valuation Analysis set forth in Exhibit D, and distribution projections and other information contained herein and attached hereto are only estimates, and the timing and amount of actual distributions to holders of Allowed Claims and Interest may be affected by many factors that cannot now be predicted. Any analyses, estimates, or recovery projections may not turn out to be accurate.

Making investment decisions based on the information contained in this Disclosure Statement and/or the Plan is, therefore, highly speculative. The Debtors recommend that potential recipients of any securities issued pursuant to the Plan consult their own legal counsel concerning the securities laws governing the transferability of any such securities.

The Debtors cannot assure you that the Disclosure Statement, including any exhibits thereto, that is ultimately approved by the Court in the Chapter 11 Cases: (i) will contain any of the terms described in this Disclosure Statement; or (ii) will not contain different, additional, or material terms that do not appear in this Disclosure Statement. The Debtors urge each holder of a Claim or Interest: (i) to read and carefully consider this entire Disclosure Statement (including the Plan and the matters described under "Risk Factors" below); and (ii) to consult with its own advisors with respect to reviewing this Disclosure Statement, the Plan, and each of the proposed transactions contemplated thereby prior to deciding whether to accept or reject the Plan. You should not rely on this Disclosure Statement for any purpose other than to determine whether to vote to accept or reject the Plan.

No independent auditor or accountant has reviewed or approved the Liquidation Analysis described herein. The Debtors have not authorized any person to give any information or advice, or to make any representation in connection with the Plan or this Disclosure Statement. This Disclosure Statement does not constitute, and may not be construed as, an admission of fact, liability, stipulation, or waiver. The Debtors or Reorganized Debtors (as applicable) may seek to investigate, file, and prosecute Claims and Causes of Action and may object to Claims after the Confirmation or Effective Date of the Plan irrespective of whether this Disclosure Statement identifies any such Claims or Objections to Claims. Holders of Claims should not construe the contents of this Disclosure Statement as providing any legal, business, financial, securities, or tax advice and should consult with their own advisors before voting on the Plan.

If the Plan is confirmed by the Court and the Effective Date occurs, all holders of Claims against, and holders of Interests in, the Debtors (including, without limitation, those holders of Claims or Interests who do not submit Ballots to accept or reject the Plan or who are not entitled to vote on the Plan) will be bound by the terms of the Plan and the transactions contemplated thereby.

QUESTIONS AND ADDITIONAL INFORMATION

If you would like to obtain copies of this Disclosure Statement, the Plan, any of the documents attached hereto or referenced herein, or have questions about the solicitation and voting process or the Debtors' Chapter 11 Cases generally, please contact Prime Clerk, LLC ("*Prime Clerk*"), the Debtors' Notice and Claims Agent by either: (i) visiting its website at http://Cases.primeclerk.com/tacobueno; or (ii) calling (844) 721-3891.

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EXHIBITS

I. EXECUTIVE SUMMARY

This Executive Summary is only a general overview of the Disclosure Statement and the material terms of, and transactions proposed by, the Plan. This Executive Summary is qualified in its entirety by reference to the more detailed discussions appearing elsewhere in the Disclosure Statement and the exhibits attached hereto, including the Plan. The Debtors urge all parties to read this Executive Summary in conjunction with the entire Disclosure Statement and the Plan. A copy of the Plan is attached hereto as **Exhibit A**.

A. Introduction

The Debtors submit this Disclosure Statement in connection with the Debtors' solicitation of votes on the Plan. The Debtors anticipate filing voluntary petitions for relief under chapter 11 of the Bankruptcy Code in the United States Bankruptcy Court for the Northern District of Texas on or about November 6, 2018. Taco Bueno plans to commence the Chapter 11 Cases to preserve the legacy of a great brand and regional tradition, to protect thousands of jobs for its local and loyal employees, and to transition ownership as part of a comprehensive deleveraging transaction. The Debtors urge you to vote to accept and support the Plan.

1. Overview of Recent Financial Challenges

The Debtors have a long history as market leaders in the Tex-Mex quick service restaurant ("***QSR***") industry. With a commitment to serving quality Tex-Mex-style Mexican cuisine in a casual restaurant environment, Taco Bueno grew regionally and developed a loyal customer base over the course of 50 years of serving local communities. This brand loyalty continues as of the Petition Date.

While Taco Bueno possesses a traditional brand with a loyal customer base and the potential for future growth under the leadership of its new management team, Taco Bueno's existing capital structure is unsustainable and its financial performance fell significantly due to, among other things, historical mismatches between price and product value, a lack of product innovation, and deferred maintenance capital investment. In addition, competition in the Mexican food industry – including the rise in popularity of tacos at both QSRs and other types of restaurants – increased substantially in recent years, causing certain Taco Bueno stores to experience stagnant or reduced customer traffic and sales. Moreover, while Taco Bueno recently launched a process to close underperforming stores to better focus on core markets and high-value stores, Taco Bueno continues to suffer from a number of underperforming restaurants. Accordingly, Taco Bueno needs to continue to restructure its lease footprint and renegotiate existing leases to optimize profitability.

In response to these challenges and to go on offense with a new approach, Taco Bueno restructured its management team in the Spring of 2018 with the goal of optimizing its brand and turning around its most prominent store locations. The new management team undertook an extensive review of its store portfolio and general operations and developed a revised business plan – the "Plan to Win" – focused on new strategies for turning around the business in order to provide a better restaurant experience for its customers. In recent months, Taco Bueno worked diligently to implement aspects of this new business strategy, including rolling out recipes featuring higher-quality fresh ingredients, and new product lines such as enhanced combo platters, Texas street tacos, and popular seasonal items, paired with modern marketing campaigns aimed at expanding its customer base and increasing sales. However, limited capital, seasonal constraints on customer traffic, and burdensome funded debt and lease obligations made for a challenging environment for sustained success and adversely impacted new management's ability to effectuate the turnaround effort.

In consultation with its advisors, Taco Bueno decided the best way to effectuate its new business plan and right-size its debt burden and lease obligations was to close certain unprofitable restaurant locations, to seek to negotiate concessions and other amendments with its landlords, and to delever its funded debt through a comprehensive restructuring that would right-size the capital structure for long-term success. Taco Bueno discussed a number of alternatives with the Initial Lender Group (as defined herein), including the group's interest in foregoing debt service payments to allow the business the liquidity necessary to fund the turnaround, as well as the group's interest in a debt-for-equity conversion. However, the Initial Lender Group was not interested in exploring either alternative.

2. Prepetition Sale Process and Increased Liquidity Pressure

Taco Bueno, its advisors, its Initial Lender Group, and its equity sponsor, TPG Growth III Management, LLC ("***TPG***"), a division of the private equity firm TPG Capital based in Fort Worth, Texas (together with certain of its affiliates, the "***Sponsor***") then determined that exploring a sale of all or substantially all of Taco Bueno's assets would maximize value for its stakeholders – including the secured lenders – and re-position the business for future success with a new strategic or financial partner. To that end, in August of 2018, Taco Bueno hired Houlihan Lokey Capital, Inc. ("***Houlihan***") to assist in exploring a value-maximizing sale transaction. Thereafter, Taco Bueno worked diligently with its advisors to run a sales process with the goals of consummating a sale for the highest and best value available and continuing the business as a going concern. Houlihan contacted more than 146 parties and signed confidentiality agreements with approximately 57 parties. At the same time, however, Taco Bueno began to face severe liquidity pressure caused by, among other things, a steep decline in sales and an inability to reverse the trend due to a lack of available marketing dollars. In order to provide Houlihan the maximum time possible to conduct the marketing process, Taco Bueno pursued a range of liquidity initiatives, including negotiating with landlords to waive or delay rent payments, negotiating with vendors about extending near term payments and delaying payables, reducing overhead and operational costs, ceasing all debt service payments to its initial lender group, and closing certain underperforming stores.

Although these efforts succeeded in creating additional runway for the sale process, as a result of a confluence of factors during the past few months, including unprecedented amounts of rainfall[3] and inclement weather reducing customer traffic in key north Texas markets, sales declined steeply to down 20 percent measured year over year, and liquidity dipped to a critical level. In response, Taco Bueno and its advisors explored the availability of incremental funding in the form of a bridge loan or a debtor-in-possession financing facility from the Initial Lender Group and other outside sources to allow Houlihan more time to continue the marketing and sale process. However, the Initial Lender Group and other third party lenders did not find the opportunity practical on the terms proposed by Taco Bueno absent certainty on a buyer of the Company.

As an additional pressure on Taco Bueno's operations, Taco Bueno faced the prospect of landlords exercising remedies against certain critical store locations as a result of alleged defaults under various lease agreements. In recent weeks, Taco Bueno received notices of default with limited time to cure or challenge the alleged defaults before landlords begin exercising remedies. Although Taco Bueno disputes certain alleged lease defaults and hopes to continue negotiations with landlords, the risk of landlords taking action against valuable stores and the extreme top-down pressure on business operations led Taco Bueno and its advisors to consider other potential transactions outside of the asset-sale process that could be effectuated on an expedited timeline.

3. Debt Purchase Transaction

With the assistance of its advisors and the unanimous support of its Initial Lender Group, Taco Bueno initiated discussions with potential third-party purchasers to help facilitate a sale of the Initial Lender Group's debt on an accelerated timeline as the first step in a new-money capital contribution and ultimate debt-for-equity swap. In order to obtain the highest and best value available on a compressed timeline, the Company scheduled a silent auction for the sale of all debt held by the Initial Lender Group to take place on October 23, 2018. This timeline ensured that a purchaser could close on a debt sale transaction and subsequently fund new money to ensure critical liquidity. Moreover, the Initial Lender Group spearheaded the sale of their secured debt to a third party on the terms proposed, including fixing a minimum purchase price for the amount the Initial Lender Group would accept to consent to the sale of each holder's debt, which served as the reserve price in the sale transaction.

Through the prior sale process, Houlihan and the Company assisted the Initial Lender Group in identifying potential buyers that would be interested in purchasing the Initial Lender Group's debt quickly. The Initial Lender Group, Taco Bueno, and its advisors had substantive discussions with five potential buyers that expressed interest in

[3] With 23.35 inches of rainfall recorded at DFW International Airport from September 1 through October 17, 2018 at 11:00 a.m., this fall season has already become the wettest fall on record for Dallas-Fort Worth. Meteorological fall season is recognized as September through November.

pursuing the debt sale opportunity. The Company then received multiple bids in accordance with the detailed instructions that were shared with interested parties.

On October 24, 2018, the Initial Lender Group agreed to terms with Taco Supremo, LLC ("***Taco Supremo***"), an affiliate of Sun Holdings, Inc. ("***Sun Holdings***"), for the sale of 100 percent of its secured debt, which was the highest and best offer available at the debt auction in accordance with the bid instructions. The Initial Lender Group, holding in excess of $130 million in secured debt, made an informed decision to agree to the sale in order to receive a certain recovery in a highly distressed situation, and is supportive of the restructuring contemplated in the Chapter 11 Cases.

In addition to acquiring all of the Company's funded secured debt under the Prepetition Credit Agreement (as defined herein), Taco Supremo agreed in writing to execute the Restructuring Support Agreement dated November 6, 2018 (the "***Restructuring Support Agreement***") providing terms and milestones for its support of a comprehensive restructuring transaction (the "***Restructuring***") as embodied in the Plan that will convert all of Taco Bueno's funded debt into equity, thereby right-sizing the Company's balance sheet and positioning it for growth and to better compete in the competitive Tex-Mex QSR sector. As part of the Restructuring Support Agreement, Taco Supremo also committed to providing the DIP financing necessary to fund the Chapter 11 Cases. The key milestones in the Restructuring Support Agreement provide that:

- No later than the execution date of the Restructuring Support Agreement, the Debtors shall commence a solicitation of the Lenders (as defined in the Restructuring Support Agreement) seeking approval and acceptance of the Plan and distribute Solicitation Materials to all voting parties.
- No later than November 6, 2018, the Debtors shall commence the Chapter 11 Cases by filing voluntary petitions for relief under chapter 11 of the Bankruptcy Code (the "***Petitions***") with the Court (such filing date, the "***Petition Date***").
- On the Petition Date, the Debtors shall file with the Court a motion seeking entry of the Interim DIP Order and the Final DIP Order (each as defined in the Restructuring Support Agreement).
- On the Petition Date, the Debtors shall file with the Court: (i) the Plan; (ii) the Disclosure Statement; and (iii) a motion (the "***Scheduling Motion***") seeking to schedule the Confirmation Hearing (as defined herein).
- No later than November 9, 2018, the Court shall have entered the Interim DIP Order.
- No later than November 20, 2018, the Debtors shall file with the Court (i) schedules of assets and liabilities, (ii) statements of financial affairs, (iii) schedules of current income and expenditures, and (iv) statements of executory contracts and unexpired leases.
- No later than December 5, 2018, the Bankruptcy Court shall have entered the Final DIP Order.
- No later than January 4, 2019, the Bankruptcy Court shall have entered the Confirmation Order.
- No later than January 22, 2019, the Debtors shall consummate the transactions contemplated by the Plan (the date of such consummation, the "***Effective Date***").

As the new money DIP lender and the largest secured lender, Taco Supremo seeks to convert its DIP and secured lender claims into 100 percent equity in the reorganized Company via a confirmed Plan. Taco Supremo intends to work with the Company to use an accelerated chapter 11 process to right-size the lease footprint and compromise certain liabilities while satisfying all administrative and priority Claims. The Company explored whether Taco Supremo would be interested in conducting an out-of-court transition of ownership, but Taco Supremo indicated that it preferred to pursue such a transaction and provide the necessary financing through a chapter 11 process. In doing so, Taco Bueno is positioned to preserve a valuable brand and continue providing a quality service for its loyal customers and jobs for thousands of local employees. Time is of the essence to ensure this objective is achieved. To that end, the Sponsor also fully supports the Restructuring contemplated by the Plan.

B. Purpose of the Disclosure Statement

The Debtors submit this Disclosure Statement pursuant to section 1125 of title 11 of the Bankruptcy Code in connection with: (i) the solicitation of votes on the Plan and; and (ii) a hearing to consider confirmation of the Plan. Subject to the approval of the Board of Directors of TB Holdings II Parent, Inc. and the applicable governing body of each other Debtor, the Debtors anticipate filing the Petitions in the United States Bankruptcy Court for the Northern District of Texas on or about November 6, 2018.

Section 1125 of the Bankruptcy Code requires a debtor to prepare a disclosure statement that contains information of a kind, and in sufficient detail, to permit a hypothetical reasonable investor to make an informed judgment regarding acceptance of a proposed chapter 11 plan of reorganization before soliciting acceptances of such proposed plan. The Debtors submit this Disclosure Statement pursuant to section 1125 of the Bankruptcy Code to certain holders of Claims against the Debtors because the Debtors are asking such holders of Claims to vote to accept the Plan.

This Disclosure Statement contains, among other things, descriptions and summaries of certain provisions of, and financial transactions contemplated by, the Plan. Certain provisions of the Plan (and the descriptions and summaries contained herein) remain the subject of negotiations among the Debtors and other parties, have not been finally agreed upon, and may be modified. In particular, the Plan Supplement will set forth the certificates or articles of incorporation, certificates of formation, bylaws, operating agreements, or such other applicable formation, organizational, and governance documents of each of the Reorganized Debtors.

C. The Solicitation Package

Only record holders of Class 3 – Prepetition Lender Secured Claims as of the voting record date, Wednesday, October 31, 2018, are entitled to vote on the Plan. Holders of Class 3 – Prepetition Lender Secured Claims will receive a solicitation package consisting of the following materials (collectively, the "***Solicitation Materials***"):

- a form ballot (the "***Ballot***"), which shall include the voting instructions; and
- this Disclosure Statement with all exhibits, including the Plan, and any other supplements or amendments to these documents.

D. The Plan

1. Purpose and Effect of the Plan

If sufficient votes to obtain confirmation of the Plan are received and certain other conditions are met, the Debtors intend to reorganize under chapter 11 of the Bankruptcy Code, which is the principal business reorganization chapter of the Bankruptcy Code.

Under chapter 11 of the Bankruptcy Code, a debtor may reorganize its business for the benefit of its stakeholders. The consummation of a plan of reorganization is the principal objective of a chapter 11 case. A plan of reorganization sets forth how a debtor will treat claims and interests. A bankruptcy court's confirmation of a plan of reorganization binds the debtor, any entity or person acquiring property under the plan, any creditor of or equity security holder in a debtor, and any other entities and persons to the extent ordered by such bankruptcy court pursuant to the terms of the confirmed plan, whether or not such entity or person is impaired pursuant to the plan, has voted to accept the plan, or receives or retains any property under the plan.

Each of the Debtors is a proponent of the Plan within the meaning of section 1129 of the Bankruptcy Code. The Plan does not contemplate the substantive consolidation of the Debtors' estates. Instead, the Plan, although proposed jointly, will constitute a separate plan for each of the Debtors in the Chapter 11 Cases. Holders of Allowed Claims or Interests against each of the Debtors will receive the same recovery provided to other holders of Allowed Claims or Interests in the applicable Class and will be entitled to their share of assets available for distribution to such Class. Among other things, subject to certain limited exceptions and except as otherwise provided in the Plan or a confirmation order with respect to the Plan (the "***Confirmation Order***"), the Confirmation Order will discharge the

Debtors from any debt arising before the Effective Date, terminate all of the rights and Interests of prepetition equity holders and substitute the obligations set forth in the Plan for those prepetition Claims and Interests. Under the Plan, Claims and Interests are divided into Classes according to their relative priority and other criteria.

2. Feasibility of the Plan

As part of the sale process undertaken by the Company with the assistance of Houlihan (as more fully described below), the Company and its management team prepared projected 2019 and 2020 financial statements for the Debtors inclusive of an estimated capital program that was designed to stabilize and grow the existing store base and revitalize the Taco Bueno brand (such projections, the "***Sale Process Financial Projections***"). The Sale Process Financial Projections were prepared on a consolidated basis and were unaudited. A copy of the Sale Process Financial Projections was made available to each potential buyer who signed a non-disclosure agreement with the Debtors. This included Sun Holdings, Inc., who was provided a copy in advance of the purchase by Taco Supremo of the debt held by the Initial Lender Group under the Prepetition Credit Agreement. Additionally, in connection with preparation of the Valuation Analysis set forth below, Houlihan relied on projected financial statements prepared by the Company and management that also included 2021 (as opposed to just 2019 and 2020). Although the Debtors believe that the Sale Process Financial Projections and the projections in the Valuation Analysis are reasonable and appropriate, they include a number of assumptions, including ongoing lease negotiations and potential store closures that will occur during the course of the Chapter 11 Cases. Actual results may differ from the projections, and the difference may be material.

In order to establish the feasibility of the Plan for purposes of section 1129(a)(11) of the Bankruptcy Code, the Debtors and their management team and advisors, working with Taco Supremo and its advisors, intend to develop sufficient evidence in the form of additional financial projections (such projections, the "***Financial Projections***") that will be filed with the Court as part of the Plan Supplement. The Financial Projections will set forth the projected financial performance of the Reorganized Debtors over a defined period of time based upon a number of assumptions and factors, including any potential reconfigured store lease agreements with one or more of the Primary Lessors and other landlords, any rejected store locations, potential G&A reductions/savings and any additional liquidity and capital commitments that may be made to the Reorganized Debtors by Taco Supremo. For those reasons, the Financial Projections may vary materially from the Sale Process Financial Projections and the projections used in the Valuation Analysis.

3. Analysis of Recoveries to Holders of Claims and Interests under the Plan

The Plan provides for a comprehensive restructuring of the Debtors' approximately $130,912,500.00 in prepetition funded debt obligations under the Prepetition Credit Agreement. Substantially all of the Debtors' assets are subject to valid and perfected Liens held by the Prepetition Lender, which require payment in full before other distributions can be made. The Plan reflects the reality that, based upon recent historical operating performance and cashflow projections, the Debtors' enterprise value is significantly less than the amount of secured debt under the Prepetition Credit Agreement. The treatment of Class 3 – Prepetition Lender Secured Claims is the product of extensive negotiations between the Debtors and Taco Supremo as the Prepetition Lender.

In developing the Plan, the Debtors gave due consideration to various factors developed in their sale process and other restructuring alternatives. After a careful review of their current operations and liquidity, prospects as an ongoing business, and estimated recoveries to creditors in a forced sale scenario given current market conditions, the Debtors concluded that they will maximize recoveries to their stakeholders by reorganizing as a going concern via the Restructuring embodied in the Plan. The Debtors believe that any alternative to confirmation of the Plan, such as liquidation, a partial sale of assets, or a sale of all or substantially all of their assets, would result in materially lower recoveries for stakeholders, significant delays, protracted litigation, and greater administrative costs. For these reasons, the Debtors believe that their business and assets have significant value that would not be realized in a forced sale or a liquidation, either in whole or in substantial part, and that the value of the Debtors' estates is considerably greater as a going concern.

As set forth more fully in Section V.B, the Debtors believe that the Plan provides the best recoveries possible for the Debtors' stakeholders and recommend that, if you are entitled to vote, you vote to accept the Plan.

THE DEBTORS BELIEVE THAT THE PLAN IS FAIR AND EQUITABLE, WILL MAXIMIZE THE VALUE OF THE DEBTORS' ESTATES, AND PROVIDES THE BEST RECOVERY AVAILABLE TO CLAIM HOLDERS.

4. Treatment and Classification

The Plan organizes the Debtors' creditors and equity holders into groups called "Classes." For each Class, the Plan describes: (i) the Claims or Interests comprising such Class; (ii) the recovery, if any, available to the holders of Allowed Claims or Interests in that Class under the Plan; (iii) whether the Class is "Impaired" under the Plan, meaning that the holders in such Class will receive less than full value on account of their Claims or Interest, or that the legal or equitable rights of such holders will be altered in some other form; and (iv) the form of recovery, if any, that such holders will receive on account of their respective Claims or Interests.

The table below summarizes the classification, treatment, and estimated recoveries of Claims and Interests under the Plan. A more detailed description of the classification and treatment of Claims and Interests is set forth in Section IV.A of this Disclosure Statement. As demonstrated in the liquidation analysis (the "***Liquidation Analysis***," attached hereto as **Exhibit C**), recoveries of each Class of Claims and Interests under the Plan are equal to or greater than they would be through a hypothetical chapter 7 liquidation. The Debtors believe that their businesses and assets have significant value that would not be realized in a liquidation, either in whole or in substantial part. The information in the table below is provided in summary form for illustrative purposes only, is subject to material change based on contingencies related to the claims reconciliation process, and is qualified in its entirety by reference to the provisions of the Plan. Because each Debtor's Plan contemplates distributions to holders of Claims in the amount of the estimated percentage recoveries set forth below, the estimated aggregate Claim amounts in each Class and the estimated percentage recoveries in the table below are set forth for the Debtors on a consolidated basis.

Class	Claim or Interest	Treatment	Estimated Percentage Recovery of Allowed Claims or Interests under the Plan	Estimated Percentage Recovery of Allowed Claims or Interests under Chapter 7 Liquidation
1	Other Priority Claims	Either: (i) payment in full, in Cash, of the unpaid portion of its Allowed Other Priority Claim or (ii) such other treatment as may otherwise be agreed to by such holder, the Debtors, and Taco Supremo.	100%	100%
2	Other Secured Claims	At the Debtors' election, either (i) Cash equal to the full Allowed amount of its Claim, (ii) Reinstatement of such holder's Allowed Other Secured Claim, (iii) the return or abandonment of the collateral securing such Allowed Other Secured Claim to such holder, or (iv) such other treatment as may otherwise be agreed to by such holder, the Debtors, and Taco Supremo.	100%	100%
3	Prepetition Lender Secured Claims	Each holder of an Allowed Prepetition Lender Secured Claim shall receive, with its recovery on account of the DIP Facility Claims, the DIP Lender/Prepetition Lender Equity Distribution in exchange for and in full and final satisfaction, compromise, settlement, release,	7.6 - 15.3%[4]	2.4%

[4] The recovery analysis assumes the DIP Facility is fully drawn on the Effective Date.

Class	Claim or Interest	Treatment	Estimated Percentage Recovery of Allowed Claims or Interests under the Plan	Estimated Percentage Recovery of Allowed Claims or Interests under Chapter 7 Liquidation
		and discharge of its Prepetition Lender Secured Claim and any Secured Lender Adequate Protection Claim.		
4	General Unsecured Claims	Holders of General Unsecured Claims shall not receive any distribution on account of such General Unsecured Claims. On the Effective Date, all General Unsecured Claims shall be cancelled, released, discharged, and extinguished.	0%	0%
5	Intercompany Claims	Reinstated as of the Effective Date or, at the Reorganized Debtors' option, with the consent of Taco Supremo, cancelled. No distribution shall be made on account of any Intercompany Claims other than in the ordinary course of business of the Reorganized Debtors, as applicable.	0 - 100%	0%
6	Intercompany Interests	Reinstated as of the Effective Date or, at the Reorganized Debtors' option, with the consent of Taco Supremo, cancelled. No distribution shall be made on account of any Intercompany Interests.	0 - 100%	0%
7	TB Holdings Interests	Cancelled, released, discharged, and extinguished. Holders of TB Holdings Interests shall not receive any distribution on account of such Interests.	0%	0%

5. Releases and Exculpations

As set forth more fully in Section IV.J.5-7 herein and Article VIII of the Plan, the Plan provides certain releases and exculpations to the Released Parties (as defined in the Plan). Each of the Released Parties made substantial and valuable contributions to the Restructuring through efforts to negotiate and implement the Plan and the Debtors intend to present evidence at the Confirmation Hearing to demonstrate the basis for and propriety of the release and exculpation provisions pursuant to section 1123(b) of the Bankruptcy Code and Bankruptcy Rule 9019. Specifically, as set forth more fully in Section II.D of this Disclosure Statement, each of the Released Parties participated in the extensive negotiations which ultimately led to the Restructuring embodied in the Restructuring Support Agreement and implemented through the Plan. Accordingly, the Debtors submit that the releases and exculpation provisions included in the Plan are an integral part of the Restructuring which will maximize the value of the Debtors for the benefit of all stakeholders.

6. The Plan Supplement

The Debtors intend to file a compilation of documents and forms of documents, schedules, and exhibits to the Plan (collectively, the "***Plan Supplement***"), to be filed by the Debtors no later than three (3) Business Days before the Plan Objection Deadline (as defined herein), including the following, as applicable: (a) the Management Employment Agreements; (b) the New Organizational Documents of Reorganized Taco Bueno; (c) the Schedule of Assumed Executory Contracts and Unexpired Leases; (d) the Description of the Transaction Steps; (e) the identity of the members of the New Board and the officers of Reorganized Taco Bueno as of the Effective Date; (f) the List of

Retained Causes of Action; and (g) any other documentation necessary to effectuate the Restructuring Transactions or that is contemplated by the Plan (each as defined by the Plan).

E. Voting on the Plan

1. Holders of Claims Entitled to Vote on the Plan

Pursuant to the Bankruptcy Code, only classes of claims or interests that are "impaired" (as defined in section 1124 of the Bankruptcy Code) under a chapter 11 plan may vote to accept or reject such plan. Under section 1124 of the Bankruptcy Code, a class of claims or interests is deemed to be "impaired" under a plan unless: (i) a plan leaves unaltered the legal, equitable, and contractual rights to which such claim or interest entitles the holder thereof; or (ii) notwithstanding any legal right to an accelerated payment of such claim or interest, a plan, among other things, cures all existing defaults (other than defaults resulting from the occurrence of events of bankruptcy) and reinstates the maturity of such claim or interest as it existed before the default. In addition, if the holders of claims or interests in an impaired class do not receive or retain any property under a plan on account of such claims or interests, such impaired class is deemed to have rejected such plan under section 1126(g) of the Bankruptcy Code and, therefore, such holders are not entitled to vote on such plan.

Under the Plan, only Class 3—Prepetition Lender Secured Claims—are entitled to vote to accept or reject the Plan. The holders of Claims in Class 3 are Impaired under the Plan and, subject to such claims being Allowed Claims, shall receive a distribution under the Plan. Accordingly, holders of Claims in Class 3 have the right to vote to accept or reject the Plan.

Holders of Claims in Classes 1 and 2 are Unimpaired under the Plan and, therefore, are not entitled to vote on the Plan and are deemed to accept the Plan. Holders of Claims or Interests in Classes 5 and 6 are not entitled to vote as such holders are either Unimpaired, in which case the holders in such Classes conclusively are presumed to have accepted the Plan pursuant to section 1126(f) of the Bankruptcy Code, or impaired, in which case such holders are deemed to have rejected the Plan. Holders of Claims or Interests in Classes 4 and 7 are Impaired and will not receive or retain any property under the Plan on account of such Claims or Interests and, therefore, are not entitled to vote on the Plan and are deemed to reject the Plan.

The following table provides a summary of the status and voting rights of each Class (and each holder within such Class) under the Plan:

Class	Claim or Interest	Status	Voting Rights
1	Other Priority Claims	Unimpaired	Presumed to Accept
2	Other Secured Claims	Unimpaired	Presumed to Accept
3	Prepetition Lender Secured Claims	Impaired	Entitled to Vote
4	General Unsecured Claims	Impaired	Deemed to Reject
5	Intercompany Claims	Unimpaired/Impaired	Not Entitled to Vote
6	Intercompany Interests	Unimpaired/Impaired	Not Entitled to Vote
7	TB Holdings Interests	Impaired	Deemed to Reject

2. The Voting Record Date

The voting record date is **Wednesday, October 31, 2018**. The voting record date will determine which holders of Claims in Class 3 are entitled to vote to accept or reject the Plan.

3. Voting on the Plan

Section 1126(c) of the Bankruptcy Code defines "acceptance" of a plan by a class of claims as acceptance by creditors in that class that hold at least two-thirds in dollar amount and more than one-half in number of the allowed claims in that class, counting only those claims that actually voted to accept or to reject such plan.

The Voting Deadline for the Plan is Monday, November 6, 2018 at 1:00 p.m. Central Time. In order to be counted as votes to accept or reject the Plan, all Ballots must be properly executed, completed, and timely delivered. Holders entitled to vote can either: (i) electronically complete, sign, and return your customized electronic Ballot (the "***E-Ballot***") by utilizing the E-Ballot platform on Prime Clerk's website no later than the Voting Deadline by (a) visiting http://Cases.primeclerk.com/tacobueno, (b) clicking on the "Submit E-Ballot" section of the website, and (c) following the instructions to submit your Ballot; or (ii) complete, sign, and return your Ballot by first class mail, overnight courier, or hand delivery so that it is actually received by Prime Clerk no later than the Voting Deadline (unless such time is extended by the Debtors). Any unsigned or non-original Ballot will not be counted. Return the completed Ballot to:

Taco Bueno Ballot Processing
c/o Prime Clerk LLC
830 Third Avenue, 3rd Floor
New York, NY 10022

4. Ballots Not Counted; Waiver of Defects; Irregularities

Unless otherwise directed by the Court, all questions as to the validity, form, eligibility (including time of receipt), acceptance, revocation, or withdrawal of Ballots will be determined by Prime Clerk and the Debtors in their sole discretion, and such determination will be final and binding. Once a party delivers a valid Ballot for the acceptance or rejection of the Plan, such party may not withdraw or revoke such acceptance or rejection without the Debtors' written consent or an order of the Court. The Debtors also reserve the right to reject any and all Ballots not in proper form, if the acceptance of which would, in the opinion of the Debtors with the advice of their counsel, be unlawful.

The Debtors further reserve the right to waive any defects or irregularities or conditions of delivery as to any particular Ballot. The interpretation (including the Ballot and the respective instructions therein) by the Debtors, unless otherwise directed by the Court, will be final and binding on all parties. Unless waived, any defects or irregularities in connection with deliveries of Ballots must be cured within such time as the Debtors (or the Court) determine. Neither the Debtors nor any other person will be under any duty to provide notification of defects or irregularities with respect to deliveries of Ballots nor will any of them incur any liabilities for failure to provide such notification. Unless otherwise directed by the Court, delivery of such Ballots will not be deemed to have been made until such irregularities are cured or waived. Ballots previously furnished (and as to which any irregularities have not theretofore been cured or waived) will be invalidated.

If you cast more than one ballot voting the same Claim prior to the Voting Deadline, the last valid Ballot timely received shall be deemed to reflect the voter's intent and shall supersede and revoke any earlier received Ballot. If you simultaneously cast inconsistent duplicate Ballots with respect to the same Claim, such Ballots shall not be counted.

IF YOU HAVE ANY QUESTIONS ABOUT THE SOLICITATION OR VOTING PROCESS, PLEASE CONTACT PRIME CLERK. ANY BALLOT RECEIVED AFTER THE VOTING DEADLINE WILL NOT BE COUNTED UNLESS THE DEADLINE IS EXTENDED BY THE DEBTORS.

F. Confirmation of the Plan

1. Plan Objection Deadline

The Court will set a deadline by which objections to the Plan must be filed and served (the "***Plan Objection Deadline***"). This means that written objections to confirmation of the Plan, if any, which conform to the applicable provisions of the Bankruptcy Code, the Bankruptcy Rules, and the Local Rules, must be filed, together with a proof of service, with the Court and served so as to be actually received on or before the Plan Objection Deadline by the following parties (as well as to the Court chambers):

1) **Debtors or Reorganized Debtors:**

Taco Bueno Restaurants, Inc.
300 East John Carpenter Freeway, Suite 800
Irving, Texas 75062
Attn: Philip Parsons

2) **Proposed Counsel for the Debtors:**

Vinson & Elkins LLP
Trammell Crow Center
2001 Ross Avenue, Suite 3900
Dallas, Texas 75204
Attn: Paul E. Heath and Garrick C. Smith
Tel: (214) 220-7700
Email: pheath@velaw.com; gsmith@velaw.com

– and –

Vinson & Elkins LLP
666 Fifth Avenue, 26th Floor
New York, New York 10103-0040
Attn: David S. Meyer and Jessica C. Peet
Tel: (212) 237-0000
Email: dmeyer@velaw.com; jpeet@velaw.com

3) **The United States Trustee:**

Office of the U.S. Trustee for the Northern District of Texas
Earle Cabell Federal Building
1100 Commerce Street, Room 976
Dallas, Texas 75242

4) **Counsel to Taco Supremo:**

Scheef & Stone, L.L.P.
500 N. Akard, Suite 2700
Dallas, Texas 75201
Attn: Peter C. Lewis

2. Confirmation Hearing

Following commencement of the Chapter 11 Cases, the Debtors will request that the Court schedule a combined hearing to consider, among other things, (i) approval of the Disclosure Statement, approval of the Solicitation Materials, which shall include procedures for soliciting, receiving, and tabulating votes on the Plan and for filing objections to the Plan, and (iii) confirmation of the Plan (the "***Confirmation Hearing***"). The Debtors will provide notice of the Confirmation Hearing to all necessary parties in accordance with applicable law.

The Confirmation Hearing may be continued from time to time without further notice other than an adjournment announced in open court or a notice of adjournment filed with the Court and served on any master service list ordered by the Court and any entities which filed objections to the Plan, without further notice to parties in interest. The Court, in its discretion and prior to the Confirmation Hearing, may put in place additional procedures governing the Confirmation Hearing. The Plan may be modified, if necessary, prior to, during, or as a result of the Confirmation Hearing, without further notice to parties in interest.

3. Effect of Confirmation and Consummation of the Plan

Following Confirmation, subject to Article IX of the Plan, the Plan will be consummated on the Effective Date. Among other things, on the Effective Date, certain release, injunction, exculpation and discharge provisions set forth in VIII of the Plan will become effective. As such, it is important to read the provisions contained in Article VIII of the Plan very carefully so that you understand how Confirmation and consummation of the Plan will affect you and any Claim you may hold against the Debtors so that you cast your vote accordingly. Additionally, for a more detailed description of the provisions set forth in Article VIII of the Plan, please refer to Section IV herein.

4. Risk Factors

As described in Article IX of the Plan, confirmation of the Plan requires satisfaction of certain conditions described in detail herein. If these conditions are not satisfied, the Plan may not be confirmed.

IF CONFIRMED, THE PLAN WILL BIND ALL HOLDERS OF CLAIMS AGAINST AND INTERESTS IN THE DEBTORS TO THE FULLEST EXTENT AUTHORIZED OR PROVIDED UNDER THE BANKRUPTCY CODE, INCLUDING SECTIONS 524 AND 1141, AND BY ALL OTHER APPLICABLE LAW.

THE DEBTORS BELIEVE THAT THE PLAN MAXIMIZES THE VALUE OF THE DEBTORS' ESTATES AND REPRESENTS THE BEST AVAILABLE ALTERNATIVE FOR COMPLETING THE CHAPTER 11 CASES.

II. THE DEBTORS' BUSINESS AND CORPORATE STRUCTURE

A. Overview

Taco Bueno is a well-known Tex-Mex QSR brand that has been in business for over 50 years. Headquartered in Irving, Texas, Taco Bueno operates approximately 140 company-owned restaurants and an additional 29 franchises,

primarily located in Texas and Oklahoma, with its key markets including Dallas/Ft. Worth, Oklahoma City, and Tulsa. Taco Bueno has historically distinguished itself from other QSRs with its real kitchens and cooks, fresh food that is prepared daily, and its brand messaging of "Tex-Mex Made Fresh." In 2016, Taco Bueno was ranked as America's favorite Mexican chain, according to Market Force Information's annual QSR study.

Since 2016, significant declines in same-store sales and adjusted EBITDA have hurt the Company's financial position. This performance downturn is due to several factors, including underinvestment in existing stores and technology, increasingly strong competition from newer "fast casual" restaurants, and core competitors such as Taco Bell, historical mismatches between price and product value, a lack of product innovation, and a decrease in marketing due to a lack of liquidity.

Despite these constraints, Taco Bueno continues to enjoy a loyal customer base in its core markets. Additionally, the Company's new management team is highly accomplished in operating QSR turnarounds and has a comprehensive understanding of restaurant turnaround strategies.

B. The Debtors' Business

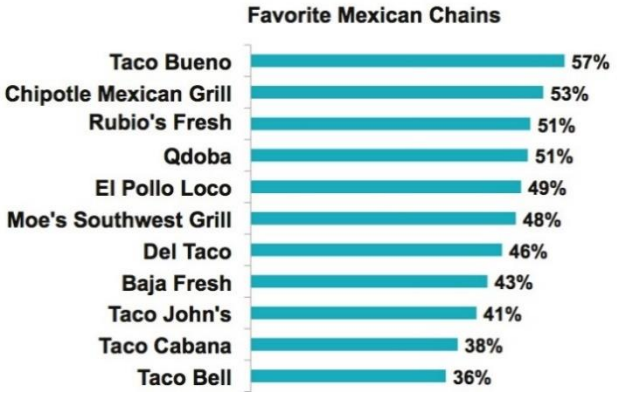
1. Company History

a. Founding and Early History

Bill R. Waugh, a graduate from Abilene Christian University, opened the original Taco Bueno in Abilene, Texas in 1967. With a commitment to serving quality Tex-Mex-style Mexican cuisine in a casual restaurant environment, Taco Bueno grew to over 170 store locations across more than five states, including Texas, Oklahoma, Louisiana, Arkansas, Missouri, and Kansas. The brand grew regionally and developed a loyal customer base over the course of 50 years of serving local communities as QSRs. This brand loyalty continues as of the Petition Date.

The original Taco Bueno in Abilene, Texas in 1967.

In particular, Taco Bueno distinguished its brand from its competitors by the freshness of its ingredients and the authenticity of its Tex-Mex cuisine, including tacos, burritos, nachos, enchiladas, and quesadillas. In all Taco Bueno meals, the commitment to freshness has never wavered. The Company uses quality ingredients to prepare authentic Mexican dishes, including fresh ground beef, flame-grilled chicken and steak, fresh-made tortilla chips and salsas for the salsa bar, slow-cooked beans, and hand-made guacamole all made from scratch daily in each store. Taco Bueno's differentiated offerings and customer-centric culture has long appealed to customers from a wide range of income levels and age groups. Taco Bueno's most passionate customers consist of a group of loyal guests with unquestionable brand commitment, called "Buenoheads." In 2016, according to a large-scale consumer study conducted by Market Force Information, Taco Bueno was named America's favorite QSR in the Mexican food category, beating out Chipotle and Qdoba, in a national poll of more than 10,000 consumers.



Market Force Information survey of favorite Mexican QSRs in America in 2016.

b. Taco Bueno Ownership & Leadership

In 1996, Taco Bueno was sold to Carl's Jr.'s franchisor, CKE Restaurants Holdings, Inc. In 2001, Jacobson Partners, a private investment group, purchased Taco Bueno for $72.5 million.

On August 10, 2005, Palladium Equity Partners announced the purchase of Taco Bueno from its then-owner, Jacobson Partners. Around the same time in 2005, John Miller was appointed Chief Executive Officer of Taco Bueno, followed by Ed Lambert in 2011 who served as CEO through 2015. In October of 2015, TPG purchased Taco Bueno. From December of 2015 until October of 2017, Mike Roper served as CEO of Taco Bueno.

From 2007 to 2015, Taco Bueno achieved an average annual growth rate of 5.5 percent with EBITDA rising from $20.1 million in 2007 to approximately $30.7 million in 2015. Between 2010 and 2015, Taco Bueno opened 12 new stores that, on average, produced revenue approximately 60 percent greater than other legacy stores. In 2016, Taco Bueno generated $33 million of adjusted EBITDA on $189 million of top-line revenue.

Over the past few years, however, Taco Bueno has suffered a significant decline in revenue and earnings consistent with industry-wide difficulties that have adversely affected QSRs. Unfortunately, EBITDA dropped significantly during 2017. In an effort to address the problem, TPG worked closely with management to find the best path forward, including finding a new CEO to lead a turnaround effort. In November of 2017, Scott Gilbertson of TPG was appointed interim CEO while the search for a replacement CEO was ongoing.

After a careful and exhaustive search process, Omar Janjua was appointed President and CEO in March of 2018. Mr. Janjua previously served as CEO of The Krystal Company for more than three years, President of Sonic Restaurants Inc. for more than five years, chief operating officer of Steak 'n Shake for more than two years, and spent more than seventeen years with Yum Brands Inc. Mr. Janjua accepted the position of Taco Bueno CEO because of Taco Bueno's strong brand reputation in the industry and the chance to work closely with a sophisticated private equity sponsor. The current management team, which as described below is largely new to Taco Bueno, is in the process of right-sizing the existing store portfolio and has identified several key initiatives focused on core product upgrades, product innovation, and a store remodel and refresh program aimed at stabilizing the brand, driving increased frequency from Taco Bueno's core customers, and increasing overall traffic.

c. Current Management and Employees

The Company, with the assistance of TPG, assembled a strong, energetic management team with extensive experience to lead the turnaround effort. The management team, which is located at Taco Bueno's corporate headquarters in Irving, Texas, believes in the strength of the Taco Bueno brand and its future growth.

Taco Bueno's management team is currently comprised of the following individuals:

Name	Years with Taco Bueno	Title
Omar R. Janjua	< 1	President and Chief Executive Officer
Philip Parsons	10+	Chief Financial Officer
Tony Darden	2	Chief Operating Officer
Jason Abelkop	< 1	Chief Marketing Officer
Mary Ellen Mullins	< 1	Chief People Officer
Brian Goecker	< 5	Vice President and Corporate Controller

The Debtors currently employ approximately 2,600 employees, comprised of approximately 400 full-time employees, and approximately 2,200 part-time employees. Approximately 1,500 of these employees work in Texas, and approximately 1,100 of these employees work in other states in which Taco Bueno operates. The Debtors also utilize senior-level marketing and product-development services from two independent contractors. The Debtors also utilize the senior-level marketing and product-development services from two independent contractors.

2. Taco Bueno Restaurant Locations and Franchise Growth

The Company currently owns and operates 140 stores and an additional 29 franchised stores in Texas, Oklahoma, Arkansas, Missouri, Louisiana, and Kansas.

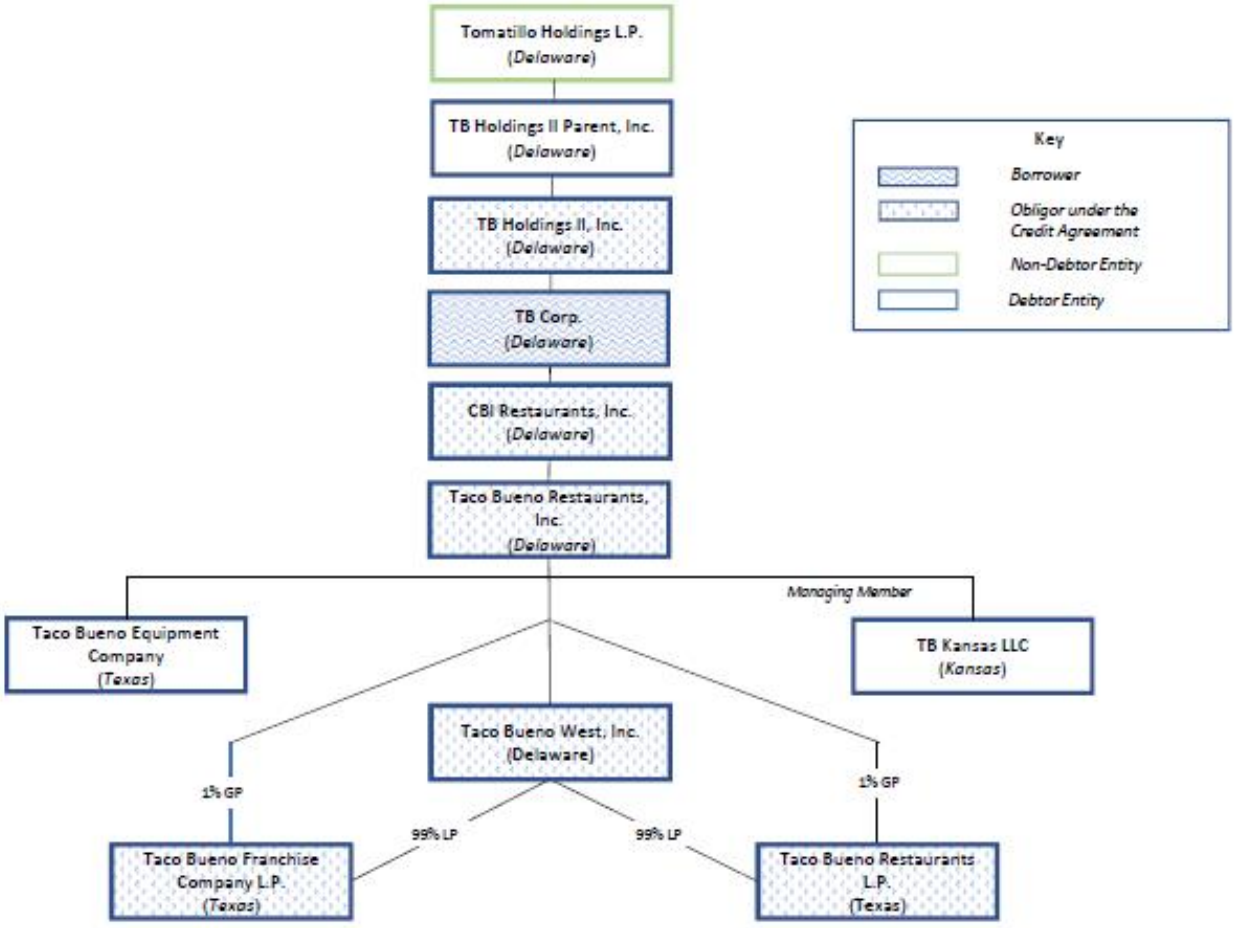
Of the 140 owned and operated locations, 75 of those locations are leased from three primary lessors: Kamin Realty Co., Spirit Realty Capital, and U.S. Realty Capital (collectively, the "***Primary Lessors***"). Each of the Primary Lessors is a real estate investment trust with sizable operations focused on the commercial real estate market, and specifically the QSR and retail sector. Since the Primary Lessors are counterparties on approximately 54 percent of Taco Bueno's leases, the Company aimed to negotiate with each Primary Lessor in order to re-position its store portfolio and its rent terms and obligations. Negotiations with such landlords and other landlords remain ongoing as of the Petition Date. Moreover, Taco Supremo intends to engage in negotiations with many of the other landlords to right-size the Company's lease footprint as part of the Chapter 11 Cases.

Importantly, in recent years, Taco Bueno actively expanded in the franchise market working closely with franchisees to grow the Company's footprint and create new opportunity. From 2016 to 2018, franchised locations grew by approximately 53 percent to 29 franchised locations, up from just 19 franchised locations in 2015. The Company has commitments from franchisees to open an additional 22 locations through 2024 with a further opportunity to expand the existing franchisee base.

As described above, the Company has already taken steps to reorganize its restaurant portfolio. Taco Bueno has closed 39 under-performing locations in recent years. In January of 2018, Taco Bueno closed all of its Colorado store locations to optimize its geographic footprint in its core markets. In September of 2018, the Company also closed an additional 19 underperforming store locations in Texas, Oklahoma, Missouri, and Kansas. The Company and its advisors are assisting Taco Supremo in determining which remaining stores should be kept open and which stores should be closed as part of the turnaround process.

3. Corporate Organizational Structure

The Debtors are comprised of ten entities, each organized under either Delaware, Texas, or Kansas law. TB Holdings II Parent, Inc., a Delaware corporation, is the ultimate parent company of each of the Debtors. The Debtors also have a parent affiliate, Tomatillo Holdings L.P., that is not a Debtor in the Chapter 11 Cases. Notably, Taco Bueno Restaurants, Inc. is the legal entity that is party to the Debtors' lease agreements with the Primary Lessors, while Taco Bueno Restaurants, L.P. is the legal entity party to most leases with other landlords. A chart illustrating the full organizational structure is attached as **Exhibit B** and depicted below.



C. The Debtors' Prepetition Capital Structure

1. Prepetition Secured Indebtedness

The Debtors' primary long-term debt arises under that certain Credit Agreement (the "***Prepetition Credit Agreement***"), dated December 1, 2015 among TB Corp., as borrower, TB Holdings II, Inc., as holding company guarantor, a syndicate of financial institutions as lenders (the "***Initial Lender Group***"), and Bank of America, N.A., as administrative agent (the "***Initial Prepetition Agent***"), swing line lender and letter of credit issuer. In addition to TB Holdings II, Inc., each of TB Corp.'s Debtor subsidiaries is a guarantor under the Prepetition Credit Agreement. As of the Petition Date, the aggregate principal amount of the Debtors' outstanding funded debt obligations under the Prepetition Credit Agreement totals approximately $130,912,500.00.

The Prepetition Credit Agreement provides for: (a) term loans in an initial aggregate principal amount of $125 million (the "***Initial Term Loans***"); and (b) a revolving credit facility in an initial aggregate principal amount of $20 million with a $10 million letter of credit sublimit (the "***Revolver***," and together with the Initial Term Loans, the "***Prepetition Credit Facility***"). The Prepetition Credit Facility matures on December 1, 2020.

The obligations under the Prepetition Credit Facility are secured by a first priority perfected security interest (subject to certain permitted liens) in substantially all of the Debtors' personal property. The Initial Term Loans have an outstanding principal balance of $110,937,500.00 as of the Petition Date, as well as accrued and unpaid interest. Principal outstanding under the Initial Term Loans is payable quarterly in the amount of $1,562,500 from the quarter ending March 31, 2016 through September 30, 2020, with the remaining balance outstanding ($95,213,500) due at maturity. The Revolver has total commitments of $20 million, which are fully drawn as of the Petition Date, consisting of $18 million in revolving loans and $1.975 million in outstanding letters of credit.

All outstanding borrowings under the Initial Term Loans and the Revolver bear interest at the applicable LIBOR rate (subject to a 0.00% floor) plus a margin that ranges from 2.75% to 4.50% based on the Company's consolidated total lease adjusted leverage ratio at the end of the applicable interest period. Interest is payable on a monthly basis, but the Company stopped paying starting in October of 2018.

The Prepetition Credit Agreement was amended two times, including by the Second Forbearance Agreement and Second Amendment to Credit Agreement dated as of July 16, 2018 (the "***Second Forbearance Agreement***"), which Second Forbearance Agreement provides additional financial covenants and reporting obligations.[5] Under the Prepetition Credit Agreement as modified by the Second Forbearance Agreement, the Debtors were subject to (a) quarterly testing of their consolidated total lease adjusted leverage ratio and fixed charge coverage ratio and (b) bi-weekly testing of compliance with projections as to number of store transactions and amount of cash receipts. On September 28, 2018, the Second Forbearance Agreement was extended to October 15, 2018.

The Initial Agent, the Debtors, and Houlihan entered into that certain Consent and Acknowledgment dated as of August 30, 2018 concurrently with the engagement agreement between the Debtors and Houlihan dated August 30, 2018 (the "***Houlihan Subordination Letter***").

As described above, on October 23, 2018, Taco Supremo submitted the highest and best offer to purchase all of the Initial Lender Group's debt pursuant to an auction process. On October 24, 2018, the Initial Lender Group agreed to terms with Taco Supremo on a sale of 100 percent of its secured debt to Taco Supremo.

In addition to their funded secured debt, other secured debt may arise in the ordinary course of the Debtors' operations. Specifically, the Debtors engage certain service providers who repair, maintain, and improve the Debtors' store fronts and restaurant premises. Certain of these creditors may potentially assert statutory lien rights against the Debtors' property for amounts the Debtors' owe to such creditors. As of the date hereof, the Debtors estimate that they owe $260,000 to such potential lien claimants in the aggregate.

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[5] On September 28, 2018, the Second Forbearance Agreement was extended to October 15, 2018.

2. Trade Vendors and Other Unsecured Liabilities

The Company relies upon numerous key trade vendors who supply fresh meats, produce, cheeses, and certain other supplies that are essential to the continued operations of its restaurants. Notably, the Debtors anticipate that a significant portion of these trade vendors will be paid in full (a) according to the priority of their respective claims, pursuant to the regulatory requirements of the Perishable Agricultural Commodities Act ("***PACA***"**),** pursuant to the requirements of section 503(b)(9) of the Bankruptcy Code (*e.g.*, for the value of goods received by the Debtors within 20 days of the Petition Date and sold to the Debtors in the ordinary course of business of the Debtors) or (b) by the assumption of any executory contract that they might have with the Debtors pursuant to section 365 of the Bankruptcy Code. Indeed, the Debtors believe a deleveraged capital structure, coupled with Sun Holdings' industry expertise, will create meaningful future opportunities for many of the Company's vendors and service providers, who will benefit by consummation of the Plan.

The Debtors also have amounts outstanding to other unsecured creditors who did not necessarily provide goods or services directly to the stores which would result in claims that are entitled to priority in payment under the Bankruptcy Code (*e.g.*, section 503(b)(9)) or other applicable law (*e.g.* PACA). Many of these creditors provided services at the corporate level or provided advertising and marketing services in promoting the Taco Bueno brand and driving sales traffic. Prepetition claims of such creditors will be placed in Class 4 and will not receive any distribution or recovery under the Plan. All postpetition liabilities owed to such creditors shall be paid in the ordinary course of the Debtors' business consistent with applicable law.

Finally, and as previously stated, the Company has 140 owned and operated locations, with 79 of those locations held by the Primary Lessors. Besides the deficiency claim under the Prepetition Credit Agreement, the largest unsecured liability in the Chapter 11 Cases in the aggregate are unpaid lease obligations. The Company and its advisors have worked for months negotiating for modified terms with the Primary Lessors and other landlords in order to craft long-term solutions for the business and to optimize its lease portfolio.

Any claims arising from the rejection of an unexpired lease of real property or from the termination of a real property lease prior to the Petition Date will be placed in Class 4 and will not receive any distribution or recovery under the Plan.

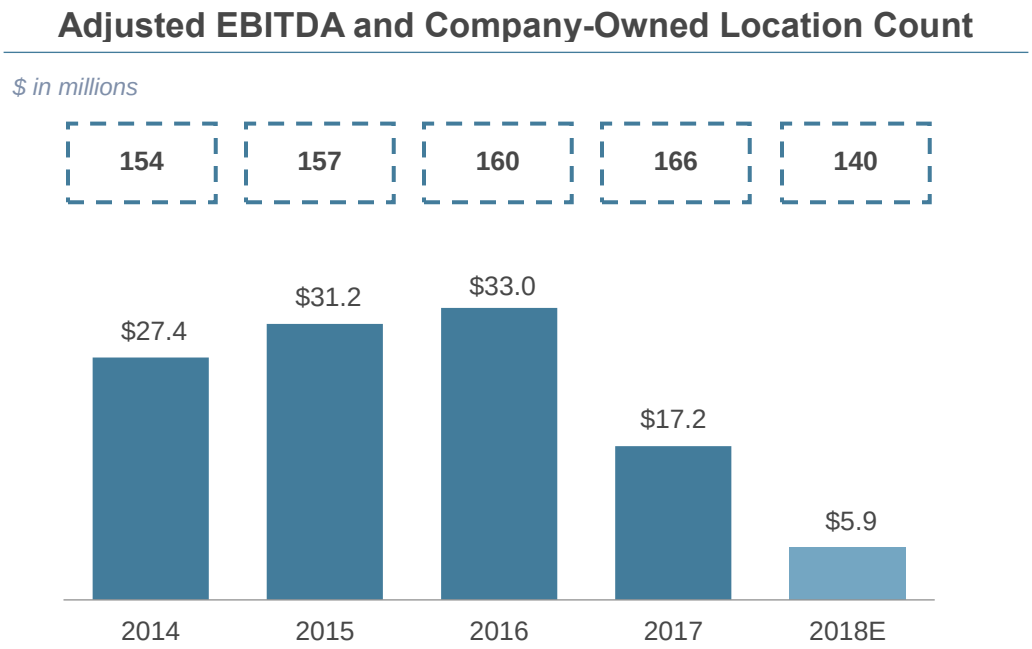
3. Equity Ownership

As of the date of this Disclosure Statement, the Sponsor owns 100% of the common units in TB Holdings. The Sponsor supports the Restructuring contemplated by the Plan.

D. Events Leading to the Restructuring

1. Debt Obligations and Liquidity Pressure

The Company filed the Chapter 11 Cases because sales and revenue dramatically declined in recent years creating top line pressure on liquidity such that the Company could no longer service its debt obligations under the Prepetition Credit Agreement and its obligations to landlords under the leases. The Company incurred its debt obligations at a time when its EBITDA was significantly higher than it is as of the Petition Date. Specifically, the Company's EBITDA fell to approximately $17.2 million in 2017 with a projected pro forma EBITDA of approximately $5.9 million for 2018, compared to approximately $33 million in 2016 and approximately $31 million in 2015.



This decline in revenue is attributable to a series of factors, including a lack of sufficient investment in new marketing campaigns, menu and product upgrades, store renovations and remodeling, including a need for increased investment in store technology, and operational quality. Additionally, increased competition in the Mexican QSR space in recent years and change in customer demographics over time resulted in both sales declines and certain stores being located in less than optimal areas for their customer base. In an effort to address falling revenue, prior management raised prices on many items, resulting in a mismatch between price and value that drove numerous loyal customers to competitors who provided the affordability and convenience that customers desired.

In March of 2018, the Company's board of directors (the "***Board***") decided to bring in new management and hired Omar Janjua as the new CEO to lead a turnaround effort. Mr. Janjua and the management team implemented a series of marketing and product initiatives in a short time designed to attract new customers and drive sales over the summer. While there continue to be signs of progress, including projected Proforma EBITDA of $9.7 million for 2019 and $12.5 million for 2020, capital is severely limited and the pressure on short-term liquidity is such that the Company is unable to meet current obligations under the Prepetition Credit Agreement or fully fund new marketing and product initiatives.

After failing to comply with certain financial covenants under the Prepetition Credit Agreement due to rising leverage ratios as of the first quarter of 2018, the Company entered into that certain Forbearance Agreement and First Amendment to Credit Agreement dated May 4, 2018 (the "***First Forbearance Agreement***") whereby the Initial Prepetition Agent and the Initial Lender Group agreed to forbear from exercising their rights and remedies arising under the Prepetition Credit Agreement. Due to continuing challenges with the business, the Company entered into the Second Forbearance Agreement on July 16, 2018, which provided additional financial covenants and reporting obligations. As a result, the Company explored all options available to preserve liquidity in order to meet the financial covenants and operate its business.

For the past six months, the Company negotiated with the Initial Prepetition Agent and the Initial Lender Group in an effort to evaluate its options and drive toward a comprehensive solution for its debt obligations under the Prepetition Credit Agreement. In order to assist in advising on strategic alternatives, including potential deleveraging transactions, the Company engaged Vinson & Elkins LLP ("***V&E***") as counsel in May of 2018. Thereafter, V&E worked with the Initial Lender Group to explore potential paths forward with regard to debt relief, while negotiating forbearance on current debt obligations to provide the Company and its new management team additional time to implement its "Plan to Win" to turn around declining revenue. At the same time, V&E consulted with the Company on contingency planning alternatives, including potential chapter 11 cases in the event a consensual out-of-court

restructuring transaction could not be achieved. In August of 2018, the Company missed a receipts covenant for a rolling two-week period under the Second Forbearance Agreement. As a condition for the Initial Lender Group to waive this covenant, the Company agreed to engage a chief restructuring officer and hired Haywood Miller of Berkeley Research Group, LLC ("***BRG***") as Chief Restructuring Officer ("***CRO***"). Additionally, in August of 2018, the Company hired Houlihan to assist in exploring strategic alternatives given the Company's performance challenges and to assist in developing a value-maximizing transaction.

2. Lease Obligations and Store Closures

The Company is burdened by lease obligations on certain unprofitable store locations that are another significant strain on liquidity, and such leases need to be renegotiated or such stores closed as part of the Company's turnaround strategy. Many of the unpaid lease obligations pertain to stores that the Company elected to close prepetition as part of its comprehensive turnaround strategy. In order to determine which stores required closing, the Company reviewed multiple factors, including historical financial performance, EBITDA levels, financial burdens under leases, sales by comparable stores, management performance, and geographic location. To assist with landlord negotiations and a comprehensive solution, the Company hired Jones Lang LaSalle Americas, Inc. ("***JLL***") in September of 2018 as its real estate consultant. In consultation with its advisers, since September of 2018 the Company closed 19 underperforming store locations prior to the Petition Date. Negotiations with the Primary Lessors and individual landlords are ongoing and additional closures are likely necessary for the Company to right-size its restaurant portfolio. The Company, in consultation with Taco Supremo, continues to negotiate with its lenders, landlords, and key trade partners to best position the Company to succeed going forward and to preserve valuable employment opportunities for its approximately 2,600 regional employees to the maximum extent possible.

3. Prepetition Sale Process and Increased Liquidity Pressure

As set forth above, the Company and its advisors initially determined that exploring a sale of all or substantially all of Taco Bueno's assets would maximize the value of its business and assets for all stakeholders. For months, the Company, in consultation with Houlihan, worked diligently on launching a comprehensive sales and marketing process to maximize value in a potential sale. The Company's sale process contemplated a broad initial outreach to a large list of potential buyers who might be interested in purchasing a well-known Tex-Mex QSR brand with a strong core of customers and a recently assembled and highly-accomplished management team with significant turnaround experience.

Houlihan contacted more than 146 parties and signed confidentiality agreements with approximately 57 parties. At the same time, the Company began to face severe liquidity pressure caused by, among other things, a steep decline in sales and an inability to reverse the trend due to a lack of available marketing dollars. In order to provide Houlihan the maximum time possible to conduct the marketing process, the Company pursued a range of liquidity initiatives, including negotiating with landlords to waive or delay rent payments, negotiating with vendors for extensions on near term payments and delaying payables, reducing overhead and operational costs, ceasing all debt service payments to its Initial Lender Group, and closing certain underperforming stores.

Although these efforts succeeded in creating additional runway for the sale process, as a result of a confluence of factors during the past few months, including unprecedented amounts of rainfall and inclement weather reducing customer traffic in key North Texas markets, sales declined steeply to down 20 percent measured year over year, and liquidity dipped to a critical level. In response, the Company and its advisors explored the availability of incremental funding in the form of a debtor-in-possession financing facility from the Initial Lender Group and other outside sources to allow Houlihan more time to continue the marketing and sale process. However, the Initial Lender Group and other third party lenders did not find the opportunity practical on the terms proposed by the Company absent certainty on a buyer of the Company.

As an additional pressure on the Company's operations, the Company faced the prospect of landlords exercising remedies against certain critical store locations as a result of alleged defaults under various lease agreements. In recent weeks, the Company received notices of default with limited time to cure or challenge the

alleged defaults before landlords begin exercising remedies.[6] Although the Company disputes certain alleged lease defaults and hopes to continue negotiations with landlords, the risk of landlords taking action against valuable stores and the extreme top-down pressure on business operations led the Company and its advisors to consider other potential transactions outside of the asset sale process that could be effectuated on an expedited timeline.

4. Debt Purchase Transaction

As discussed above, due to severe liquidity pressure, and with no potential buyer emerging from the marketing and sale process, Taco Bueno and its advisors acted quickly to pursue an alternative debt transaction with Taco Supremo whereby Taco Supremo agreed to purchase all debt held by the Initial Lender Group. On October 24, 2018, the Initial Lender Group agreed to terms with Sun Holdings on a sale of 100 percent of its secured debt to Taco Supremo. The Initial Lender Group, holding in excess of $130 million in secured debt, made an informed decision to agree to the sale in order to receive a certain recovery in a highly distressed situation, which the Company, Houlihan, and the Initial Lender Group believe was the best way to maximize value for the Company's largest economic constituency – the lenders comprising the Initial Lender Group.

5. Overview of the Debt Purchaser

Taco Supremo is a subsidiary of Sun Holdings, Inc., which in turn is a national holdings group headquartered in Dallas, Texas, that owns and operates a portfolio of more than 800 locations in eight states. Sun Holdings has been ranked as the 8th largest franchisee in the U.S. by Restaurant Monitor, and the Largest Hispanic Franchisee in the U.S. The organization operates 296 Burger King, 145 Popeyes, 87 Arby's, 21 Golden Corral, 32 Cici's Pizza, 18 Krispy Kreme, 135 T-Mobile, and 84 GNC locations, as well as 3 restaurants in various airports and approximately 160 real estate units. As one of the largest franchisees in the United States, Sun Holdings has more than 20 years of operating experience and expertise in quick service restaurants. Taco Supremo is a special purpose entity formed for the purchase of Taco Bueno's secured debt from the Initial Lender Group.

The founder of Sun Holdings, Guillermo Perales, was named as one of the "top ten most powerful people in food service" in 2017 by National Restaurant News. Mr. Perales has served on many industry and community leadership boards, including the IFA's Board of Directors and the Multi-Unit Franchising Conference Advisory Board, and he was asked to chair the 2017 Multi-Unit Franchising Conference. He has also been recognized with many industry awards, including the 2016 Golden Chain Award from Nation's Restaurant News, 2016 101 Most Influential Latinos by Latino Leader Magazine, 2016 Latino Executive of the Year by D CEO Magazine, IFA's 2015 Entrepreneur of the Year, Multi-Unit Franchisee Magazine's 2013 American Dream Award, the 2011 Hispanic Business Man of the Year from the Texas Association of Mexican American Chambers of Commerce, and Ernst & Young's 2008 Entrepreneur of the Year award.

6. Investigation of Potential Claims Against the Sponsor

On September 26, 2018, the Company authorized the independent members of the board of directors to conduct an investigation to determine whether the Company holds any viable claims or causes of action against the Sponsor, any of its investment professionals, or any other current or former officer or director of the Company. Vinson & Elkins LLP assisted the independent directors in conducting this investigation. The investigation included interviews of Company management, the independent directors, and representatives of the Sponsor, as well as a review and analysis of voluntarily produced documents. As a result of the investigation, the independent directors concluded that the Company has no known claims or causes of action against the Sponsor, any of its investment professionals, or any other current or former officer or director of the Company or any of the other Released Parties. Accordingly, the independent directors determined, in their judgment, that the cost of further investigation or pursuing any potential

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[6] As discussed above, the landlord of one of Taco Bueno's most profitable stores in Dallas has purported to terminate Taco Bueno's lease, has threatened to evict Taco Bueno, and has taken steps to initiate eviction proceedings. Taco Bueno disputes that this landlord is entitled to exercise any remedies because rent has been paid. Taco Bueno has commenced an adversary proceeding against such landlord contemporaneously with the filing of the Chapter 11 Cases seeking a finding that, among other things, the lease has not been terminated, as well as other monetary and equitable relief.

claims or causes of action would likely exceed any hypothetical risk-adjusted benefit to the Company. Thus, the Debtors submit that the releases included in the proposed Plan are reasonable and appropriate.

7. Filing the Chapter 11 Cases

After reviewing and evaluating all practical alternatives, the Company and its advisors determined that the Chapter 11 Cases were necessary for a comprehensive restructuring solution due to increasing liquidity pressure forcing an urgent need for capital and debt relief. These discussions included whether Taco Supremo would effectuate the restructuring transaction out of court. The Company's strategy in the Chapter 11 Cases is to confirm the Plan and effectuate the transactions contemplated therein for the Company to deleverage its capital structure, optimize its lease portfolio to focus on profitable restaurant locations, and finance store renovations and new marketing and product initiatives to enhance sales in a competitive market space going forward. The Company intends to continue working with Taco Supremo, landlords, and key trade partners toward a comprehensive solution in chapter 11. By confirming the Plan, the Company is confident that it can maximize value for its estate, stabilize the business with its turnaround strategy, preserve the many jobs the Company provides in the north Texas community and elsewhere, and increase EBITDA to enable the Company to pursue strategies that the new management team believes can be successful over the long term.

8. Store 3177 Adversary Proceeding

Rosebriar/Caruth Haven, L.P., the landlord of one of Taco Bueno's most profitable stores in Dallas (Store #3177) (the "***Store 3177 Landlord***") has purported to terminate Taco Bueno's lease, has threatened to evict Taco Bueno, and on October 24, 2018, commenced an eviction proceeding in Texas state court. Taco Bueno disputes that the Store 3177 Landlord is entitled to exercise any remedies because rent has been paid. Taco Bueno will commence an adversary proceeding against the Store 3177 Landlord (the "***Store 3177 Adversary Proceeding***") contemporaneously with the filing of the Chapter 11 Cases seeking a finding that, among other things, the lease has not been terminated, as well as other monetary and equitable relief.

9. The Debt Purchase and Chapter 11 Cases Will Maximize Value

Pursuing the two-step restructuring transaction whereby Taco Supremo first acquired the debt owed under the Prepetition Credit Agreement, and now seeks to convert such debt to equity through a chapter 11 plan, was the best option for all stakeholders given the circumstances, and it will maximize value by preserving Taco Bueno as a going concern business. Given the liquidity crisis facing the Company, without funding from Taco Supremo, the Company likely would have been forced to pursue a chapter 7 liquidation, which based on the Liquidation Analysis conducted by the Company and BRG, would have resulted in a lower recovery for the secured lenders, cost thousands of local jobs, and caused the Company to close its doors. Instead, the infusion of liquidity into the Company in the form of a bridge loan and DIP facility by Taco Supremo and the ability to right-size its balance sheet and lease footprint will allow Taco Bueno to continue to operate and maximize the value of its well-respected brand. This is the best solution for the Company, its thousands of employees, its trade vendors, and its landlords. In addition, to allow landlords of closed stores to mitigate any losses they are facing as a result of such closings, the Company has moved out or intends to move out of the relevant locations as quickly as possible.

10. Need for Expedited Chapter 11 Process

The Company and its advisors believe it is critical that the restructuring happen on an accelerated timeline to preserve the most value and return the business to profitability. One of the key factors necessitating speed is the negative impact a protracted bankruptcy would have on the Taco Bueno brand. Additionally, the Company seeks to minimize the administrative costs associated with the chapter 11 process to preserve as much liquidity as possible for investing into the Company and its turnaround efforts. Taco Supremo's bet on the Company and willingness to fund the reorganization process is premised on the ability to minimize bankruptcy costs while negotiating with landlords and rightsizing the lease footprint. This approach will maximize value to administrative and priority creditors and other stakeholders, including landlords and employees. A protracted delay in the chapter 11 process could cause Taco Supremo to seek to effectuate the transaction as an expedited sale under Bankruptcy Code § 363(k), convert the Chapter 11 Cases to cases under chapter 7, or have the section 362 automatic stay lifted so that it could foreclose on its collateral. If Taco Supremo pursues such a course of action, no administrative expense or priority claims will be

paid, and such a result would be value-destructive to all stakeholders, including Taco Bueno's loyal employees, and to the Taco Bueno brand. Taco Supremo's willingness to purchase the Initial Lender Group's debt and fund the restructuring process to this point has given the Company a lifeline to avoid a liquidation scenario and continue as a going-concern, but it is imperative that the process move quickly to minimize costs—both financial and reputational—to the Company and its stakeholders and to avoid a scenario where Taco Supremo decides to alter course and abandon the restructuring process.

III. DEVELOPMENTS AND ANTICIPATED EVENTS DURING THE CHAPTER 11 CASES

A. Commencement of the Chapter 11 Cases

The commencement of a chapter 11 case creates an estate that is composed of all of the legal and equitable interests of a debtor as of that date. The Bankruptcy Code provides that a debtor may continue to operate its business and remain in possession of its property as a "debtor in possession." Following the Petition Date, the Debtors will continue to operate their businesses and manage their properties as debtors and debtors in possession. The Debtors also intend to seek approval from the Court to have their cases jointly administered for procedural purposes only.

B. Automatic Stay

The filing of the Petitions on the Petition Date will trigger the immediate imposition of the automatic stay under section 362 of the Bankruptcy Code, which, with limited exceptions, enjoins all collection efforts and actions by creditors, the enforcement of Liens against property of the Debtors and both the commencement and the continuation of prepetition litigation against the Debtors. With certain limited exceptions and/or modifications as permitted by order of the Court, the automatic stay will remain in effect from the Petition Date until the Effective Date of the Plan.

C. First Day Motions and Certain Related Relief

On the Petition Date, along with the Petitions, the Debtors intend to file several motions (collectively, the "***First Day Pleadings***") designed to facilitate the administration of the Chapter 11 Cases and minimize disruption to the Debtors' operations, by, among other things, easing the strain on the Debtors' relationships with employees, vendors, insurers, and taxing authorities, among others, following the commencement of the Chapter 11 Cases. The following is a brief overview of the relief the Debtors intend to seek on the Petition Date to maintain their operations in the ordinary course:

1. Cash Management System

The Debtors maintain a centralized cash management system designed to receive, monitor, aggregate, and distribute cash among the various Debtors. On the Petition Date, the Debtors intend to seek authority from the Court to, among other things, maintain their existing bank accounts and cash management system, continue using their existing business forms and checks, continue to engage in intercompany transfers in the ordinary course of business and consistent with past practice, and pay any undisputed prepetition bank fees and continue to pay the bank fees in the ordinary course of business.

2. Lien Claims / PACA / 503(b)(9)

The Company relies upon a numerous key trade vendors who supply goods in the form of fresh meats, produce, cheeses and certain other supplies or provide repair and maintenance services that are essential to the day to day operations of its restaurants. Any significant disruption in the Debtors' supply chain at the restaurant level, such as a vendor halting delivery of certain necessary goods and/or services, could result in the Debtors not having sufficient food, products, and supplies to operate their businesses and to provide a seamless customer experience. The Debtors have reviewed their vendor list carefully and believe that many of their key vendors may have claims against the estate that are entitled to priority treatment under the Bankruptcy Code or other applicable statutes but which may nonetheless not be entitled to immediate payment. Accordingly, the Debtors will seek entry of an order authorizing, but not directing, the Debtors to pay certain of these priority vendor claims, including certain mechanics and other

service providers who repair, maintain, and improve the Debtors' store front and restaurant premises and who could potentially assert statutory liens against the Debtors' property for amount the Debtors owe, certain agricultural and commodities providers who are entitled to protection under PACA and certain claimants whose claims are entitled to administrative expense priority under section 503(b)(9) of the Bankruptcy Code.

3. Taxes

Pursuant to the Plan, the Debtors intend to pay all taxes and fees in full. To minimize any disruption to the Debtors' operations and ensure the efficient administration of the Chapter 11 Cases, on the Petition Date, the Debtors intend to seek authority from the Court to pay all prepetition taxes, fees, and similar charges and assessments, to the appropriate taxing, regulatory, or other governmental authority.

4. Utilities

In the ordinary course of business, the Debtors incur certain expenses related to essential utility services including, among others, water, electricity, natural gas, waste management, and telecommunication services. On the Petition Date, the Debtors will seek entry of an order approving procedures for, among other things, determining adequate assurance for utility providers and prohibiting utility providers from altering, refusing or discontinuing services without further order by the Court.

5. Insurance

In connection with the operation of the Debtors' businesses, the Debtors maintain various insurance programs. Maintaining the insurance programs is essential to the Debtors' operations and is required by laws, various regulations, and/or certain contracts. Accordingly, on the Petition Date, the Debtors intend to seek authority from the Court to pay prepetition obligations under the insurance programs.

6. Employee Wages and Benefits

Generally, members of the Debtors' workforce rely upon their compensation to meet their daily living expenses. To minimize the uncertainty and potential distractions associated with the Chapter 11 Cases and the potential disruption of the Debtors' operations resulting therefrom, on the Petition Date, the Debtors intend to seek authority from the Court to, among other things, pay: (i) all prepetition obligations of the Debtors owing to or on behalf of employees and independent contractors whether accrued or currently due and payable; (ii) all prepetition amounts owed with respect to employee benefits, whether accrued or currently due and payable, including payment of all applicable plan administrators and other service providers; and (iii) all prepetition amounts owed to certain third-party providers of wage and benefit services. The Debtors also intend to seek authority from the Court to, among other things, continue to maintain and honor all employee benefits programs, including employee leave benefits, health and welfare benefits plans, retirement benefits, and other miscellaneous benefits, including certain meal discounts and the issuance of reloadable "CARE Cards" to certain employees, and as well as certain car allowances.

7. Customer Programs

The Debtors have developed their brand and designed various marketing strategies to generate business in the face of sophisticated competition. Among these strategies are certain customer programs, promotions, and practices, including a customer gift card program and a promotion and coupon program, designed to enhance revenues by, among other things, encouraging repeat business and developing new customer relationships. The Debtors intend to seek authority from the Court to, among other things, (i) maintain and administer their customer programs; (ii) renew, replace, implement, or modify their customer programs; and (iii) honor their obligations related to the customer programs, in the ordinary course of business consistent with past practice and in the Debtors' business judgment.

FOR A DISCUSSION OF CERTAIN U.S. FEDERAL INCOME TAX CONSEQUENCES OF THE PLAN TO THE DEBTORS AND THE POTENTIAL IMPACT ON THE DEBTORS' TAX ATTRIBUTES, SEE SECTION VIII HEREOF.

D. Other Administrative Motions and Retention Applications

The Debtors intend to file several other motions that are common to chapter 11 proceedings of similar size and complexity as the Chapter 11 Cases, including similarly structured prepackaged chapter 11 plans. These include, among other things, a motion to extend the time for the Debtors to file their bankruptcy schedules and statements of financial affairs (if necessary), which they intend to prepare and file within 15 days after the typical 14-day period for filing such documents. The Debtors also intend to file applications to retain various professionals to assist them in the Chapter 11 Cases.

E. Confirmation Hearing

Contemporaneously with the filing of the Petitions, the Debtors will seek an order of the Court scheduling the Confirmation Hearing to consider: (i) the adequacy of this Disclosure Statement and the Solicitation in connection herewith; and (ii) confirmation of the Plan. The Debtors anticipate that notice of these hearings will be published and mailed to all known holders of Claims and Interests at least 28 days before the date by which objections must be filed with the Court.

F. Confirmation of the Plan

In accordance with the Restructuring Support Agreement, the Debtors agreed to proceed with the implementation of the Plan through the Chapter 11 Cases. The Restructuring Support Agreement requires that the Court enter the Confirmation Order within 60 days after the Petition Date. Although the Debtors will request that the Court approve the timetable set forth in the Restructuring Support Agreement, there can be no assurance that the Court will grant such relief or that the Effective Date will occur on such timetable.

IV. SUMMARY OF THE PLAN[7]

The Debtors believe that the Plan provides the best and most prompt possible recovery to holders of Claims. The Debtors believe that: (i) through the Plan, holders of Allowed Claims will obtain a recovery from the Debtors' estates equal to or greater than the recovery that they would receive if the Debtors' assets were liquidated under chapter 7 of the Bankruptcy Code; and (ii) consummation of the Plan will maximize the recovery of the holders of Allowed Claims.

The consummation of a plan is the principal objective of a chapter 11 case. A plan sets forth the means for satisfying Claims against, and interests in, a debtor. Confirmation of a plan makes such plan binding upon the debtor, any issuer of securities under the plan and any creditor of, or equity holder in, a debtor, whether or not such creditor or equity holder: (i) is impaired under or has accepted the plan; or (ii) receives or retains any property under the plan. Subject to certain limited exceptions and other than as provided in the plan itself or the confirmation order, a confirmation order discharges a debtor from any debt that arose prior to the effective date of the plan and substitutes therefor the obligations specified under the confirmed plan.

A chapter 11 plan may specify that the legal, contractual and equitable rights of the holders of Claims or Interests in certain classes are to remain unaltered by the reorganization effectuated by such plan. Such classes are referred to as "unimpaired" and, because of such favorable treatment, are deemed to accept a plan. Accordingly, a debtor need not solicit votes from the holders of Claims or Interests in such classes. A chapter 11 plan may also specify that certain classes will not receive any distribution of property or retain any Claim against a debtor. Such classes are deemed not to accept such plan and, therefore, need not be solicited to vote to accept or reject such plan.

[7] This section of this Disclosure Statement summarizes the Plan, a copy of which is annexed hereto as **Exhibit A**.

Any classes that are receiving a distribution of property under a plan but are not Unimpaired will be solicited to vote to accept or reject such plan.

Prior to soliciting acceptances of a proposed plan, section 1125 of the Bankruptcy Code requires a debtor to prepare a disclosure statement containing adequate information of a kind, and in sufficient detail, to enable a hypothetical reasonable investor to make an informed judgment regarding such plan. To satisfy the requirements of section 1125 of the Bankruptcy Code, the Debtors are submitting this Disclosure Statement to holders of Claims against the Debtors who are entitled to vote to accept or reject the Plan.

This section provides a summary of the structure and means for implementation of the Plan and the classification and treatment of Claims and Interests under the Plan, and is qualified in its entirety by reference to the Plan (as well as the exhibits thereto and definitions therein). The statements contained in this Disclosure Statement include summaries of the provisions contained in the Plan and in the documents referred to therein. The statements contained in this Disclosure Statement do not purport to be precise or complete statements of all the terms and provisions of the Plan or documents referred to therein, and reference is made to the Plan and to such documents for the full and complete statement of such terms and provisions of the Plan or documents referred to therein. The Plan itself and the documents referred to therein control the actual treatment of Claims against and Interests in the Debtors under the Plan and will, upon the occurrence of the Effective Date, be binding upon all holders of Claims against and Interests in the Debtors, the Debtors' Estates, the Reorganized Debtors, all parties receiving property under the Plan and other parties in interest. In the event of any conflict between this Disclosure Statement and the Plan or any other operative document, the terms of the Plan and/or such other operative document shall control.

A. Classification and Treatment of Claims and Interests

Section 1123 of the Bankruptcy Code provides that a plan must classify the claims and interests of a debtor's creditors and equity interest holders. In accordance with section 1123 of the Bankruptcy Code, the Plan divides Claims and Interests into Classes and sets forth the treatment for each Class (other than Administrative Claims, Professional Fee Claims, Cure Claims, DIP Facility Claims, and Priority Tax Claims, which pursuant to section 1123(a)(1) of the Bankruptcy Code need not be and are not classified). The Debtors also are required, under section 1122 of the Bankruptcy Code, to classify Claims against and Interests in the Debtors (except for certain claims classified for administrative convenience) into Classes that contain Claims and Interests that are substantially similar to the other Claims and Interests in such Class.

The Bankruptcy Code also requires that a plan provide the same treatment for each claim or interest of a particular class unless the claim holder or interest holder agrees to less favorable treatment of its claim or interest. The Debtors believe that they complied with such standard. If the Court finds otherwise, however, it could deny confirmation of the Plan if the holders of Claims and Interests affected do not consent to the treatment afforded them under the Plan.

A Claim or Interest is placed in a particular Class only to the extent that the Claim or Interest falls within the description of that Class and is classified in other Classes to the extent that any portion of the Claim or Interest falls within the description of such other Classes. A Claim also is placed in a particular Class for the purpose of receiving distributions pursuant to the Plan only to the extent that such Claim is an Allowed Claim in that Class and such Claim has not been paid, released or otherwise settled prior to the Effective Date.

The Debtors believe that the Plan has classified all Claims and Interests in compliance with the provisions of section 1122 of the Bankruptcy Code and applicable case law. It is possible that a holder of a Claim or Interest may challenge the Debtors' classification of Claims and Interests and that the Court may find that a different classification is required for the Plan to be confirmed. If such a situation develops, the Debtors intend, in accordance with the terms of the Plan, to make permissible modifications to the Plan as may be necessary to permit its confirmation. Any such reclassification could adversely affect holders of Claims by changing the composition of one or more Classes and the vote required of such Class or Classes for approval of the Plan.

The amount of any Impaired Claim that ultimately is Allowed by the Court may vary from any estimated Allowed amount of such Claim and, accordingly, the total Claims that are ultimately Allowed by the Court with

respect to each Impaired Class of Claims may also vary from any estimates contained herein with respect to the aggregate Claims in any Impaired Class. Thus, the actual recovery ultimately received by a particular holder of an Allowed Claim may be adversely or favorably affected by the aggregate amount of Claims Allowed in the applicable Class. Additionally, any changes to any of the assumptions underlying the estimated Allowed amounts could result in material adjustments to recovery estimates provided herein and/or the actual distribution received by Creditors. The projected recoveries are based on information available to the Debtors as of the date of this Disclosure Statement and reflect the Debtors' views as of the date of this Disclosure Statement.

The classification of Claims and Interests and the nature of distributions to members of each Class are summarized below. The Debtors believe that the consideration, if any, provided under the Plan to holders of Claims and Interests reflects an appropriate resolution of their Claims and Interests, taking into account the differing nature and priority (including applicable contractual subordination) of such Claims and Interests. The Court must find, however, that a number of statutory tests are met before it may confirm the Plan. Many of these tests are designed to protect the interests of holders of Claims or Interests who are not entitled to vote on the Plan, or do not vote to accept the Plan, but who will be bound by the provisions of the Plan if it is confirmed by the Court.

1. Treatment of Administrative Claims and Priority Claims

a. Administrative Claims

Except with respect to Administrative Claims that are Professional Fee Claims, and except to the extent that an Administrative Claim has already been paid during the Chapter 11 Cases or a holder of an Allowed Administrative Claim and the applicable Debtor(s) agree to less favorable treatment, each holder of an Allowed Administrative Claim shall be paid in full in Cash on the latest of: (a) on or as soon as reasonably practicable after the Effective Date if such Administrative Claim is Allowed as of the Effective Date; (b) on or as soon as reasonably practicable after the date such Administrative Claim is Allowed; and (c) the date such Allowed Administrative Claim becomes due and payable, or as soon thereafter as is reasonably practicable; provided that Allowed Administrative Claims that arise in the ordinary course of the Debtors' businesses shall be paid in the ordinary course of business in accordance with the terms and subject to the conditions of any agreements governing, instruments evidencing, or other documents relating to such transactions.

Except as otherwise provided in Article II.A of the Plan, requests for payment of Administrative Claims must be Filed and served on the Reorganized Debtors pursuant to the procedures specified in the Confirmation Order and the notice of entry of the Confirmation Order no later than the Administrative Claims Bar Date. Holders of Administrative Claims that are required to, but do not, File and serve a request for payment of such Administrative Claims by such dates shall be forever barred, estopped, and enjoined from asserting such Administrative Claims against the Debtors or their property and such Administrative Claims shall be deemed discharged as of the Effective Date. Objections to such requests, if any, must be Filed and served on the Reorganized Debtors and the requesting party no later than 60 days after the Effective Date or such other date fixed by the Court. Notwithstanding the foregoing, no request for payment of an Administrative Claim need be Filed with respect to an Administrative Claim previously Allowed.

b. Professional Compensation

i. Final Fee Applications

All final requests for payment of Professional Fee Claims, including the Professional Fee Claims incurred during the period from the Petition Date through and including the Effective Date, shall be Filed and served on the Reorganized Debtors no later than 45 days after the Effective Date. Each such final request will be subject to approval by the Court after notice and a hearing in accordance with the procedures established by the Bankruptcy Code and prior orders of the Court in the Chapter 11 Cases, and once approved by the Court, shall be promptly paid from the Professional Fee Escrow Account up to its full Allowed amount. If the Professional Fee Escrow Account is insufficient to fund the full Allowed amounts of all Professional Fee Claims, remaining unpaid Allowed Professional Fee Claims shall be promptly paid by the Reorganized Debtors without any further action or order of the Court.

Except as otherwise provided in the Plan, Professionals shall be paid pursuant to the Interim Compensation Order.

ii. Professional Fee Escrow Account

On the Effective Date, the Reorganized Debtors shall establish and fund the Professional Fee Escrow Account with Cash equal to the Professional Fee Reserve Amount. The Professional Fee Escrow Account shall not be subject to any Lien and shall be maintained in trust solely for the benefit of the Professionals, including with respect to whom fees or expenses have been held back pursuant to the Interim Compensation Order. The funds in the Professional Fee Escrow Account shall not be considered property of the Estates or of the Reorganized Debtors. The amount of Professional Fee Claims owing to the Professionals shall be paid in Cash to such Professionals from the Professional Fee Escrow Account as soon as reasonably practicable after such Professional Fee Claims are Allowed by a Final Order. When all such Allowed amounts owing to Professionals have been paid in full, any remaining amount in the Professional Fee Escrow Account shall promptly be turned over to the Reorganized Debtors without any further action or order of the Court.

iii. Professional Fee Reserve Amount

Professionals shall reasonably estimate their unpaid Professional Fee Claims before and as of the Effective Date, and shall deliver such estimate to the Debtors and Taco Supremo in writing via email no later than five Business Days before the Effective Date, provided, however, that such estimate shall not be deemed to limit the amount of the fees and expenses that are the subject of the Professional's final request for payment of Professional Fee Claims and Taco Supremo shall be entitled to contest the estimated amount of the Professional Fee Claims by initiating a contested matter in the Chapter 11 Cases on or before two (2) Business Days before the Effective Date, and the affected Professional and Taco Supremo shall consent to an emergency hearing before the Court in order to resolve the same. If a Professional does not timely provide an estimate, the Debtors or Reorganized Debtors may estimate the unpaid and unbilled fees and expenses of such Professional.

iv. Post-Effective Date Fees and Expenses

Except as otherwise specifically provided in the Plan, from and after the Effective Date, the Debtors or Reorganized Debtors shall, in the ordinary course of business and without any further notice or application to or action, order, or approval of the Court, pay in Cash the reasonable, actual, and documented legal, professional, or other fees and expenses related to implementation of the Plan and Consummation incurred on or after the Effective Date by the Professionals. Upon the Effective Date, any requirement that Professionals comply with sections 327 through 331, 363, and 1103 of the Bankruptcy Code in seeking retention or compensation for services rendered after such date shall terminate, and the Debtors or Reorganized Debtors may employ and pay any Professional for fees and expenses incurred after the Effective Date in the ordinary course of business without any further notice to or action, order, or approval of the Court.

c. DIP Facility Claims

Notwithstanding anything to the contrary in the Plan, on the Effective Date each holder of a DIP Facility Claim shall voluntarily receive, together with its recovery on account of its Allowed Prepetition Lender Secured Claim, the DIP Lender/Prepetition Lender Equity Distributions in exchange for and in full and final satisfaction, compromise, settlement, release, and discharge of its DIP Facility Claim.

d. Priority Tax Claims

Except to the extent that a holder of an Allowed Priority Tax Claim agrees to a less favorable treatment, in full and final satisfaction, settlement, release, and discharge of and in exchange for each Allowed Priority Tax Claim, each holder of such Allowed Priority Tax Claim shall be treated in accordance with the terms set forth in sections 511 and 1129(a)(9)(C) of the Bankruptcy Code.

e. Statutory Fees

All fees payable pursuant to 28 U.S.C. § 1930(a) shall be paid by the Debtors or Reorganized Debtors, as applicable, for each quarter (including any fraction thereof) until the Chapter 11 Cases are converted, dismissed or a final decree is issued, whichever occurs first. The Reorganized Debtors shall continue to File quarterly-post confirmation operating reports in accordance with the U.S. Trustee's Region 6 Guidelines for Debtors-in-Possession.

2. Classification and Treatment of Claims and Interests

The following table designates the Classes of Claims against and Interests in the Debtors and specifies which Classes are: (i) Impaired and Unimpaired under the Plan; (ii) entitled to vote to accept or reject the Plan in accordance with section 1126 of the Bankruptcy Code; and (iii) deemed to accept or reject the Plan:

Class	Claim or Interest	Status	Voting Rights
1	Other Priority Claims	Unimpaired	Presumed to Accept
2	Other Secured Claims	Unimpaired	Presumed to Accept
3	Prepetition Lender Secured Claims	Impaired	Entitled to Vote
4	General Unsecured Claims	Impaired	Deemed to Reject
5	Intercompany Claims	Unimpaired/Impaired	Not Entitled to Vote
6	Intercompany Interests	Unimpaired/Impaired	Not Entitled to Vote
7	TB Holdings Interests	Impaired	Deemed to Reject

a. Class 1 – Other Priority Claims

i. **Classification**: Class 1 consists of Other Priority Claims.

ii. **Treatment**: In full and final satisfaction, compromise, settlement, release, and discharge of and in exchange for each Allowed Other Priority Claim, each holder thereof shall receive (i) payment in full, in Cash, of the unpaid portion of its Allowed Other Priority Claim or (ii) such other treatment as may otherwise be agreed to by such holder, the Debtors, and Taco Supremo.

iii. **Voting**: Class 1 is Unimpaired under the Plan. Each holder of an Other Priority Claim will be conclusively presumed to have accepted the Plan pursuant to section 1126(f) of the Bankruptcy Code. Therefore, the holders of Other Priority Claims will not be entitled to vote to accept or reject the Plan.

b. Class 2 – Other Secured Claims

i. **Classification**: Class 2 consists of Other Secured Claims.

ii. **Treatment**: Except to the extent that a holder of an Allowed Other Secured Claim agrees to a less favorable treatment, in full and final satisfaction, compromise, settlement, release, and discharge of and in exchange for its Allowed Other Secured Claim, each such holder shall receive, at the Debtors' election, either (i) Cash equal to the full Allowed amount of its Claim, (ii) Reinstatement of such holder's Allowed Other Secured Claim, (iii) the return or abandonment of the collateral securing such Allowed Other Secured Claim to such holder, or (iv) such other treatment as may otherwise be agreed to by such holder, the Debtors, and Taco Supremo.

iii. **Voting**: Class 2 is Unimpaired under the Plan. Each holder of an Other Secured Claim will be conclusively presumed to have accepted the Plan pursuant to section 1126(f) of the Bankruptcy Code. Therefore, the holders of Other Secured Claims will not be entitled to vote to accept or reject the Plan.

c. Class 3 – Prepetition Lender Secured Claims

i. **Classification**: Class 3 consists of the Prepetition Lender Secured Claims.

ii. **Allowance**: On the Effective Date, the Prepetition Lender Claims shall be deemed Allowed in the aggregate principal amount of $130,912,500 plus any accrued interest, fees, and costs under the Prepetition Credit Agreement as of the Petition Date.

iii. **Treatment**: On the Effective Date, each holder of an Allowed Prepetition Lender Secured Claim shall receive, together with its recovery on account of the DIP Facility Claims, the DIP Lender/Prepetition Lender Equity Distribution in exchange for and in full and final satisfaction, compromise, settlement, release, and discharge of its Prepetition Lender Secured Claim and any Secured Lender Adequate Protection Claim.

iv. **Voting**: Class 3 is Impaired under the Plan. Holders of Prepetition Lender Secured Claims will be entitled to vote to accept or reject the Plan.

d. Class 4 ─ General Unsecured Claims

i. **Classification**: Class 4 consists of all Allowed General Unsecured Claims.

ii. **Treatment**: Holders of General Unsecured Claims shall not receive any distribution on account of such General Unsecured Claims. On the Effective Date, all General Unsecured Claims shall be cancelled, released, discharged, and extinguished.

iii. **Voting**: Class 4 is Impaired and Holders of Class 4 General Unsecured Claims are conclusively deemed to have rejected the Plan pursuant to section 1126(g) of the Bankruptcy Code. Therefore, Holders of Class 4 General Unsecured Claims are not entitled to vote to accept or reject the Plan.

e. Class 5 ─ Intercompany Claims

i. **Classification**: Class 5 consists of all Intercompany Claims.

ii. **Treatment**: Intercompany Claims shall be Reinstated as of the Effective Date or, at the Reorganized Debtors' option, with the consent of Taco Supremo, shall be cancelled. No distribution shall be made on account of any Intercompany Claims other than in the ordinary course of business of the Reorganized Debtors, as applicable.

iii. **Voting**: Intercompany Claims are either Unimpaired, in which case the holders of such Intercompany Claims are conclusively presumed to have accepted the Plan pursuant to section 1126(f) of the Bankruptcy Code, or Impaired and not receiving any distribution under the Plan, in which case the holders of such Intercompany Claims are deemed to have rejected the Plan pursuant to section 1126(g) of the Bankruptcy Code. Therefore, each holder of an Intercompany Claim will not be entitled to vote to accept or reject the Plan.

f. Class 6 – Intercompany Interests

i. **Classification**: Class 6 consists of all Intercompany Interests.

ii. **Treatment**: Intercompany Interests shall be Reinstated as of the Effective Date or, at the Reorganized Debtors' option, with the consent of Taco Supremo, shall be cancelled. No distribution shall be made on account of any Intercompany Interests.

To the extent Intercompany Interests are Reinstated under the Plan, such Reinstatement is solely for the purposes of administrative convenience, for the ultimate benefit of the holders of the Reorganized Taco Bueno Equity, and in exchange for the Debtors' and Reorganized Debtors' agreement under the Plan to make certain distributions to the holders of Allowed Claims. For the avoidance of doubt: (i) to the extent Reinstated pursuant to the Plan, on and after the Effective Date, all Intercompany Interests shall continue to be owned by the Reorganized Debtor that corresponds to the Debtor that owned such Intercompany Interests prior to the Effective Date; and (ii) except as set forth in the Description of the Transaction Steps and in Class 7, no Interests in a Debtor, or Affiliate of a Debtor, held by a Non-Debtor Affiliate of a Debtor will be affected by the Plan.

iii. **Voting**: Intercompany Interests are either Unimpaired, in which case the holders of such Intercompany Interests conclusively are presumed to have accepted the Plan pursuant to section 1126(f) of the Bankruptcy Code, or Impaired, in which case the holders of such Intercompany Interests are deemed to have rejected the Plan pursuant to section 1126(g) of the Bankruptcy Code. Therefore, each holder of an Intercompany Interest will not be entitled to vote to accept or reject the Plan.

g. Class 7 – TB Holdings Interests

i. **Classification**: Class 7 consists of all TB Holdings Interests.

ii. **Treatment**: On the Effective Date, all TB Holdings Interests shall be cancelled, released, discharged, and extinguished. Holders of TB Holdings Interests shall not receive any distribution on account of such Interests.

iii. **Voting**: TB Holdings Interests are Impaired under the Plan. Each holder of a TB Holdings Interest will be conclusively deemed to have rejected the Plan pursuant to section 1126(g) of the Bankruptcy Code. Therefore, each holders of TB Holdings Interests will not be entitled to vote to accept or reject the Plan.

3. Special Provision Governing Unimpaired Claims

Nothing under the Plan shall affect the Debtors' or the Reorganized Debtors' rights in respect of any Unimpaired Claims, including all rights in respect of legal and equitable defenses to or setoffs or recoupment against any such Unimpaired Claims.

4. Confirmation Pursuant to Section 1129(b) of the Bankruptcy Code

The Debtors reserve the right to seek Confirmation of the Plan pursuant to section 1129(b) of the Bankruptcy Code with respect to any rejecting Class of Claims or Interests, and the filing of the Plan shall constitute a motion for such relief.

5. Elimination of Vacant Classes

Any Class of Claims that does not contain an Allowed Claim or a Claim temporarily Allowed by the Court for voting purposes as of the date of the Confirmation Hearing shall be deemed eliminated from the Plan for purposes of voting to accept or reject the Plan and for purposes of determining acceptance or rejection of the Plan by such Class pursuant to section 1129(a)(8) of the Bankruptcy Code.

6. Subordinated Claims

Except as may be the result of the settlement described in Article VIII.A of the Plan, the allowance, classification, and treatment of all Claims and Interests and the respective distributions and treatments under the Plan take into account and conform to the relative priority and rights of the Claims and Interests in each Class in connection with any contractual, legal, and equitable subordination rights relating thereto, whether arising under general principles of equitable subordination, section 510(b) of the Bankruptcy Code, or otherwise. Pursuant to section 510 of the Bankruptcy Code, the Debtors or Reorganized Debtors reserve the right to reclassify any Claim or Interest in accordance with any contractual, legal, or equitable subordination relating thereto.

B. Means for Implementation of the Plan

1. Restructuring Transactions

On the Effective Date, or as soon as reasonably practicable thereafter, with the consent of Taco Supremo, such consent not to be unreasonably withheld, the Reorganized Debtors shall undertake the Restructuring Transactions, including: (1) the execution and delivery of any appropriate agreements or other documents of merger, consolidation, restructuring, conversion, disposition, sale, transfer, dissolution, or liquidation containing terms that are consistent with the terms of the Plan, and that satisfy the requirements of applicable law and any other terms to which the applicable Entities may agree; (2) the execution and delivery of appropriate instruments of transfer, assignment, assumption, or delegation of any asset, property, right, liability, debt, or obligation on terms consistent with the terms of the Plan; (3) the filing of appropriate certificates or articles of incorporation, reincorporation, merger, consolidation, conversion, or dissolution pursuant to applicable state law; (4) the issuance of securities, including the New Common Stock, which shall be authorized and approved in all respects in each case without further action being required under applicable law, regulation, order, or rule; (5) the execution and delivery of Definitive Documentation not otherwise included in the foregoing, if applicable; and (6) all other actions that the Debtors determine, in consultation with Taco Supremo, to be necessary or appropriate, including making filings or recordings that may be required by applicable law.

2. Corporate Action

Upon the Effective Date, all actions (whether to occur before, on, or after the Effective Date) contemplated by the Plan shall be deemed authorized and approved by the Court in all respects. Upon the Effective Date, all matters provided for in the Plan involving the corporate structure of the Reorganized Debtors, and any corporate action required by the Debtors or the Reorganized Debtors in connection with the Plan (including any items listed in the first sentence of this paragraph) shall be deemed to have occurred and shall be in effect, without any requirement of further action by the security holders, directors, managers, or officers of the Debtors or the Reorganized Debtors, as applicable. On or (as applicable) before the Effective Date, the appropriate officers or managers of the Debtors or the Reorganized Debtors shall be authorized and directed to issue, execute, and deliver the agreements, documents, securities, and instruments contemplated by the Plan (or necessary or desirable to effectuate the transactions contemplated by the Plan) in the name of and on behalf of the Reorganized Debtors and any and all other agreements, documents, securities, and instruments relating to the foregoing, to the extent not previously authorized by the Court. The authorizations and approvals contemplated by this Article IV.B shall be effective notwithstanding any requirements under non-bankruptcy law.

3. Sources of Consideration for Plan Distributions

The Reorganized Debtors shall fund distributions under the Plan as follows:

a. Cash on Hand

All Cash necessary for the Reorganized Debtors to make payments required pursuant to the Plan will be funded with Cash on hand, including Cash from operations and the proceeds of the DIP Facility. Cash payments to be made pursuant to the Plan will be made by the Reorganized Debtors. The Reorganized Debtors will be entitled to transfer funds between and among themselves as they determine to be necessary or appropriate to enable the Reorganized Debtors to satisfy their obligations under the Plan. Except as set forth herein, any changes in intercompany account balances resulting from such transfers will be accounted for and settled in accordance with the Debtors' historical intercompany account settlement practices and will not violate the terms of the Plan.

b. Issuance and Distribution of New Common Stock and New Lender Warrants

On the Effective Date, Reorganized Taco Bueno shall be authorized to and shall issue the New Common Stock in accordance with the terms of the Plan without the need for any further corporate action. All of the New Common Stock, when so issued, shall be duly authorized, validly issued, fully paid, and non-assessable.

Each distribution and issuance of the New Common Stock under the Plan shall be governed by the terms and conditions set forth in the Plan applicable to such distribution or issuance and by the terms and conditions of the instruments evidencing or relating to such distribution or issuance, which terms and conditions shall bind each Entity receiving such distribution or issuance.

4. Continued Corporate Existence

Except as otherwise provided in the Plan, the Plan Supplement (including the Description of the Transaction Steps), or any agreement, instrument, or other document incorporated in the Plan or the Plan Supplement, on the Effective Date, each Debtor shall continue to exist after the Effective Date as a separate corporation, limited liability company, partnership, or other form of entity, as the case may be, with all the powers of a corporation, limited liability company, partnership, or other form of entity, as the case may be, pursuant to the New Organizational Documents.

On or after the Effective Date, without prejudice to the rights of any party to a contract or other agreement with any Reorganized Debtor, each Reorganized Debtor may, in its sole discretion, take such action as permitted by applicable law and the New Organizational Documents, as such Reorganized Debtor may determine is reasonable and appropriate, including, without limitation, causing: (i) a Reorganized Debtor to be merged into another Reorganized Debtor or an affiliate of a Reorganized Debtor; (ii) a Reorganized Debtor to be dissolved; (iii) the legal name of a Reorganized Debtor to be changed; or (iv) the closure of a Reorganized Debtor's Chapter 11 Case on the Effective Date or any time thereafter, and such action and documents are deemed to require no further action or approval (other than any requisite filings required under the applicable state, provincial, and federal or foreign law).

5. Vesting of Assets in the Reorganized Debtors

Except as otherwise provided in the Plan, the Plan Supplement (including the Description of the Transaction Steps), or any agreement, instrument, or other document incorporated in the Plan or the Plan Supplement (including the Description of the Transaction Steps), on the Effective Date, all property in each Estate, including all Causes of Action, and any property acquired by any of the Debtors shall vest in each applicable Reorganized Debtor, free and clear of all Liens, Claims, charges, or other encumbrances. On and after the Effective Date, except as otherwise provided in the Plan, each Reorganized Debtor may operate its business and may use, acquire, or dispose of property, and compromise or settle any Claims, Interests, or Causes of Action without supervision or approval by the Court and free of any restrictions of the Bankruptcy Code or Bankruptcy Rules.

Except as otherwise provided in the Plan, any holder of a Secured Claim, or any agent for such holder that has filed or recorded publicly any Liens and/or security interests to secure such holder's Secured Claim, as soon as practicable on or after the Effective Date, such holder (or the agent for such holder) shall take any and all steps requested by the Debtors or the Reorganized Debtors that are necessary to cancel and/or extinguish such Liens and/or security interests. After the Effective Date, the Reorganized Debtors may present Court order(s) or assignment(s) suitable for filing in the records of every county or governmental agency where the property vested in accordance with

the foregoing paragraph is or was located, which provide that such property is conveyed to and vested in the Reorganized Debtors. The Court order(s) or assignment(s) may designate all Liens, Claims, encumbrances, or other interests which appear of record and/or from which the property is being transferred, assigned and/or vested free and clear of. The Plan shall be conclusively deemed to be adequate notice that such Lien, Claim, encumbrance, or other interest is being extinguished and no notice, other than by this Plan, shall be given prior to the presentation of such Court order(s) or assignment(s). Any Person having a Lien, Claim, encumbrance, or other interest against any of the property vested in accordance with the foregoing paragraph shall be conclusively deemed to have consented to the transfer, assignment and vesting of such property to or in the Reorganized Debtors free and clear of all Liens, Claims, charges or other encumbrances by failing to object to confirmation of the Plan, except as otherwise provided in the Plan.

6. Cancellation of Existing Securities and Agreements

Except as otherwise provided in the Plan, on the Effective Date: (1) the obligations of the Debtors under the Prepetition Credit Agreement, all TB Holdings Interests, and each certificate, share, note, bond, indenture, purchase right, option, warrant, or other instrument, agreement, or document, directly or indirectly, evidencing or creating any indebtedness or obligation of or ownership interest in the Debtors or giving rise to any Claim or Interest shall be cancelled or extinguished and the Debtors and the Reorganized Debtors shall not have any continuing obligations thereunder; and (2) the obligations of the Debtors pursuant, relating, or pertaining to any agreements, indentures, certificates of designation, bylaws, or certificate or articles of incorporation or similar documents governing the shares, certificates, notes, bonds, purchase rights, options, warrants, or other instruments or documents evidencing or creating any indebtedness or obligation of the Debtors shall be released and discharged; *provided that* notwithstanding the releases set forth in Article VIII.F of the Plan, Confirmation or the occurrence of the Effective Date, any such agreement that governs the rights of the holder of a Claim or Interest shall continue in effect solely for purposes of enabling holders of Allowed Claims and Allowed Interests to receive distributions under the Plan as provided therein; *provided, further*, that nothing in this section shall effectuate a cancellation of any New Common Stock (if issued), Intercompany Interests, Intercompany Claims, or Indemnification Obligations.

Notwithstanding the foregoing, any provision in any document, instrument, lease, or other agreement that causes or effectuates, or purports to cause or effectuate, a default, termination, waiver, or other forfeiture of, or by, a Debtor or its interests, as a result of the cancellations, terminations, satisfaction, releases, or discharges provided for in Article IV.F of the Plan shall be deemed null and void and shall be of no force and effect. Nothing contained in the Plan shall be deemed to cancel, terminate, release, or discharge the obligation of a Debtor or any of its counterparties under any Executory Contract or Unexpired Lease to the extent such executory contract or unexpired lease has been assumed by such Debtor or Reorganized Debtor, as applicable, pursuant to the Plan or a Final Order of the Court.

7. New Organizational Documents

To the extent required under the Plan or applicable non-bankruptcy law, the Reorganized Debtors will, on or as soon as practicable after the Effective Date, file their respective New Organizational Documents, as applicable, with the applicable Secretaries of State and/or other applicable authorities in their respective states, provinces, or countries of incorporation or organization in accordance with the corporate laws of the respective states, provinces, or countries of incorporation or organization. Pursuant to section 1123(a)(6) of the Bankruptcy Code, the New Organizational Documents of the Reorganized Debtors will prohibit the issuance of non-voting equity securities and will comply with all other applicable provisions of section 1123(a)(6) of the Bankruptcy Code regarding the distribution of power among, and dividends to be paid to, different classes of voting securities. After the Effective Date, the Reorganized Debtors may amend and restate their respective New Organizational Documents and other constituent documents, as permitted by the laws of their respective states, provinces, or countries of incorporation and their respective New Organizational Documents. On the Effective Date, the New Organizational Documents, as expressly approved by Taco Supremo, substantially in the forms set forth in the Plan Supplement, shall be deemed to be valid, binding, and enforceable in accordance with their terms and provisions.

8. Directors and Officers of the Reorganized Debtors

As of the Effective Date, the term of the current members of the board of directors of the Debtors shall expire automatically, and the New Boards and the officers of each of the Reorganized Debtors shall be appointed in

accordance with this Plan, the New Organizational Documents, and the other constituent documents of each Reorganized Debtor. Pursuant to section 1129(a)(5) of the Bankruptcy Code, the Debtors will, to the extent known, disclose in advance of the Confirmation Hearing the identity and affiliations of any Person proposed to serve on the initial New Board. To the extent any such director or officer is an "insider" as defined in section 101(31) of the Bankruptcy Code, the nature of any compensation to be paid to such director or officer will also be disclosed. Each such director and officer shall serve from and after the Effective Date pursuant to the terms of the New Organizational Documents and other constituent documents of the Reorganized Debtors.

9. Effectuating Documents; Further Transactions

On and after the Effective Date, the Reorganized Debtors, the Reorganized Debtors' officers, and the members of the New Boards, are authorized to and may issue, execute, deliver, file, or record such contracts, Securities, instruments, releases, and other agreements or documents and take such actions as may be necessary or appropriate to effectuate, implement, and further evidence the terms and conditions of the Plan and any Securities issued pursuant to the Plan, including the New Common Stock, in the name of and on behalf of Reorganized Taco Bueno or the other Reorganized Debtors, without the need for any approvals, authorization, or consents except those expressly required pursuant to the Plan.

10. Exemption from Certain Taxes and Fees

Pursuant to, and to the fullest extent permitted by, section 1146(a) of the Bankruptcy Code, any issuance, transfer, or exchange of a Security (including, without limitation, of the New Common Stock) or transfer of property, in each case, pursuant to, in contemplation of, or in connection with, the Plan shall not be subject to any document recording tax, stamp tax, conveyance fee, intangibles or similar tax, mortgage tax, stamp act, real estate transfer tax, sale or use tax, mortgage recording tax, or other similar tax or governmental assessment, and upon entry of the Confirmation Order, the appropriate state or local governmental officials or agents shall forgo the collection of any such tax or governmental assessment and accept for filing and recordation any instruments of transfer or other relevant documents without the payment of any such tax, recordation fee, or governmental assessment.

11. Exemption from Registration Requirements

The offering, issuance, and distribution of the New Common Stock pursuant to the Plan shall be exempt, pursuant to section 1145 of the Bankruptcy Code, without any further act or action by any Entity, from registration under (a) the Securities Act and all rules and regulations promulgated thereunder and (b) any applicable U.S. state or local law requiring registration for the offer, issuance, or distribution of securities. Pursuant to section 1145 of the Bankruptcy Code, the New Common Stock issued under the Plan will be freely transferable by the recipients thereof, subject to: (a) the provisions of section 1145(b)(1) of the Bankruptcy Code relating to the definition of an underwriter in section 2(a)(11) of the Securities Act, and compliance with any applicable state or foreign securities laws, if any, and the rules and regulations of the United States Securities and Exchange Commission, if any, applicable at the time of any future transfer of such Securities or instruments; (b) the restrictions, if any, on the transferability of such securities or instruments, including, any restrictions on the transferability under the terms of the New Organizational Documents; and (c) any other applicable regulatory approval.

12. Preservation of Causes of Action

In accordance with section 1123(b) of the Bankruptcy Code, but subject in all respects to Article VIII, the Reorganized Debtors shall retain and may enforce all rights to commence and pursue, as appropriate, any and all Causes of Action, whether arising before or after the Petition Date, including any actions specifically enumerated in the List of Retained Causes of Action, and such rights to commence, prosecute, or settle such Causes of Action shall be preserved notwithstanding the occurrence of the Effective Date. The Reorganized Debtors may pursue such Causes of Action, as appropriate, in accordance with the best interests of the Reorganized Debtors. **No Entity may rely on the absence of a specific reference in the Plan, the Plan Supplement, or the Disclosure Statement to any Causes of Action against it as any indication that the Debtors or the Reorganized Debtors will not pursue any and all available Causes of Action against it. The Debtors or the Reorganized Debtors, as applicable, expressly reserve all rights to prosecute any and all Causes of Action against any Entity, except as otherwise expressly provided in the Plan.** Unless any Causes of Action against an Entity are expressly waived, relinquished, exculpated, released,

compromised, or settled in the Plan or a Court order, including, pursuant to Article VIII of the Plan, the Debtors or Reorganized Debtors, as applicable, expressly reserve all Causes of Action, for later adjudication, and, therefore, no preclusion doctrine, including the doctrines of res judicata, collateral estoppel, issue preclusion, claim preclusion, estoppel (judicial, equitable, or otherwise), or laches, shall apply to such Causes of Action upon, after, or as a consequence of the Confirmation or Consummation. For the avoidance of doubt, in no instance will any Cause of Action preserved pursuant to Article IV.L of the Plan include any claim or Cause of Action with respect to, or against, a Released Party.

In accordance with section 1123(b)(3) of the Bankruptcy Code, except as otherwise provided in the Plan, any Causes of Action that a Debtor may hold against any Entity shall vest in the applicable Reorganized Debtor. The applicable Reorganized Debtors, through their authorized agents or representatives, shall retain and may exclusively enforce any and all such Causes of Action. The Reorganized Debtors shall have the exclusive right, authority, and discretion to determine and to initiate, file, prosecute, enforce, abandon, settle, compromise, release, withdraw, or litigate to judgment any such Causes of Action, and to decline to do any of the foregoing without the consent or approval of any third party or further notice to or action, order, or approval of the Court.

13. Director and Officer Liability Insurance

Notwithstanding anything in the Plan to the contrary, effective as of the Effective Date, the Reorganized Debtors shall be deemed to have assumed all D&O Liability Insurance Policies (including tail coverage liability insurance) pursuant to section 365(a) of the Bankruptcy Code to the extent such D&O Liability Insurance Policies are found to be Executory Contracts.[8] Entry of the Confirmation Order will constitute the Court's approval of the Reorganized Debtors' assumption of each such D&O Liability Insurance Policies, to the extent they are Executory Contracts. Notwithstanding anything to the contrary contained in the Plan, Confirmation of the Plan shall not discharge, impair, or otherwise modify any indemnity obligations assumed by the foregoing assumption of the D&O Liability Insurance Policies, and each such indemnity obligation will be deemed and treated as an Executory Contract that has been assumed by the Reorganized Debtors under the Plan as to which no Proof of Claim need be Filed, and shall survive the Effective Date.

14. Retiree Benefits

Pursuant to section 1129(a)(13) of the Bankruptcy Code, on and after the Effective Date, all retiree benefits (as that term is defined in section 1114 of the Bankruptcy Code), if any, shall continue to be paid in accordance with applicable law.

C. Treatment of Executory Contracts and Unexpired Leases

1. Assumption and Rejection of Executory Contracts and Unexpired Leases

On the Effective Date, except as otherwise provided in the Plan or in any contract, instrument, release, or other agreement or document entered into in connection with the Plan, the Plan shall serve as a motion under sections 365 and 1123(b)(2) of the Bankruptcy Code to reject Executory Contracts and Unexpired Leases, and all Executory Contracts or Unexpired Leases will be deemed assumed shall be rejected by the Reorganized Debtors in accordance with the provisions and requirements of sections 365 and 1123 of the Bankruptcy Code without the need for any further notice to or action, order, or approval of the Court, other than: (1) those that are identified on the Schedule of Assumed Assumed Executory Contracts and Unexpired Leases; (2) those that have been previously rejected or assumed by a Final Order; (3) those that are the subject of a motion to reject assume Executory Contracts or Unexpired Leases that is pending on the Effective Date; or (4) those that are subject to a motion to reject assume an Executory Contract or Unexpired Lease pursuant to which the requested effective date of such rejection assumption is after the Effective Date, in each case, subject to the consent of Taco Supremo.

[8] The Debtors anticipate that the Reorganized Debtors shall have no premium or similar costs associated with such assumed policies because the premiums have been prepaid.

Entry of the Confirmation Order shall constitute the Court's order approving the assumptions or rejections, as applicable, of Executory Contracts or Unexpired Leases as set forth in the Plan or the Schedule of Assumed Executory Contracts and Unexpired Leases, pursuant to sections 365(a) and 1123 of the Bankruptcy Code. Unless otherwise indicated, assumptions or rejections of Executory Contracts and Unexpired Leases pursuant to the Plan are effective as of the Effective Date. Each Executory Contract or Unexpired Lease assumed pursuant to the Plan but not assigned to a third party before the Effective Date shall re-vest in and be fully enforceable by the applicable Reorganized Debtor in accordance with its terms, except as such terms may have been modified by the provisions of the Plan or any order of the Court. Any motions to assume Executory Contracts or Unexpired Leases pending on the Effective Date shall be subject to approval by the Court on or after the Effective Date. Notwithstanding anything to the contrary in the Plan, the Debtors reserve the right to, with the consent of the Taco Supremo, alter, amend, modify, or supplement the Schedule of Assumed Executory Contracts and Unexpired Leases at any time prior to the Effective Date on no less than three (3) days' notice to the applicable non-Debtor counterparties.

2. Claims Based on Rejection of Executory Contracts or Unexpired Leases

Proofs of Claim with respect to Claims arising from the rejection of Executory Contracts or Unexpired Leases, if any, must be Filed with the Court within 30 days after the date of entry of an order of the Court (including the Confirmation Order) approving such rejection. **Any Claims arising from the rejection of an Executory Contract or Unexpired Lease that are not Filed within such time will be automatically Disallowed, forever barred from assertion, and shall not be enforceable against, as applicable, the Debtors, the Reorganized Debtors, the Estates, or property of the foregoing parties, without the need for any objection by the Debtors or the Reorganized Debtors or further notice to, or action, order, or approval of the Court or any other Entity, and any Claim arising out of the rejection of the Executory Contract or Unexpired Lease shall be deemed fully satisfied, released, and discharged, notwithstanding anything in any Proof of Claim to the contrary**. Claims arising from or related to the rejection of an Executory Contract or Unexpired Lease shall be classified as General Unsecured Claims and shall be treated in accordance with Article III of the Plan.

3. Cure of Defaults and Objections for Assumed Executory Contracts and Unexpired Leases

The Debtors or the Reorganized Debtors, as applicable, shall pay Cure Claims, if any, on the Effective Date or as soon as reasonably practicable thereafter. Unless otherwise agreed upon in writing by the parties to the applicable Executory Contract or Unexpired Lease, all requests for payment of Cure Claims that differ from the amounts paid or proposed to be paid by the Debtors or the Reorganized Debtors to a counterparty must be filed and served on the Reorganized Debtors on or before 30 days after the Effective Date. If such Cure Claim dispute is not resolved within 7 days of the Reorganized Debtors' receiving such Cure Claim dispute, the counterparty to the applicable assumed Executory Contract or Unexpired Lease shall timely file an objection with the Court within 7 days. **Any such request and/or objection that is not timely Filed shall be disallowed and forever barred, estopped, and enjoined from assertion, and shall not be enforceable against any Reorganized Debtor, without the need for any objection by the Reorganized Debtors or any other party in interest or any further notice to or action, order, or approval of the Court.** Any Cure Claim shall be deemed fully satisfied, released, and discharged upon payment by the Debtors or the Reorganized Debtors of the Cure Claim; *provided, however*, that nothing herein shall prevent the Reorganized Debtors from paying any Cure Claim despite the failure of the relevant counterparty to file such request for payment of such Cure Claim. The Reorganized Debtors also may settle any Cure Claim without any further notice to or action, order, or approval of the Court. In addition, any objection to the assumption of an Executory Contract or Unexpired Lease under the Plan must be Filed with the Court on or before 30 days after the Effective Date. Any such objection will be scheduled to be heard by the Court at the Debtors' or Reorganized Debtors', as applicable, first scheduled omnibus hearing for which such objection is timely filed. **Any counterparty to an Executory Contract or Unexpired Lease that fails to timely object to the proposed assumption of any Executory Contract or Unexpired Lease will be deemed to have consented to such assumption.**

If there is any dispute regarding any Cure Claim, the ability of the Reorganized Debtors or any assignee to provide "adequate assurance of future performance" within the meaning of section 365 of the Bankruptcy Code, or any other matter pertaining to assumption, then payment of the Cure Claim shall occur as soon as reasonably practicable after entry of a Final Order resolving such dispute, approving such assumption (and, if applicable, assignment), or as may be agreed upon by the Debtors or the Reorganized Debtors, as applicable, and the counterparty to the Executory Contract or Unexpired Lease.

Assumption of any Executory Contract or Unexpired Lease pursuant to the Plan or otherwise shall result in the full release and satisfaction of any Claims or defaults, whether monetary or nonmonetary, including defaults of provisions restricting the change in control or ownership interest composition or other bankruptcy or insolvency-related defaults, arising under any assumed Executory Contract or Unexpired Lease at any time before the date that the Debtors assume such Executory Contract or Unexpired Lease. Any Proofs of Claim Filed with respect to an Executory Contract or Unexpired Lease that has been assumed, including pursuant to the Confirmation Order, shall be deemed Disallowed and expunged, without further notice to or action, order, or approval of the Court.

4. Indemnification Obligations

The Indemnification Obligations shall apply only following the prior exhaustion or unavailability of all D&O Liability Insurance Policies, including any Side A coverage thereunder. For purposes of such D&O Liability Insurance Policies, any claims or causes of action against the Debtors' directors and officers shall be deemed to be "Non-Indemnifiable Loss" until all limits, including any Side A excess limits, have been exhausted through payment by the insurers of such D&O Liability Insurance Policies. For the avoidance of doubt, any claims or causes of action against any of the Debtors' directors and/or officers shall not give rise to any Indemnification Obligations unless and until the limits under all Side A coverage of all D&O Liability Insurance Policies have been exhausted or are otherwise unavailable; provided, however, that to the extent such coverage under such D&O Liability Insurance Policies has been exhausted or is otherwise unavailable, such claims or causes of action shall constitute Indemnification Obligations, and the Indemnification Obligations shall not be discharged or impaired by Confirmation of the Plan, and, notwithstanding anything in the Plan to the contrary, the Indemnification Obligations shall be deemed and treated as Executory Contracts assumed by the Reorganized Debtors under the Plan effective as of the Effective Date and shall continue as obligations of the Reorganized Debtors. No assumption of an Indemnification Obligation shall in any way extend the scope or term of any Indemnification Obligation beyond that contemplated in the applicable agreement governing such Indemnification Obligation.

5. Insurance Policies

Notwithstanding anything in the Plan to the contrary, effective as of the Effective Date, all of the Debtors' insurance policies and any agreements, documents, or instruments relating thereto, shall be deemed to be assumed by the Reorganized Debtors under the Plan pursuant to section 365(a) of the Bankruptcy Code, to the extent such insurance policies are found to be Executory Contracts and entry of the Confirmation Order shall constitute approval of the Reorganized Debtors' assumption of each such insurance policy and any agreements, documents, or instruments relating thereto; *provided*, *however*, from and after the Effective Date, such insurance policies may be replaced or modified in Taco Supremo's discretion. For the avoidance of doubt, D&O Liability Insurance Policies are provided for in Article IV.M of the Plan.

6. Modifications, Amendments, Supplements, Restatements, or Other Agreements

Unless otherwise provided in the Plan, each Executory Contract or Unexpired Lease that is assumed shall include all modifications, amendments, supplements, restatements, or other agreements that in any manner affect such Executory Contract or Unexpired Lease, and Executory Contracts and Unexpired Leases related thereto, if any, including easements, licenses, permits, rights, privileges, immunities, options, rights of first refusal, and any other interests, unless any of the foregoing agreements has been previously rejected or repudiated or is rejected or repudiated under the Plan. Modifications, amendments, supplements, and restatements to prepetition Executory Contracts and Unexpired Leases that have been executed by the Debtors during the Chapter 11 Cases, with the consent of Taco Supremo, shall not be deemed to alter the prepetition nature of the Executory Contract or Unexpired Lease, or the validity, priority, or amount of any Claims that may arise in connection therewith.

7. Reservation of Rights

Neither the exclusion nor inclusion of any Executory Contract or Unexpired Lease on the Schedule of Assumed Executory Contracts and Unexpired Leases, nor anything contained in the Plan, shall constitute an admission by the Debtors that any such contract or lease is in fact an Executory Contract or Unexpired Lease or that any Reorganized Debtor has any liability thereunder. If there is a dispute regarding whether a contract or lease is or was executory or unexpired at the time of assumption or rejection, the Debtors, or, after the Effective Date, the Reorganized

Debtors shall have thirty days following entry of a Final Order resolving such dispute to alter their treatment of such contract or lease.

8. Nonoccurrence of Effective Date

In the event that the Effective Date does not occur, the Court shall retain jurisdiction with respect to any request to extend the deadline for assuming or rejecting Unexpired Leases pursuant to section 365(d)(4) of the Bankruptcy Code.

9. Contracts and Leases Entered into After the Petition Date

Contracts and leases entered into after the Petition Date by any Debtor will be performed by the applicable Debtor or Reorganized Debtor liable thereunder in the ordinary course of its business. Accordingly, such contracts and leases that have not been rejected as of the date of Confirmation will survive and remain unaffected by entry of the Confirmation Order.

D. Provisions Governing Distributions

1. Timing and Calculation of Amounts to Be Distributed

Unless otherwise provided in the Plan, on the Effective Date or as soon as reasonably practicable thereafter (or, if a Claim is not an Allowed Claim on the Effective Date, on the date that such Claim becomes Allowed or as soon as reasonably practicable thereafter), each holder of an Allowed Claim, including any portion of a Claim that is an Allowed Claim notwithstanding that other portions of such Claim are a Disputed Claim, shall receive the full amount of the distributions that the Plan provides for Allowed Claims in each applicable Class; *provided*, *however*, that (1) Allowed Administrative Claims with respect to liabilities incurred by the Debtors in the ordinary course of business during the Chapter 11 Cases or assumed by the Debtors prior to the Effective Date shall be paid or performed in the ordinary course of business in accordance with the terms and conditions of any controlling agreements, course of dealing, course of business, or industry practice, and (2) Allowed Priority Tax Claims shall be paid in accordance with Article II.D of the Plan. To the extent any Allowed Priority Tax Claim is not due and owing on the Effective Date, such Claim shall be paid in full in Cash in accordance with the terms of any agreement between the Debtors and the holder of such Claim or as may be due and payable under applicable non-bankruptcy law or in the ordinary course of business.

In the event that any payment or act under the Plan is required to be made or performed on a date that is not a Business Day, then the making of such payment or the performance of such act may be completed on the next succeeding Business Day, but shall be deemed to have been completed as of the required date. If and to the extent that there are Disputed Claims, distributions on account of any such Disputed Claims shall be made pursuant to the provisions set forth in Article VII of the Plan. Except as otherwise provided in the Plan, holders of Claims shall not be entitled to interest, dividends, or accruals on the distributions provided for in the Plan, regardless of whether such distributions are delivered on or at any time after the Effective Date.

2. Delivery of Distributions and Unclaimed Property

a. Delivery of Distributions

i. Delivery of Distributions in General

Except as otherwise provided in the Plan, distributions to holders of an Allowed Claim or Interest shall be made as follows: (1) at the address set forth in the Debtors' or Reorganized Debtors' books and records; (2) at the address set forth in any written notice of address changes delivered to the Reorganized Debtors after the Effective Date; or (3) to any counsel that has appeared in the Chapter 11 Cases on the holder's behalf. Subject to this Article VI, distributions under the Plan on account of Allowed Claims shall not be subject to levy, garnishment, attachment, or like legal process, so that each holder of an Allowed Claim shall have and receive the benefit of the distributions in

the manner set forth in the Plan. The Debtors and the Reorganized Debtors shall not incur any liability whatsoever on account of any distributions under the Plan except for gross negligence or willful misconduct.

In the event that any distribution to any holder is returned as undeliverable, no further distributions shall be made to such holder unless and until the Debtors or the Reorganized Debtors, as applicable, are notified in writing of such holder's then-current address, at which time all currently-due, missed distributions shall be made to such holder as soon as reasonably practicable thereafter without interest. Nothing in the Plan shall require the Debtors or the Reorganized Debtors to attempt to locate holders of undeliverable distributions.

ii. Delivery of Distributions to Prepetition Lender

The Prepetition Agent shall be deemed to be the holder of all Prepetition Lender Secured Claims for purposes of distributions to be made under the Plan, and all distributions on account of the Prepetition Lender Secured Claims shall be made to the Prepetition Agent. As soon as practicable following compliance with the requirements set forth in Article VI of the Plan, the Prepetition Agent shall arrange to deliver or direct the delivery of such distributions to or on behalf of the holders of Allowed Prepetition Lender Secured Claims in accordance with the terms of the Prepetition Credit Agreement and the Plan. Notwithstanding anything in the Plan to the contrary, and without limiting the exculpation and release provisions of the Plan, the Prepetition Agent shall not have any liability to any Person with respect to distributions made or directed to be made by the Prepetition Agent.

iii. Delivery of Distributions on DIP Facility Claims

The DIP Agent shall be deemed to be the holder of all DIP Facility Claims for purposes of distributions to be made under the Plan, and all distributions on account of such DIP Facility Claims shall be made to the DIP Agent. As soon as practicable following compliance with the requirements set forth in Article VI of the Plan, the DIP Agent shall arrange to deliver or direct the delivery of such distributions to or on behalf of the holders of DIP Facility Claims in accordance with the terms of the DIP Facility, subject to any modifications to such distributions in accordance with the terms of the Plan. Notwithstanding anything in the Plan to the contrary, and without limiting the exculpation and release provisions of the Plan, the DIP Agent shall not have any liability to any Person with respect to distributions made or directed to be made by the DIP Agent.

3. Minimum Distributions

No fractional shares of New Common Stock shall be distributed, and no Cash shall be distributed in lieu of such fractional shares. When any distribution pursuant to the Plan on account of an Allowed Claim would otherwise result in the issuance of a number of shares of New Common Stock that is not a whole number, the actual distribution of shares of New Common Stock shall be rounded as follows: (a) fractions of one-half or greater shall be rounded to the next higher whole number, and (b) fractions of less than one-half shall be rounded to the next lower whole number with no further payment therefor. The total number of authorized shares of New Common Stock to be distributed pursuant to the Plan shall be adjusted as necessary to account for the foregoing rounding.

Holders of Allowed Claims entitled to distributions of $50.00 or less shall not receive distributions, and each Claim to which this limitation applies shall be discharged pursuant to Article VIII and its holder shall be forever barred pursuant to Article VIII from asserting that Claim against the Reorganized Debtors or their property.

4. Unclaimed Property

In the event that any distribution is returned as undeliverable or is unclaimed, such distribution shall remain in the Debtors' possession until such time as a distribution becomes deliverable or such holder accepts distribution, or such distribution reverts back to the Debtors or Reorganized Debtors, as applicable, and shall not be supplemented with any interest, dividends, or other accruals of any kind. Such distributions shall be deemed unclaimed property under section 347(b) of the Bankruptcy Code at the expiration of 180 days from the date of attempted distribution. After such date all unclaimed property or interest in property shall revert to the Reorganized Debtors, and the Claim of any other holder to such property or interest in property shall be discharged and forever barred.

E. Compliance with Tax Requirements

In connection with the Plan, to the extent applicable, the Debtors or the Reorganized Debtors, as applicable, shall comply with all tax withholding and reporting requirements imposed on them by any Governmental Unit, and all distributions pursuant to the Plan shall be subject to such withholding and reporting requirements. Notwithstanding any provision in the Plan to the contrary, the Debtors or the Reorganized Debtors, as applicable, shall be authorized to take all actions necessary or appropriate to comply with such withholding and reporting requirements, including liquidating a portion of the distribution to be made under the Plan to generate sufficient funds to pay applicable withholding taxes, withholding distributions pending receipt of information necessary to facilitate such distributions, or establishing any other mechanisms they believe are reasonable and appropriate. The Debtors or the Reorganized Debtors, as applicable, reserve the right to allocate all distributions made under the Plan in compliance with applicable wage garnishments, alimony, child support, and other spousal awards, liens, and encumbrances.

F. Allocations

The aggregate consideration to be distributed to each holder of an Allowed Claim will be allocated first to the principal amount of such Allowed Claim, with any excess allocated to unpaid interest that accrued on such Allowed Claims, if any. Certain legislative history indicates that an allocation of consideration as between principal and interest provided in a chapter 11 plan of reorganization is binding for U.S. federal income tax purposes.

G. No Postpetition Interest on Claims

Unless otherwise specifically provided for in an order of the Court, the Plan, or the Confirmation Order, or required by applicable bankruptcy law, postpetition interest shall not accrue or be paid on any Claims or Interests and no holder of a Claim or Interest shall be entitled to interest accruing on or after the Petition Date on any such Claim.

H. Setoffs and Recoupment

The Debtors or the Reorganized Debtors, as applicable, may, but shall not be required to, set off against, or recoup from, any Claim against a Debtor of any nature whatsoever that the applicable Debtor may have against the holder of such Claim, but neither the failure to do so nor the allowance of any Claim against a Debtor hereunder shall constitute a waiver or release by the applicable Debtor of any such Claim it may have against the holder of such Allowed Claim.

1. Claims Paid or Payable by Third Parties

a. Claims Paid by Third Parties

The Debtors or the Reorganized Debtors, as applicable, shall reduce in full an Allowed Claim, and such Claim shall be Disallowed without a Claim objection having to be Filed and without any further notice to or action, order, or approval of the Court, to the extent that the holder of such Claim receives payment in full on account of such Claim from a party that is not a Debtor or Reorganized Debtor; *provided that* the Debtors or the Reorganized Debtors, as applicable, shall provide 21 days' notice to the holder prior to any disallowance of such Claim during which period the holder may object to such disallowance, and if the parties cannot reach an agreed resolution, the matter shall be decided by the Court. Subject to the last sentence of this paragraph, to the extent a holder of a Claim receives a distribution on account of such Claim and thereafter receives payment from a party that is not a Debtor or a Reorganized Debtor on account of such Claim, such holder shall, within 14 days of receipt thereof, repay or return the distribution to Debtors or the Reorganized Debtors, as applicable, to the extent the holder's total recovery on account of such Claim from the third party and under the Plan exceeds the amount of such Claim as of the Petition Date. The failure of such holder to timely repay or return such distribution shall result in the holder owing the Reorganized Debtors annualized interest at the Federal Judgment Rate on such amount owed for each Business Day after the 14-day grace period specified above until the amount is repaid.

b. Claims Payable by Insurers

No distributions under the Plan shall be made on account of an Allowed Claim that is payable pursuant to one of the Debtors' insurance policies until the holder of such Allowed Claim has exhausted all remedies with respect to such insurance policy. To the extent that one or more of the Debtors' insurers agrees to satisfy in full or in part a Claim (if and to the extent adjudicated by a court of competent jurisdiction), then immediately upon such insurers' agreement, the applicable portion of such Claim shall be expunged without a Claim objection having to be Filed and without any further notice to or action, order, or approval of the Court; *provided that* the Debtors or the Reorganized Debtors, as applicable, shall provide 21 days' notice to the holder of such Claim prior to any disallowance of such Claim during which period the holder may object to such disallowance, and if the parties cannot reach an agreed resolution, the matter shall be decided by the Court.

c. Applicability of Insurance Policies

Except as otherwise provided in the Plan, distributions to holders of Allowed Claims shall be in accordance with the provisions of any applicable insurance policy. Nothing contained in the Plan shall constitute or be deemed a waiver of any Cause of Action that the Debtors or any Entity may hold against any other Entity, including insurers under any policies of insurance, nor shall anything contained herein constitute or be deemed a waiver by such insurers of any defenses, including coverage defenses, held by such insurers.

I. Procedures for Resolving Contingent, Unliquidated, and Disputed Claims

1. Allowance of Claims and Interests

After the Effective Date, the Reorganized Debtors shall have and retain any and all rights and defenses the Debtors had with respect to any Claim or Interest immediately prior to the Effective Date, except with respect to any Claim deemed Allowed under the Plan. Except as expressly provided in the Plan or in any order entered in the Chapter 11 Cases prior to the Effective Date (including the Confirmation Order), no Claim shall become an Allowed Claim unless and until such Claim is deemed Allowed under the Plan or the Bankruptcy Code or the Court has entered a Final Order (including the Confirmation Order) in the Chapter 11 Cases allowing such Claim. All settled Claims approved prior to the Effective Date pursuant to a Final Order of the Court pursuant to Bankruptcy Rule 9019 or otherwise shall be binding on all parties.

2. Claims and Interests Administration Responsibilities

Except as otherwise specifically provided in the Plan and notwithstanding any requirements that may be imposed pursuant to Bankruptcy Rule 9019, after the Effective Date, the Debtors or Reorganized Debtors, as applicable, by order of the Court, shall together have the sole authority: (1) to File, withdraw, or litigate to judgment objections to Claims; (2) to settle or compromise any Disputed Claim without any further notice to or action, order, or approval by the Court; and (3) to administer and adjust the Claims Register to reflect any such settlements or compromises without any further notice to or action, order, or approval by the Court.

3. Estimation of Claims

Before or after the Effective Date, the Debtors or the Reorganized Debtors, as applicable, may (but are not required to) at any time request that the Court estimate any Disputed Claim pursuant to section 502(c) of the Bankruptcy Code, regardless of whether any party previously has objected to such Claim or whether the Court has ruled on any such objection, and the Court shall retain jurisdiction to estimate any such Claim, including during the litigation of any objection to any Claim or during any appeal relating to such objection. In the event that the Court estimates any Disputed Claim, that estimated amount shall constitute a maximum limitation on such Claim for all purposes under the Plan (including for purposes of distributions), and the Debtors may elect to pursue any supplemental proceedings to object to any ultimate distribution on such Claim. Notwithstanding section 502(j) of the Bankruptcy Code, in no event shall any holder of a Claim that has been estimated pursuant to section 502(c) of the Bankruptcy Code or otherwise be entitled to seek reconsideration of such estimation unless such holder has Filed a motion requesting the right to seek such reconsideration on or before 21 days after the date on which such Claim is

estimated. All of the aforementioned Claims and objection, estimation, and resolution procedures are cumulative and not exclusive of one another. Claims may be estimated and subsequently compromised, settled, withdrawn, or resolved by any mechanism approved by the Court.

4. Adjustment to Claims Without Objection

Any duplicate Claim or Interest or any Claim or Interest that has been paid, satisfied, amended, or superseded may be adjusted or expunged on the Claims Register by the Reorganized Debtors without the Reorganized Debtors having to File an application, motion, complaint, objection, or any other legal proceeding seeking to object to such Claim or Interest and without any further notice to or action, order, or approval of the Court.

5. Disallowance of Claims

Any Claims held by Entities from which property is recoverable under section 542, 543, 550, or 553 of the Bankruptcy Code or that is a transferee of a transfer avoidable under section 522(f), 522(h), 544, 545, 547, 548, 549, or 724(a) of the Bankruptcy Code, shall be deemed Disallowed pursuant to section 502(d) of the Bankruptcy Code, and holders of such Claims may not receive any distributions on account of such Claims until such time as such Causes of Action against that Entity have been settled or a Court order with respect thereto has been entered and all sums due, if any, to the Debtors by that Entity have been turned over or paid to the Debtors or the Reorganized Debtors.

EXCEPT AS PROVIDED HEREIN, IN AN ORDER OF THE COURT, OR OTHERWISE AGREED, ANY AND ALL PROOFS OF CLAIM FILED AFTER THE APPLICABLE BAR DATE SHALL BE DEEMED DISALLOWED AND EXPUNGED AS OF THE EFFECTIVE DATE WITHOUT ANY FURTHER NOTICE TO OR ACTION, ORDER, OR APPROVAL OF THE COURT, AND HOLDERS OF SUCH CLAIMS MAY NOT RECEIVE ANY DISTRIBUTIONS ON ACCOUNT OF SUCH CLAIMS, UNLESS AT OR PRIOR TO THE CONFIRMATION HEARING SUCH LATE CLAIM HAS BEEN DEEMED TIMELY FILED BY A FINAL ORDER.

6. No Distributions Pending Allowance

No payment or distribution provided under the Plan shall be made to the extent that any Claim is a Disputed Claim, including if an objection to a Claim or portion thereof is Filed as set forth in Article VII, unless and until such Disputed Claim becomes an Allowed Claim; *provided that* any portion of a Claim that is an Allowed Claim shall receive the payment or distribution provided under the Plan thereon notwithstanding that any other portion of such Claim is a Disputed Claim.

7. Distributions After Allowance

To the extent that a Disputed Claim ultimately becomes an Allowed Claim, distributions (if any) shall be made to the holder of such Allowed Claim in accordance with the provisions of the Plan. As soon as reasonably practicable after the date that the order or judgment of the Court allowing any Disputed Claim becomes a Final Order, the distribution (if any) to which such holder is entitled under the Plan as of the Effective Date, without any interest, dividends, or accruals shall be paid to the holder of such Allowed Claim on account of such Allowed Claim unless required under applicable bankruptcy law or as otherwise provided in the Plan.

8. Single Satisfaction of Claims

Holders of Allowed Claims may assert such Claims against each Debtor obligated with respect to such Claim, and such Claims shall be entitled to share in the recovery provided for the applicable Class of Claims against each obligated Debtor based upon the full Allowed amount of the Claim. Notwithstanding the foregoing, in no case shall the aggregate value of all property received or retained under the Plan on account of any Allowed Claim exceed 100% of such Allowed Claim plus applicable interest.

J. Settlement, Release Injunction, and Related Provisions

1. Compromise and Settlement of Claims, Interests, and Controversies

Pursuant to sections 363 and 1123 of the Bankruptcy Code and Bankruptcy Rule 9019 and in consideration for the distributions, releases, and other benefits provided pursuant to the Plan, which distributions, releases, and other benefits shall be irrevocable and not subject to challenge upon the Effective Date, the provisions of the Plan, and the distributions, releases, and other benefits provided hereunder, shall constitute a good-faith compromise and settlement of all Claims and Interests and controversies resolved pursuant to the Plan. The Plan shall be deemed a motion to approve the good-faith compromise and settlement of all such Claims, Interests, and controversies pursuant to Bankruptcy Rule 9019, and the entry of the Confirmation Order shall constitute the Court's approval of the compromise and settlement of all such Claims, Interests, and controversies, as well as a finding by the Court that all such compromises and settlements are in the best interests of the Debtors, their Estates, and holders of Claims and Interests and are fair, equitable, and reasonable. In accordance with the provisions of the Plan, pursuant to Bankruptcy Rule 9019, without any further notice to or action, order, or approval of the Court, after the Effective Date, the Reorganized Debtors may compromise and settle Claims against, and Interests in, the Debtors and their Estates and Causes of Action against other Entities.

2. Discharge of Claims and Termination of Interests

Pursuant to section 1141(d) of the Bankruptcy Code, and except as otherwise specifically provided in the Plan and the Plan Supplement, or in any contract, instrument, or other agreement or document created pursuant to the Plan and the Plan Supplement, the distributions, rights, and treatment that are provided in the Plan shall be in complete satisfaction, discharge, and release, effective as of the Effective Date, of Claims (including any Intercompany Claims resolved or compromised after the Effective Date by the Reorganized Debtors), Interests, and Causes of Action of any nature whatsoever, including any interest accrued on Claims or Interests from and after the Petition Date, whether known or unknown, against, liabilities of, liens on, obligations of, rights against, and interests in, the Debtors or any of their assets or properties, regardless of whether any property shall have been distributed or retained pursuant to the Plan on account of such Claims and Interests, including demands, liabilities, and Causes of Action that arose before the Effective Date, any contingent or non-contingent liability on account of representations or warranties issued on or before the Effective Date, and all debts of the kind specified in sections 502(g), 502(h), or 502(i) of the Bankruptcy Code, in each case whether or not: (a) a Proof of Claim based upon such debt or right is Filed or deemed Filed pursuant to section 501 of the Bankruptcy Code; (b) a Claim or Interest based upon such debt, right, or Interest is Allowed pursuant to section 502 of the Bankruptcy Code; or (c) the holder of such a Claim or Interest has accepted the Plan. Any default or "event of default" by the Debtors or Affiliates with respect to any Claim or Interest that existed immediately before or on account of the Filing of the Chapter 11 Cases shall be deemed cured (and no longer continuing) as of the Effective Date. The Confirmation Order shall be a judicial determination of the discharge of all Claims and Interests subject to the Effective Date occurring.

3. Term of Injunctions or Stays

Unless otherwise provided in the Plan or in a Final Order, all injunctions or stays arising under or entered during the Chapter 11 Cases under section 362 of the Bankruptcy Code or otherwise and in existence on the Confirmation Date, shall remain in full force and effect until the later of the Effective Date and the date set forth in the order providing for such injunction or stay.

4. Release of Liens

Except as otherwise specifically provided in the Plan, or in any other contract, instrument, agreement or document created pursuant to the Plan, on the Effective Date and concurrently with the applicable distributions or other treatment made pursuant to the Plan, all mortgages, deeds of trust, Liens, pledges, or other security interests against any property of the Estates shall be fully released and discharged, and all of the right, title, and interest of any holder of such mortgages, deeds of trust, Liens, pledges, or other security interests shall revert to the Reorganized Debtors and their successors and assigns, in each case, without any further approval or order of the Court and without any action or Filing being required to be made by the Debtors or the Reorganized Debtors.

5. Releases by the Debtors

Based on an analysis of potential Claims and Causes of Action that hypothetically could be asserted by the Debtors, the Plan includes certain releases by the Debtors. Specifically, pursuant to section 1123(b) of the Bankruptcy Code, for good and valuable consideration, including the service of the Released Parties to facilitate the expeditious reorganization of the Debtors and the implementation of the restructuring contemplated by the Plan, on and after the Effective Date, each Released Party is deemed released and discharged by the Debtors, their Estates, and the Reorganized Debtors from any and all Claims, Causes of Action, obligations, suits, judgments, damages, demands, losses, liabilities, and remedies whatsoever, whether known or unknown, foreseen or unforeseen, existing or hereinafter arising, in law, equity, or otherwise, including any derivative claims, asserted or that could be asserted on behalf of the Debtors, that the Debtors, their Estates, or the Reorganized Debtors would have been legally entitled to assert in their own right (whether individually or collectively) or on behalf of the holder of any Claim or Interest or other entity, based on or relating to, or in any manner arising from, in whole or in part, the Debtors (including the management, ownership, or operation thereof), the Debtors' in- or out-of-court restructuring efforts, the Debtors' intercompany transactions, the Prepetition Credit Agreement, any Avoidance Actions, the purchase, sale, or rescission of the purchase or sale of any Security of the Debtors or the Reorganized Debtors, the subject matter of, or the transactions or events giving rise to, any Claim or Interest that is treated in the Plan, the business or contractual arrangements between any Debtor and any Released Party, the formulation, preparation, dissemination, negotiation, or Filing of the Restructuring Support Agreement, the restructuring of any Claim or Interest before or during the Chapter 11 Cases, or any Restructuring Transaction, contract, instrument, document, release, or other agreement or document (including any legal opinion regarding any such transaction, contract, instrument, document, release, or other agreement or the reliance by any Released Party on the Plan or the Confirmation Order in lieu of such legal opinion) created or entered into in connection with the Restructuring Support Agreement, the Disclosure Statement, the Plan, the Plan Supplement, the related agreements, instruments, and other documents (including the Definitive Documentation), the Chapter 11 Cases, the filing of the Chapter 11 Cases, the pursuit of Confirmation, the pursuit of Consummation, the solicitation of votes with respect to the Plan, the administration and implementation of the Plan, including the issuance or distribution of Securities or other property pursuant to the Plan, the Definitive Documentation, or upon any other act or omission, transaction, agreement, event, or other occurrence taking place on or before the Effective Date related or relating to the foregoing. Notwithstanding anything to the contrary in the foregoing, (i) the releases set forth in Article VIII.E of the Plan do not release any post-Effective Date obligations of any party or Entity under the Plan, including under any of the Restructuring Transactions; and (ii) nothing in Article VIII.E of the Plan shall, nor shall it be deemed to, release any Released Party from any Claims or Causes of Action that are found, pursuant to a Final Order, to be the result of such Released Party's gross negligence, fraud, or willful misconduct.

Entry of the Confirmation Order shall constitute the Court's approval, pursuant to Bankruptcy Rule 9019, of the releases by the Debtors set forth in Article VIII.E of the Plan, which includes by reference each of the related provisions and definitions contained in the Plan, and, further, shall constitute the Court's finding that such releases are: (1) in exchange for the good and valuable consideration provided by the Released Parties; (2) a good faith settlement and compromise of the Claims and Causes of Action released by such releases; (3) in the best interests of the Debtors and their Estates; (4) fair, equitable and reasonable; (5) given and made after due notice and opportunity for hearing; and (6) a bar to any of the Debtors or their Estates asserting any Claim or Cause of Action released pursuant to such releases.

6. Releases by Holders of Claims and Interests

The Debtors also submit the third-party releases included in the Plan are critical components to the restructuring transactions. Such releases provide, specifically, that as of the Effective Date, each Releasing Party is deemed to have released and discharged each Debtor, Estate, Reorganized Debtor, and Released Party from any and all Claims, Causes of Action, obligations, suits, judgments, damages, demands, losses, liabilities, and remedies whatsoever, whether known or unknown, foreseen or unforeseen, existing or hereinafter arising, in law, equity, or otherwise, that such Entity would have been legally entitled to assert (whether individually or collectively), based on or relating to, or in any manner arising from, in whole or in part, the Debtors (including the management, ownership or operation thereof), the Debtors' in- or out-of-court restructuring

efforts, the Debtors' intercompany transactions, the Prepetition Credit Agreement, any Avoidance Actions, the purchase, sale, or rescission of the purchase or sale of any Security of the Debtors or the Reorganized Debtors, the subject matter of, or the transactions or events giving rise to, any Claim or Interest that is treated in the Plan, the business or contractual arrangements between any Debtor and any Released Party, the formulation, preparation, dissemination, negotiation, or Filing of the Restructuring Support Agreement, the restructuring of any Claim or Interest before or during the Chapter 11 Cases, or any Restructuring Transaction, contract, instrument, document, release, or other agreement or document (including any legal opinion regarding any such transaction, contract, instrument, document, release, or other agreement or the reliance by any Released Party on the Plan or the Confirmation Order in lieu of such legal opinion) created or entered into in connection with the Restructuring Support Agreement, the Disclosure Statement, the Plan, the Plan Supplement, the related agreements, instruments, and other documents (including the Definitive Documentation), the Chapter 11 Cases, the filing of the Chapter 11 Cases, the pursuit of Confirmation, the pursuit of Consummation, the solicitation of votes with respect to this Plan, the administration and implementation of the Plan, including the issuance or distribution of Securities or other property pursuant to the Plan, the Definitive Documentation, or upon any other act or omission, transaction, agreement, event, or other occurrence taking place on or before the Effective Date related or relating to the foregoing; *provided, however,* that except as expressly provided under the Plan, the foregoing releases shall not release obligations arising under agreements among the Releasing Parties and the Released Parties other than the Debtors. Notwithstanding anything to the contrary in the foregoing, (i) the releases set forth in Article VIII.F of the Plan do not release any post-Effective Date obligations of any party or Entity under the Plan, including under any of the Restructuring Transactions; and (ii) nothing in Article VIII.F of the Plan shall, nor shall it be deemed to, release any Released Party from any Claims or Causes of Action that are found, pursuant to a Final Order, to be the result of such Released Party's gross negligence, fraud, or willful misconduct.

Entry of the Confirmation Order shall constitute the Court's approval, pursuant to Bankruptcy Rule 9019, of the releases by Holders of Claims and Interests set forth in Article VIII.F of the Plan, which includes by reference each of the related provisions and definitions contained herein, and, further, shall constitute the Court's finding that such releases are: (1) in exchange for the good and valuable consideration provided by the Released Parties; (2) a good faith settlement and compromise of the Claims and Causes of Action released by such releases; (3) in the best interests of the Debtors and their Estates; (4) fair, equitable and reasonable; (5) given and made after due notice and opportunity for hearing; (6) an essential component of the Plan and the Restructuring Transactions; and (7) a bar to any of the Releasing Parties asserting any claim or cause of action released pursuant to such releases.

Any holder of a Claim or Interest entitled to vote on the Plan, as described in Section I.E of this Disclosure Statement, that: (i) votes to accept the Plan; (ii) votes to reject the Plan but does not affirmatively opt out of the releases described in the Plan; or (iii) abstains from voting on the Plan but does not affirmatively opt out of the releases described in the Plan, is automatically deemed to have accepted the release provisions in Article VIII.F of the Plan and be a Releasing Party in accordance with the terms of the Plan.

7. Exculpation

Except as otherwise specifically provided in the Plan, no Exculpated Party shall have or incur liability for, and each Exculpated Party is hereby released and exculpated from, any Claim, Cause of Action, obligation, suit, judgment, damage, demand, loss, liability, or remedy for any claim related to any act or omission in connection with, relating to, or arising out of, the Chapter 11 Cases, the formulation, preparation, dissemination, negotiation, Filing, or termination of the Restructuring Support Agreement and related prepetition transactions, the Disclosure Statement, the Plan, the Plan Supplement, the related agreements, instruments, and other documents (including the Definitive Documentation), the solicitation of votes with respect to this Plan, or any Restructuring Transaction, contract, instrument, release or other agreement or document (including providing any legal opinion requested by any Entity regarding any transaction, contract, instrument, document, or other agreement contemplated by the Plan or the reliance by any Exculpated Party on the Plan or the Confirmation Order in lieu of such legal opinion) created or entered into in connection with the Debtors' in- or out-of-court restructuring efforts, the Disclosure Statement, the Plan, the Restructuring Support Agreement, the related agreements, instruments, and other documents (including the Definitive Documentation), the Filing of the Chapter 11 Cases, the pursuit of Confirmation, the pursuit of Consummation,

the administration and implementation of the Plan, including the issuance of Securities pursuant to the Plan, or the distribution of property under the Plan, the related agreements, instruments, and other documents (including the Definitive Documentation), or any other related agreement, except for claims related to any act or omission by such Exculpated Party that is determined in a Final Order to have constituted actual fraud, willful misconduct, or gross negligence, but in all respects such Entities shall be entitled to reasonably rely upon the advice of counsel with respect to their duties and responsibilities pursuant to the Plan. The Exculpated Parties (to the extent applicable) have, and upon completion of the Plan shall be deemed to have, participated in good faith and in compliance with the applicable laws with regard to the solicitation of, and distribution of, consideration pursuant to the Plan and, therefore, are not, and on account of such distributions shall not be, liable at any time for the violation of any applicable law, rule, or regulation governing the solicitation of acceptances or rejections of the Plan or such distributions made pursuant to the Plan.

8. Injunction

Except as otherwise expressly provided in the Plan or for obligations issued or required to be paid pursuant to the Plan or Confirmation Order, all Entities who have held, hold, or may hold Claims or Interests that have been released, discharged, or exculpated pursuant to the Plan, are permanently enjoined, from and after the Effective Date, from taking any of the following actions against, as applicable, the Debtors, the Reorganized Debtors, the Released Parties, or the Exculpated Parties: (a) commencing or continuing in any manner any action or other proceeding of any kind on account of or in connection with or with respect to any such Claims or Interests; (b) enforcing, attaching, collecting, or recovering by any manner or means any judgment, award, decree, or order against such Entities on account of or in connection with or with respect to any such Claims or Interests; (c) creating, perfecting, or enforcing any Lien or encumbrance of any kind against such Entities or the property or the estates of such Entities on account of or in connection with or with respect to any such Claims or Interests; (d) asserting any right of setoff, subrogation, or recoupment of any kind against any obligation due from such Entities or against the property of such Entities on account of or in connection with or with respect to any such Claims or Interests; and (e) commencing or continuing in any manner any action or other proceeding of any kind on account of or in connection with or with respect to any such Claims or Interests released or settled pursuant to the Plan. Notwithstanding anything to the contrary in the foregoing, the injunction does not enjoin any party under the Plan or under any document, instrument, or agreement (including those attached to the Disclosure Statement or set forth in the Plan Supplement, to the extent finalized) executed to implement the Plan from bringing an action to enforce the terms of the Plan or such document, instrument, or agreement (including those attached to the Disclosure Statement or set forth in the Plan Supplement, to the extent finalized) executed to implement the Plan.

9. Protection Against Discriminatory Treatment

Consistent with section 525 of the Bankruptcy Code and the Supremacy Clause of the U.S. Constitution, all Entities, including Governmental Units, shall not discriminate against the Reorganized Debtors or deny, revoke, suspend, or refuse to renew a license, permit, charter, franchise, or other similar grant to, condition such a grant to, discriminate with respect to such a grant against, the Reorganized Debtors, or another Entity with whom the Reorganized Debtors have been associated, solely because each Debtor has been a debtor under chapter 11 of the Bankruptcy Code, has been insolvent before the commencement of the Chapter 11 Cases (or during the Chapter 11 Cases but before the Debtors are granted or denied a discharge), or has not paid a debt that is dischargeable in the Chapter 11 Cases.

10. Recoupment

In no event shall any holder of an Allowed Claim be entitled to recoup against any Claim, right, or Cause of Action of the Debtors or the Reorganized Debtors, as applicable, unless such holder actually has performed such recoupment and provided notice thereof in writing to the Debtors on or before the Confirmation Date, notwithstanding any indication in any Proof of Claim or otherwise that such holder asserts, has, or intends to preserve any right of recoupment.

11. Subordination Rights

Any distributions under the Plan shall be received and retained free from any obligations to hold or transfer the same to any other holder and shall not be subject to levy, garnishment, attachment, or other legal process by any holder by reason of claimed contractual subordination rights. Any such subordination rights shall be waived, and the Confirmation Order shall constitute an injunction enjoining any Entity from enforcing or attempting to enforce any contractual, legal, or equitable subordination rights to property distributed under the Plan, in each case other than as provided in the Plan.

12. Reimbursement or Contribution

If the Court disallows a Claim for reimbursement or contribution of an Entity pursuant to section 502(e)(1)(B) of the Bankruptcy Code, then to the extent that such Claim is contingent as of the time of disallowance, such Claim shall be forever disallowed and expunged notwithstanding section 502(j) of the Bankruptcy Code, unless prior to the Confirmation Date: (1) such Claim has been adjudicated as non-contingent; or (2) the relevant holder of a Claim has Filed a non-contingent Proof of Claim on account of such Claim and a Final Order has been entered prior to the Confirmation Date determining such Claim as no longer contingent.

K. Conditions Precedent to Confirmation and Consummation of the Plan

1. Conditions Precedent to Confirmation

It shall be a condition to Confirmation of the Plan that the following conditions shall have been satisfied (or waived pursuant to the provisions of Article IX.C of the Plan):

a. the Restructuring Support Agreement shall not have been breached or terminated and shall remain in full force and effect;

b. an order finding that the Disclosure Statement contains adequate information pursuant to section 1125 of the Bankruptcy Code shall have been entered by the Court;

c. the Confirmation Order shall have been entered by the Court in form and substance reasonably acceptable to the Debtors, Taco Supremo, and the Consenting Equity Holders (solely to the extent the Confirmation Order adversely impacts the Consenting Equity Holders' rights and treatment under the Plan); and

d. the Plan and the Plan Supplement, including any exhibits, schedules, amendments, modifications, or supplements thereto, shall have been Filed subject to the terms of the Plan.

2. Conditions Precedent to the Effective Date

It shall be a condition to Consummation of the Plan that the following conditions shall have been satisfied (or waived pursuant to the provisions of Article IX.C of the Plan):

a. the Confirmation Order shall have been entered and the Confirmation Order shall have become a Final Order that has not been stayed, modified, or vacated on appeal;

b. the Plan and the Plan Supplement, including any exhibits, schedules, amendments, modifications, or supplements thereto, and inclusive of any amendments, modifications, or supplements made after the Confirmation Date but prior to the Effective Date, shall be in form and substance reasonably acceptable to the Debtors, Taco Supremo, and the Consenting Equity Holders (solely to the extent such document adversely impacts the Consenting Equity Holders' rights and treatment under the Plan);

c. all other Definitive Documentation shall have been effected or executed in accordance with the terms hereof and in accordance with the Restructuring Support Agreement;

d. all conditions precedent to the issuance of the New Common Stock, other than any conditions related to the occurrence of the Effective Date, shall have occurred;

e. the New Organizational Documents shall have been duly filed with the applicable authorities in the relevant jurisdictions;

f. all required governmental and third-party approvals and consents, including Court approval, necessary in connection with the transactions provided for in the Plan shall have been obtained, shall not be subject to unfulfilled conditions, and shall be in full force and effect, and all applicable waiting periods shall have expired without any action having been taken by any competent authority that would restrain or prevent such transactions;

g. all documents and agreements necessary to implement the Plan shall have (a) been tendered for delivery and (b) been effected or executed by all Entities party thereto, and all conditions precedent to the effectiveness of such documents and agreements (other than any conditions related to the occurrence of the Effective Date) shall have been satisfied or waived pursuant to the terms of such documents or agreements;

h. the Store 3177 Adversary Proceeding shall have resulted in a Final Order declaring that the Store 3177 Lease was not terminated before the Petition Date, that any purported termination of the Store 3177 Lease was ineffective, and that Taco Bueno Restaurants, L.P.'s tenancy under the Store 3177 Lease became property of the Estate of Taco Bueno Restaurants, L.P. on the Petition Date; and

i. all Allowed Professional Fee Claims approved by the Court shall have been paid in full and the Professional Fee Escrow Account shall have been funded in the Professional Fee Reserve Amount.

3. Waiver of Conditions

The conditions precedent to Confirmation of the Plan and to the Effective Date of the Plan set forth in Article IX of the Plan may be waived only by the Debtors, with the consent of Taco Supremo (such consent not to be unreasonably withheld), without notice, leave, or order of the Court or any formal action other than proceedings to confirm or consummate the Plan.

4. Substantial Consummation

"Substantial Consummation" of the Plan, as defined in 11 U.S.C. § 1101(2), shall be deemed to occur on the Effective Date.

5. Effect of Non-Occurrence of Conditions to the Confirmation Date or the Effective Date

If the Confirmation Date and/or the Effective Date do(es) not occur, the Plan shall be null and void in all respects and nothing contained in the Plan or the Disclosure Statement shall: (1) constitute a waiver or release of any Claims by or Claims against or Interests in the Debtors; (2) prejudice in any manner the rights of the Debtors or any other Entity; (3) constitute an admission, acknowledgment, offer, or undertaking by the Debtors, any holders of Claims or Interests, or any other Entity in any respect; or (4) be used by the Debtors or any Entity as evidence (or in any other way) in any litigation, including with regard to the strengths or weaknesses of any of the parties' positions, arguments or claims.

L. Modification, Revocation, or Withdrawal of the Plan

1. Modification and Amendments

Subject to the limitations contained in the Plan, the Debtors reserve the right to modify the Plan and seek Confirmation consistent with the Bankruptcy Code and, as appropriate, not resolicit votes on such modified Plan. Subject to certain restrictions and requirements set forth in section 1127 of the Bankruptcy Code and Bankruptcy Rule 3019, those restrictions on modifications set forth in the Plan, and the terms of the Restructuring Support Agreement, the Debtors expressly reserve their rights to alter, amend, or modify the Plan, one or more times, after Confirmation, and, to the extent necessary, initiate proceedings in the Court to so alter, amend, or modify the Plan, or remedy any defect or omission, or reconcile any inconsistencies in the Plan, the Disclosure Statement, or the Confirmation Order, in such manner as may be necessary to carry out the purposes and intent of the Plan.

2. Effect of Confirmation on Modifications

Entry of the Confirmation Order shall mean that all modifications or amendments to the Plan occurring after the solicitation thereof are approved pursuant to section 1127(a) of the Bankruptcy Code and do not require additional disclosure or resolicitation under Bankruptcy Rule 3019.

3. Revocation or Withdrawal of the Plan

The Debtors reserve the right to revoke or withdraw the Plan with respect to any or all Debtors prior to the Confirmation Date and to file subsequent plans of reorganization. If the Debtors revoke or withdraw the Plan, or if Confirmation and Consummation do not occur, then: (1) the Plan shall be null and void in all respects; (2) any settlement or compromise embodied in the Plan (including the fixing or limiting to an amount certain of any Claim or Interest or Class of Claims or Interests), assumption or rejection of Executory Contracts or Unexpired Leases effected by the Plan, and any document or agreement executed pursuant to the Plan, shall be deemed null and void; and (3) nothing contained in the Plan shall: (i) constitute a waiver or release of any Claims or Interests; (ii) prejudice in any manner the rights of the Debtors or any other Entity, including the holders of Claims; (iii) constitute an admission, acknowledgement, offer, or undertaking of any sort by the Debtors or any other Entity; or (iv) be used by the Debtors or any other Entity as evidence (or in any other way) in any litigation, including with regard to the strengths or weaknesses of any of the parties' positions, arguments, or claims.

M. Retention of Jurisdiction

Notwithstanding the entry of the Confirmation Order and the occurrence of the Effective Date, on and after the Effective Date, the Court shall retain jurisdiction over the Chapter 11 Cases and all matters, arising out of, or related to, the Chapter 11 Cases and the Plan, including jurisdiction to:

1. Allow, Disallow, determine, liquidate, classify, estimate, or establish the priority, Secured or Unsecured status, or amount of any Claim or Interest, including the resolution of any request for payment of any Administrative Claim and the resolution of any and all objections relating to any of the foregoing;

2. decide and resolve all matters related to the granting and denying, in whole or in part, any applications for allowance of compensation or reimbursement of expenses to Professionals;

3. resolve any matters related to: (a) the assumption, assignment, or rejection of any Executory Contract or Unexpired Lease and to hear, determine, and, if necessary, liquidate, any Claims arising therefrom, including Claims related to the rejection of an Executory Contract or Unexpired Lease, any Cure Claims, or any other matter related to such Executory Contract or Unexpired Lease; (b) the Debtors (with the consent of Taco Supremo) or the Reorganized Debtors, as applicable, amending, modifying, or supplementing, pursuant to Article V hereof, the Schedule of Assumed Executory Contracts and Unexpired Leases; and (c) any dispute regarding whether a contract or lease is or was executory or unexpired;

4. ensure that distributions to holders of Allowed Claims or Interests are accomplished pursuant to the provisions of the Plan;

5. adjudicate, decide, or resolve any motions, adversary proceedings, contested, or litigated matters, and grant or deny any applications involving a Debtor that may be pending on the Effective Date;

6. adjudicate, decide, or resolve any and all matters related to Causes of Action by or against a Debtor;

7. adjudicate, decide, or resolve any and all matters related to sections 1141, 1145, and 1146 of the Bankruptcy Code;

8. enter and implement such orders as may be necessary or appropriate to execute, implement, or consummate the provisions of the Plan and the Restructuring Support Agreement, and all contracts, instruments, releases, indentures, and other agreements or documents created in connection with the Plan or the Restructuring Support Agreement;

9. enter and enforce any order for the sale of property pursuant to sections 363 or 1123 of the Bankruptcy Code;

10. resolve any cases, controversies, suits, disputes, or Causes of Action that may arise in connection with the Consummation, interpretation, or enforcement of the Plan or any Entity's obligations incurred in connection with the Plan or the Restructuring Support Agreement;

11. issue injunctions, enter and implement other orders, or take such other actions as may be necessary or appropriate to restrain interference by any Entity with Consummation or enforcement of the Plan;

12. resolve any cases, controversies, suits, disputes, or Causes of Action with respect to the settlements, compromises, discharges, releases, injunctions, exculpations, and other provisions contained in Article VIII of the Plan and enter such orders as may be necessary or appropriate to implement such releases, injunctions, and other provisions;

13. resolve any cases, controversies, suits, disputes, or Causes of Action with respect to the repayment or return of distributions and the recovery of additional amounts owed by the holder of a Claim or Interest for amounts not timely repaid pursuant to Article VI.I.1 of the Plan;

14. enter and implement such orders as are necessary or appropriate if the Confirmation Order is for any reason modified, stayed, reversed, revoked, or vacated;

15. determine any other matters that may arise in connection with or relate to the Restructuring Support Agreement, the Plan, the Disclosure Statement, the Confirmation Order, or the Plan Supplement;

16. adjudicate any and all disputes arising from or relating to distributions under the Plan or any transactions contemplated therein, including any Restructuring Transactions;

17. consider any modifications of the Plan, to cure any defect or omission, or to reconcile any inconsistency in any Court order, including the Confirmation Order;

18. determine requests for the payment of Claims entitled to priority pursuant to section 507 of the Bankruptcy Code;

19. hear and determine matters concerning state, local, and federal taxes in accordance with sections 346, 505, and 1146 of the Bankruptcy Code;

20. hear and determine all disputes involving the existence, nature, or scope of the release provisions set forth in the Plan, including any dispute relating to any liability arising out of the termination of

employment or the termination of any employee or retiree benefit program, regardless of whether such termination occurred prior to or after the Effective Date;

21. enforce all orders previously entered by the Court;

22. hear any other matter not inconsistent with the Bankruptcy Code;

23. enter an order concluding or closing the Chapter 11 Cases; and

24. enforce the injunction, release, and exculpation provisions set forth in Article VIII of the Plan.

N. Miscellaneous Provisions

1. Immediate Binding Effect

Subject to Article IX.A of the Plan and notwithstanding Bankruptcy Rules 3020(e), 6004(h), or 7062 or otherwise, upon the occurrence of the Effective Date, the terms of the Plan, the final versions of the documents contained in the Plan Supplement, and the Confirmation Order shall be immediately effective and enforceable and deemed binding upon the Debtors or the Reorganized Debtors, as applicable, and any and all holders of Claims or Interests (regardless of whether the holders of such Claims or Interests are deemed to have accepted or rejected the Plan), all Entities that are parties to or are subject to the settlements, compromises, releases, and injunctions provided for in the Plan, each Entity acquiring property under the Plan or the Confirmation Order, and any and all non-Debtor parties to Executory Contracts and Unexpired Leases. All Claims and debts shall be fixed, adjusted, or compromised, as applicable, pursuant to the Plan regardless of whether any holder of a Claim or debt has voted on the Plan.

2. Additional Documents

On or before the Effective Date, the Debtors may File with the Court such agreements and other documents as may be necessary or appropriate to effectuate and further evidence the terms and conditions of the Plan and the Restructuring Support Agreement. The Debtors, and all holders of Claims or Interests receiving distributions pursuant to the Plan and all other parties in interest shall, from time to time, prepare, execute, and deliver any agreements or documents and take any other actions as may be necessary or advisable to effectuate the provisions and intent of the Plan.

3. Reservation of Rights

Except as expressly set forth in the Plan, the Plan shall have no force or effect unless the Court enters the Confirmation Order, and the Confirmation Order shall have no force or effect unless the Effective Date occurs. Prior to the Effective Date, neither the Plan, any statement or provision contained in the Plan, nor any action taken or not taken by any Debtor with respect to the Plan, the Disclosure Statement, the Confirmation Order, or the Plan Supplement shall be or shall be deemed to be an admission or waiver of any rights of any Debtor with respect to the holders of Claims or Interests.

4. Successors and Assigns

The rights, benefits, and obligations of any Entity named or referred to in the Plan or the Confirmation Order shall be binding on, and shall inure to the benefit of any heir, executor, administrator, successor or assign, if any, of such Entity.

5. Service of Documents

Any pleading, notice, or other document required by the Plan to be served on or delivered to the Debtors or Reorganized Debtors shall be served on:

Debtors or Reorganized Debtors	**Taco Bueno Restaurants, Inc.** 300 East John Carpenter Freeway, Suite 800 Irving, TX 75062 Attn: Philip Parsons
Proposed Counsel for the Debtors	**Vinson & Elkins LLP** 666 Fifth Avenue, 26th Floor New York, New York 10103-0040 Attn: David S. Meyer Jessica C. Peet -and- **Vinson & Elkins LLP** Trammell Crow Center 2001 Ross Avenue, Suite 3900 Dallas, Texas 75201 Attn: Paul E. Heath Garrick C. Smith
Counsel to Taco Supremo	**Scheef & Stone, L.L.P.** 500 N. Akard, Suite 2700 Dallas, Texas 75201 Attn: Peter C. Lewis -and- **Sun Holdings, Inc.** 4055 Valley View Ln, Suite 500 Dallas, Texas 75244 Attn: Tim Comer

6. Term of Injunctions or Stays

Unless otherwise provided in the Plan or in the Confirmation Order, all injunctions or stays in effect in the Chapter 11 Cases pursuant to sections 105 or 362 of the Bankruptcy Code or any order of the Court, and existing on the Confirmation Date (excluding any injunctions or stays contained in the Plan or the Confirmation Order) shall remain in full force and effect until the Effective Date. All injunctions or stays contained in the Plan or the Confirmation Order shall remain in full force and effect in accordance with their terms.

7. Entire Agreement

Except as otherwise indicated, on the Effective Date, the Plan and the Plan Supplement shall supersede all previous and contemporaneous negotiations, promises, covenants, agreements, understandings, and representations on such subjects, all of which have become merged and integrated into the Plan.

8. Exhibits

All exhibits and documents included in the Plan Supplement are incorporated into and are a part of the Plan as if set forth in full in the Plan. After the exhibits and documents are Filed, copies of such exhibits and documents shall be available upon written request to the Debtors' counsel at the address above or by downloading such exhibits and documents from the Debtors' restructuring website at http://Cases.primeclerk.com/tacobueno or the Court's website at www.txn.uscourts.gov. To the extent any exhibit or document is inconsistent with the terms of the Plan, unless otherwise ordered by the Court, the non-exhibit or non-document portion of the Plan shall control.

9. Nonseverability of Plan Provisions

If, prior to Confirmation, any term or provision of the Plan is held by the Court to be invalid, void, or unenforceable, the Court shall have the power to alter and interpret such term or provision to make it valid or enforceable to the maximum extent practicable, consistent with the original purpose of the term or provision held to be invalid, void, or unenforceable, and such terms or provision shall then be applicable as altered or interpreted, *provided that* any such alteration or interpretation shall be acceptable to the Debtors and Taco Supremo. The Confirmation Order shall constitute a judicial determination and shall provide that each term and provision of the Plan, as it may have been altered or interpreted in accordance with the foregoing, is: (1) valid and enforceable pursuant to its terms; (2) integral to the Plan and may not be deleted or modified without the Debtors' and Taco Supremo's consent; and (3) nonseverable and mutually dependent.

10. Votes Solicited in Good Faith

Upon entry of the Confirmation Order, the Debtors will be deemed to have solicited votes on the Plan in good faith and in compliance with the Bankruptcy Code, and pursuant to section 1125(e) of the Bankruptcy Code, the Debtors, the Prepetition Agent, and each of their respective Affiliates, agents, representatives, members, principals, shareholders, officers, directors, employees, advisors, and attorneys will be deemed to have participated in good faith and in compliance with the Bankruptcy Code in the offer, issuance, sale, and purchase of Securities offered and sold under the Plan and any previous plan, and, therefore, neither any of such parties or individuals or the Reorganized Debtors will have any liability for the violation of any applicable law, rule, or regulation governing the solicitation of votes on the Plan or the offer, issuance, sale, or purchase of the Securities offered and sold under the Plan and any previous plan.

11. Dissolution of any Committee

On the Effective Date, any Committee shall dissolve, and the members thereof shall be released and discharged from all rights and duties arising from, or related to, the Chapter 11 Cases. The Reorganized Debtors shall no longer be responsible for paying any fees or expenses incurred by any Committee after the Effective Date.

12. Closing of Chapter 11 Cases

The Reorganized Debtors shall, promptly after the full administration of the Chapter 11 Cases, File with the Court all documents required by Bankruptcy Rule 3022 and any applicable order of the Court to close the Chapter 11 Cases.

13. No Stay of Confirmation Order

The Confirmation Order shall contain a waiver of any stay of enforcement otherwise applicable, including pursuant to Bankruptcy Rule 3020(e) and 7062.

14. Waiver or Estoppel

Except with respect to the Restructuring Support Agreement and the parties thereto, each holder of a Claim or an Interest shall be deemed to have waived any right to assert any argument, including the right to argue that its Claim or Interest should be Allowed in a certain amount, in a certain priority, Secured or not subordinated by virtue of an agreement made with the Debtors or their counsel, or any other Entity, if such agreement or the Debtors or Reorganized Debtors' right to enter into settlements was not disclosed in the Plan, the Disclosure Statement, or papers Filed with the Court or the Notice and Claims Agent prior to the Confirmation Date.

V. CONFIRMATION PROCEDURES

A. Statutory Requirements for Confirmation of the Plan

At the Confirmation Hearing, the Court will determine whether the Plan satisfies the requirements of section 1129 of the Bankruptcy Code. Among the requirements for Confirmation of the Plan are that the Plan: (i) is accepted by all Impaired Classes of Claims, or if rejected by an Impaired Class, that the Plan "does not discriminate unfairly" and is "fair and equitable" as to such Class; (ii) is feasible; and (iii) is in the "best interests" of holders of Claims. The Debtors believe that: (i) the Plan satisfies or will satisfy all of the necessary statutory requirements of chapter 11; (ii) the Debtors complied or will have complied with all of the necessary requirements of chapter 11; and (iii) the Plan was proposed in good faith.

1. Best Interests of Creditors Test and Liquidation Analysis

Section 1129(a)(7) of the Bankruptcy Code requires that a bankruptcy court find, as a condition to confirmation, that a chapter 11 plan provides, with respect to each impaired class, that each holder of a claim or an equity interest in such impaired class either: (i) has accepted the plan; or (ii) will receive or retain under the plan property of a value that is not less than the amount that the non-accepting holder would receive or retain if the debtors liquidated under chapter 7. This requirement is often referred to as the "best interests test."

This test requires a bankruptcy court to determine what the holders of allowed claims and allowed interests in each impaired class would receive from a liquidation of the debtor's assets and properties in the context of a liquidation under chapter 7 of the Bankruptcy Code. To determine if a plan is in the best interests of each impaired class, the value of the distributions from the proceeds of the liquidation of the debtor's assets and properties (after subtracting the amounts attributable to the aforesaid claims) is then compared with the value offered to such classes of claims and equity interests under the proposed chapter 11 plan.

Attached hereto as **Exhibit C** and incorporated herein by reference is the Liquidation Analysis prepared by the Debtors with the assistance of BRG, the Debtors' financial advisor. The Liquidation Analysis provides the Debtors' analysis with respect to liquidations of the Debtors. As reflected in the Liquidation Analysis, the Debtors believe that liquidation of the Debtors' businesses under chapter 7 of the Bankruptcy Code would result in significantly less value for holders of Claims and Interests as compared to the distributions contemplated under the Plan. Consequently, the Debtors believe that Confirmation of the Plan will provide a substantially greater return to holders of Claims than such holders would receive in a liquidation under chapter 7 of the Bankruptcy Code.

ANY LIQUIDATION ANALYSIS IS SPECULATIVE, AS IT IS NECESSARILY PREMISED ON ASSUMPTIONS AND ESTIMATES WHICH ARE INHERENTLY SUBJECT TO SIGNIFICANT UNCERTAINTIES AND CONTINGENCIES, MANY OF WHICH WOULD BE BEYOND THE CONTROL OF THE DEBTORS. THE LIQUIDATION ANALYSIS IS SOLELY FOR THE PURPOSE OF DISCLOSING TO HOLDERS OF CLAIMS AND INTERESTS THE EFFECTS OF A HYPOTHETICAL CHAPTER 7 LIQUIDATION OF THE DEBTORS, SUBJECT TO THE ASSUMPTIONS SET FORTH THEREIN.

THERE CAN BE NO ASSURANCE AS TO VALUES THAT WOULD ACTUALLY BE REALIZED IN A CHAPTER 7 LIQUIDATION, NOR CAN THERE BE ANY ASSURANCE THAT A BANKRUPTCY COURT WILL ACCEPT THE DEBTORS' CONCLUSIONS OR CONCUR WITH SUCH ASSUMPTIONS IN MAKING ITS DETERMINATIONS UNDER SECTION 1129(A)(7) OF THE BANKRUPTCY CODE.

2. Feasibility

Section 1129(a)(11) of the Bankruptcy Code requires that a debtor demonstrate that confirmation of a plan is not likely to be followed by the liquidation, or the need for further financial reorganization of the debtor, or any successor to the debtor (unless such liquidation or reorganization is proposed in such plan of reorganization).

In order to establish the feasibility of the Plan for purposes of section 1129(a)(11) of the Bankruptcy Code, the Debtors and their management team and advisors, working with Taco Supremo and its advisors, intend to develop the Financial Projections that will be filed with the Court as part of the Plan Supplement. The Financial Projections will set forth the projected financial performance of the Reorganized Debtors over a defined period of time based upon a number of assumptions and factors, including any potential reconfigured store lease agreements with one or more of the Primary Lessors and other landlords, any rejected store locations, potential G&A reductions/savings and any additional liquidity and capital commitments that may be made to the Reorganized Debtors by Taco Supremo. The Financial Projections will be prepared on a consolidated basis and will be unaudited. Impaired creditors and other interested parties should review Section VI of this Disclosure Statement for a discussion of certain factors that may affect the future financial performance of the Reorganized Debtors.

The Debtors anticipate that the Financial Projections will show that the Reorganized Debtors will have a viable operation following the Chapter 11 Cases and that confirmation of the Plan is not likely to be followed by liquidation or the need for further reorganization.

3. Acceptance by Impaired Classes

The Bankruptcy Code requires, as a condition to confirmation, except as described in the following section, that each class of claims or Interests impaired under a plan, accept the plan. A class that is not "impaired" under a plan is deemed to have accepted the plan and, therefore, solicitation of acceptances with respect to such a class is not required. A class of claims is "impaired" within the meaning of section 1124 of the Bankruptcy Code unless the Plan: (i) leaves unaltered the legal, equitable, and contractual rights to which the claim or equity interest entitles the holder of such claim or equity interest or (ii) cures any default, reinstates the original terms of such obligation, compensates the holder for certain damages or losses, as applicable, and does not otherwise alter the legal, equitable, or contractual rights to which such claim or equity interest entitles the holder of such claim or equity interest.

Section 1126(c) of the Bankruptcy Code defines acceptance of a plan by a class of impaired claims as acceptance by holders of at least two-thirds in dollar amount and more than one-half in number of allowed claims in that class, counting only those claims that have actually voted to accept or reject the Plan. Thus, a class of claims will have voted to accept the Plan only if two-thirds in amount and a majority in number actually cast their ballots in favor of acceptance.

4. Additional Requirements for Nonconsensual Confirmation

Section 1129(b) of the Bankruptcy Code allows a bankruptcy court to confirm a plan even if all impaired classes have not accepted it; *provided that* the plan has been accepted by at least one impaired class. Pursuant to section 1129(b) of the Bankruptcy Code, notwithstanding an impaired class's rejection or deemed rejection of the plan, the plan will be confirmed, at the plan proponent's request, in a procedure commonly known as a "cramdown" so long as the plan does not "discriminate unfairly" and is "fair and equitable" with respect to each class of claims or interests that is Impaired under, and has not accepted, the plan.

If any Impaired Class rejects the Plan, the Debtors reserve the right to seek to confirm the Plan utilizing the "cramdown" provision of section 1129(b) of the Bankruptcy Code. The Debtors reserve the right to alter, amend, modify, revoke, or withdraw the Plan document, including the right to amend or modify the Plan document to satisfy the requirements of section 1129(b) of the Bankruptcy Code.

a. No Unfair Discrimination

The "unfair discrimination" test applies to classes of claims or interests that are of equal priority and are receiving different treatment under a plan. This test does not require that the treatment be the same or equivalent, but that such treatment is "fair." In general, bankruptcy courts consider whether a plan discriminates unfairly in its treatment of classes of claims of equal rank (e.g., classes of the same legal character). Bankruptcy courts will take into account a number of factors in determining whether a plan discriminates unfairly.

b. Fair and Equitable Test

The "fair and equitable" test applies to classes of different priority and status (e.g., secured versus unsecured) and requires: (i) that no class of claims receive more than 100% of the allowed amount of the claims in such class; and (ii) that no holder of any claim or interest that is junior in priority to a dissenting creditor receive or retain any property under the plan on account of such junior claim or interest.

The Debtors submit that if the Debtors "cramdown" the Plan pursuant to section 1129(b) of the Bankruptcy Code, the Plan is structured so that it does not "discriminate unfairly" and satisfies the "fair and equitable" requirement. With respect to the unfair discrimination requirement, all Classes under the Plan are provided treatment that is substantially equivalent to the treatment that is provided to other Classes that have equal rank. With respect to the fair and equitable requirement, no Class under the Plan will receive more than 100% of the amount of Allowed Claims in that Class. The Debtors believe that the Plan and the treatment of all Classes of Claims and Interests under the Plan satisfy the foregoing requirements for nonconsensual Confirmation of the Plan.

c. Valuation of the Debtors

In conjunction with formulating the Plan and satisfying its obligations under section 1129 of the Bankruptcy Code, the Debtors determined that it was necessary to estimate the post-Confirmation going concern value of the Debtors. The valuation analyses are set forth in **Exhibit D** attached hereto (the "***Valuation Analysis***") and incorporated herein by reference.

B. Alternatives to Confirmation and Consummation of the Plan

The Debtors have evaluated several alternatives to the Plan. After studying these alternatives, the Debtors have concluded that the Plan is the best alternative and will maximize recoveries to parties in interest, assuming Confirmation and Consummation of the Plan. If the Plan is not confirmed and consummated, the primary alternatives to the Plan are: (i) the preparation and presentation of an alternative plan of reorganization; (ii) a sale of some or all of the Debtors' assets pursuant to section 363 of the Bankruptcy Code; or (iii) a liquidation under chapter 7 of the Bankruptcy Code.

1. Alternative Plan of Reorganization

If the Plan is not confirmed, the Debtors (or if the Debtors' exclusive period in which to file a plan of reorganization has expired, any other party in interest) could attempt to formulate a different plan. Such a plan might involve either a reorganization and continuation of the Debtors' business or an orderly liquidation of its assets. The Debtors, however, submit that the Plan, as described herein, enables their creditors to realize the most value under the circumstances.

2. Sale Under Section 363 of the Bankruptcy Code

If the Plan is not confirmed, the Debtors could seek authorization from the Court, after notice and a hearing, to sell their assets under section 363 of the Bankruptcy Code. Holders of Claims in Class 3 would be entitled to credit bid on any property to which their security interest is attached, and to offset their Claims against the purchase price of the property. In addition, the security interests in the Debtors' assets held by holders of Claims in Class 3 would attach to the proceeds of any sale of the Debtors' assets. After these Claims are satisfied, the remaining funds could be used to pay holders of Claims in Class 4. Upon analysis and consideration of this alternative, the Debtors do not believe a sale of their assets under section 363 of the Bankruptcy Code would yield a higher recovery for holders of Claims than the Plan. Notably, it is likely administrative expense claims and priority creditors would not be paid in connection with such a transaction.

3. Liquidation Under Chapter 7 or Applicable Non-Bankruptcy Law

If no plan can be confirmed, the Chapter 11 Cases may be converted to cases under chapter 7 of the Bankruptcy Code in which a trustee would be elected or appointed to liquidate the assets of the Debtors for distribution to their creditors in accordance with the priorities established by the Bankruptcy Code. The effect a chapter 7 liquidation would have on the recovery of holders of allowed Claims and Interests is set forth in the Liquidation Analysis attached hereto as **Exhibit C**. As noted in Section V.A.1 of this Disclosure Statement, the Debtors believe that liquidation under chapter 7 would result in smaller distributions to creditors than those provided for in the Plan because of the delay resulting from the conversion of the cases and the additional administrative expenses associated with the appointment of a trustee and the trustee's retention of professionals who would be required to become familiar with the many legal and factual issues in the Debtors' Chapter 11 Cases.

C. Contact for More Information

Any interested party desiring further information about the Plan can contact legal counsel to the Debtors, by: (i) writing to Vinson & Elkins LLP 666 Fifth Avenue, 26th floor, New York, New York 10103-0040, Attention: Taco Bueno; or (ii) calling Garrick Smith at (214) 220-7931.

VI. CERTAIN RISK FACTORS TO BE CONSIDERED

Prior to voting to accept or reject the Plan, holders of Claims should read and carefully consider the risk factors set forth below, in addition to the information set forth in this Disclosure Statement together with any attachments, exhibits, or documents incorporated by reference hereto. The risk factors below should not be regarded as the only risks associated with the Debtors' businesses or the Plan and its implementation.

A. Certain Bankruptcy Law Considerations

1. General

While the Debtors believe that, as set out in the Restructuring Support Agreement, the Chapter 11 Cases will be of short duration and will not be materially disruptive to their businesses, the Debtors cannot be certain that this will be the case. Although the Restructuring Support Agreement is designed to minimize the length of the Chapter 11 Cases, it is impossible to predict with certainty the amount of time that one or more of the Debtors may spend in bankruptcy or to assure the parties in interest that the Plan will be confirmed. Even if confirmed on a timely basis, bankruptcy proceedings to confirm the Plan could have an adverse effect on the Debtors' ability to develop and execute

their business plan, their financial condition, and their liquidity. Among other things, it is possible that bankruptcy proceedings could adversely affect the Debtors' relationships with their many loyal customers and employees. The proceedings will also involve additional expense and may divert some of the attention of the Debtors' management away from business operations.

2. Parties in Interest May Object to the Plan's Classification of Claims and Interests

Section 1122 of the Bankruptcy Code provides that a plan may place a claim or an equity interest in a particular class only if such claim or equity interest is substantially similar to the other claims or interests in such class. The Debtors believe that the classification of the Claims and Interests under the Plan complies with the requirements set forth in the Bankruptcy Code because the Debtors created Classes of Claims and Interests each encompassing Claims or Interests, as applicable, that are substantially similar to the other Claims or Interests in each such Class. Nevertheless, there can be no assurance that the Court will reach the same conclusion.

3. The Conditions Precedent to the Confirmation Date and/or Effective Date of the Plan May Not Occur

As more fully set forth in Article IX of the Plan, the Confirmation Date and the Effective Date of the Plan are subject to a number of conditions precedent. If such conditions precedent are not met or waived, the Confirmation Date or the Effective Date will not take place.

4. The Debtors May Not Prevail in the Store 3177 Adversary Proceeding.

There is no guarantee that the Debtors will be successful in the Store 3177 Adversary Proceeding. If the Court declines to enter a Final Order declaring that the Store 3177 Lease was not terminated before the Petition Date, that any purported termination of the Store 3177 Lease was ineffective, and that Taco Bueno Restaurants, L.P.'s tenancy under the Store 3177 Lease became property of the Estate of Taco Bueno Restaurants, L.P. on the Petition Date, Taco Bueno could lose one of its most profitable stores.

5. The Debtors May Fail to Satisfy Voting Requirements

If votes are received in number and amount sufficient to enable the Court to confirm the Plan, the Debtors intend to seek, as promptly as practicable thereafter, Confirmation of the Plan. In the event that sufficient votes are not received, the Debtors may seek to confirm an alternative chapter 11 plan or proceed with a sale of all or substantially all of the Debtors' assets pursuant to section 363 of the Bankruptcy Code. There can be no assurance that the terms of any such alternative chapter 11 plan or sale pursuant to section 363 of the Bankruptcy Code would be similar or as favorable to the holders of Allowed Claims as those proposed in the Plan.

6. Releases, Injunctions, and Exculpations Provisions May Not Be Approved

Article VIII of the Plan provides for certain releases, injunctions, and exculpations, including a release of Liens and third-party releases that may otherwise be asserted against the Debtors, Reorganized Debtors, or Released Parties, as applicable. The releases, injunctions, and exculpations provided in the Plan are subject to objection by parties in interest and may not be approved. If the releases are not approved, certain Released Parties may withdraw their support for the Plan.

7. The Debtors May Not Be Able to Pay All Administrative Expenses

Administrative expenses during the Chapter 11 Cases could be significant, and the DIP funding available to the Debtors may be insufficient to pay all such expenses. If the Debtors are unable to pay all administrative expense claims, they will be unable to confirm the Plan.

8. The Debtors May Not Be Able to Secure Confirmation of the Plan

Section 1129 of the Bankruptcy Code sets forth the requirements for confirmation of a chapter 11 plan, and requires, among other things, findings by the Court that: (i) such plan "does not unfairly discriminate" and is "fair and equitable" with respect to any non-accepting classes; (ii) confirmation of such plan is not likely to be followed by a liquidation or a need for further financial reorganization unless such liquidation or reorganization is contemplated by the Plan; and (iii) the value of distributions to nonaccepting holders of claims and interests within a particular class under such plan will not be less than the value of distributions such holders would receive if the debtors were liquidated under chapter 7 of the Bankruptcy Code.

There can be no assurance that the requisite acceptances to confirm the Plan will be received. Even if the requisite acceptances are received, there can be no assurance that the Court will confirm the Plan. A non-accepting holder of an Allowed Claim might challenge either the adequacy of this Disclosure Statement or whether the balloting procedures and voting results satisfy the requirements of the Bankruptcy Code or Bankruptcy Rules. Even if the Court determines that this Disclosure Statement, the balloting procedures, and voting results are appropriate, the Court could still decline to confirm the Plan if it finds that any of the statutory requirements for Confirmation are not met. If the Plan is not confirmed by the Court, it is unclear whether the Debtors will be able to reorganize their business and what, if anything, holders of Allowed Claims against the Debtors would ultimately receive on account of such Allowed Claims.

Confirmation of the Plan is also subject to certain conditions as described in Article IX of the Plan. If the Plan is not confirmed, it is unclear what distributions, if any, holders of Allowed Claims will receive on account of such Allowed Claims.

The Debtors, subject to the terms and conditions of the Plan and the Restructuring Support Agreement, reserve the right to modify the terms and conditions of the Plan as necessary for Confirmation. Any such modifications could result in less favorable treatment of any non-accepting Class, as well as any Class junior to such non-accepting Class, than the treatment currently provided in the Plan. Such a less favorable treatment could include a distribution of property with a lesser value than currently provided in the Plan or no distribution whatsoever under the Plan.

9. Nonconsensual Confirmation

In the event that any impaired class of claims or interests does not accept or is deemed to reject a chapter 11 plan, a bankruptcy court may nevertheless confirm a plan at the proponents' request if at least one impaired class (as defined under section 1124 of the Bankruptcy Code) has accepted the Plan (with such acceptance being determined without including the vote of any "insider" in such class), and, as to each impaired class that has not accepted the Plan, the bankruptcy court determines that the Plan "does not discriminate unfairly" and is "fair and equitable" with respect to the dissenting impaired class(es). The Debtors believe that the Plan satisfies these requirements, and the Debtors may request such nonconsensual Confirmation in accordance with subsection 1129(b) of the Bankruptcy Code. Nevertheless, there can be no assurance that the Court will reach this conclusion. In addition, the pursuit of nonconsensual Confirmation or Consummation of the Plan may result in, among other things, increased administrative expenses relating to professional compensation.

10. Risk of Termination of the Restructuring Support Agreement

The Restructuring Support Agreement contains certain provisions that give the Restructuring Support Parties the ability to terminate the Restructuring Support Agreement if various conditions are satisfied, such as the failure to meet the proposed milestones or the conversion of one or more of the Chapter 11 Cases into a case under chapter 7 of the Bankruptcy Code. Should a termination event occur, the terminating Parties' (as defined in the Restructuring Support Agreement) and, solely in the case of a Termination Date (as defined in the Restructuring Support Agreement) occurring upon the mutual written agreement of each of the Debtors and Taco Supremo, all Parties' obligations under the Restructuring Support Agreement will be terminated effective immediately, and such Party or Parties to the Restructuring Support Agreement will be released from all commitments, undertakings, and agreements thereunder. Termination of the Restructuring Support Agreement could result in protracted Chapter 11 Cases, which could significantly and detrimentally impact the Debtors' relationships with vendors, employees, and landlords.

11. Conversion into Cases under Chapter 7 of the Bankruptcy Code

If no plan of reorganization can be confirmed, or if the Court otherwise finds that it would be in the best interest of holders of Claims and Interests, the Chapter 11 Cases may be converted to cases under chapter 7 of the Bankruptcy Code, pursuant to which a trustee would be appointed or elected to liquidate the Debtors' assets for distribution in accordance with the priorities established by the Bankruptcy Code.

The Debtors believe that liquidation under chapter 7 would result in significantly smaller distributions being made to creditors than those provided for in a chapter 11 plan because of (a) the likelihood that the assets would have to be sold or otherwise disposed of in a disorderly fashion over a short period of time rather than reorganizing or selling in a controlled manner affecting the business as a going concern, (b) additional administrative expenses involved in the appointment of a chapter 7 trustee, and (c) additional expenses and Claims, some of which would be entitled to priority, that would be generated during the liquidation, including Claims resulting from the rejection of Unexpired Leases and other Executory Contracts in connection with cessation of operations. See the Liquidation Analysis attached hereto as **Exhibit C** for further discussion of the effects that a chapter 7 liquidation could have on the recoveries of holders of Claims and Interests.

B. Additional Factors Affecting the Value of the Reorganized Debtors

1. Projections and Other Forward-Looking Statements Are Not Assured, and Actual Results May Vary

Certain of the information contained in this Disclosure Statement is, by nature, forward-looking, and contains: (i) estimates and assumptions which might ultimately prove to be incorrect; and (ii) projections which may be materially different from actual future experiences. There are uncertainties associated with any projections and estimates, and they should not be considered assurances or guarantees of the amount of funds or the amount of Claims in the various Classes that might be allowed.

C. Risks Relating to the Debtors' Business and Financial Condition

1. Risks Associated with the Debtors' Business and Industry

The restaurant business is highly competitive. The Debtors believe that they compete on the basis of price, service, location, and food quality. There is also active competition for management personnel and attractive commercial locations suitable for restaurants. The Debtors compete in each market in which they operate with locally-owned restaurants and national and regional restaurant chains.

Although the Debtors believe they are well positioned to compete because of their market position, focus and expertise in the Mexican QSR food business, and well-known brand, the Debtors could experience increased competition from existing or new companies and lose market share that, in turn, could have a material adverse effect on the Debtors' business, financial condition, results of operations, prospects, and ability to service their debt obligations.

2. Challenging Macroeconomic Conditions

Uncertainty about future national economic market conditions makes it challenging to forecast operating results and to make decisions about future investments. The success of the Reorganized Debtors' businesses is both directly and indirectly dependent upon conditions in the national financial and credit markets that are outside of the Reorganized Debtors' control and difficult to predict. Uncertain economic conditions may lead the Reorganized Debtors' customers to reduce spending on dining due to reductions in customers' income. Factors such as interest rates, availability of credit, inflation rates, economic uncertainty, changes in laws (including laws relating to taxation), and national political circumstances (including wars, terrorist acts, security operations, etc.) can have a material negative effect on the Reorganized Debtors' business, revenues, and profitability.

3. Liquidity During and After the Chapter 11 Cases

Although the Debtors lowered their capital budget and reduced the scale of their operations significantly, their business remains capital intensive. In addition to the cash requirements necessary to fund ongoing operations, the Debtors have incurred significant professional fees and other costs in connection with the Chapter 11 Cases and expect to continue to incur significant professional fees and costs throughout the Chapter 11 Cases. The Debtors believe that they will have sufficient cash on hand and cashflow from operations to continue to fund the Reorganized Debtors' operations after emergence from chapter 11.

The Debtors current liquidity may not be sufficient to allow the Debtors to satisfy their obligations related to the Chapter 11 Cases, proceed with the confirmation of a chapter 11 plan of reorganization, and/or emerge from bankruptcy. While the Debtors have an agreement in principle with the DIP Lender on the terms of the DIP Facility, the Debtors can provide no assurance that they will be able to secure interim financing or exit financing, if needed, to meet their liquidity needs or, if sufficient funds are available, that any financing offered to the Debtors will be on terms acceptable to the Debtors.

4. Post-Effective Date Indebtedness

Following the Effective Date, the Reorganized Debtors will have significantly reduced their outstanding secured indebtedness. The Reorganized Debtors' ability to service any debt and lease obligations following the Effective Date will depend on, among other things, their future operating performance, which depends partly on economic, financial, competitive, and other factors beyond the Reorganized Debtors' control. The Reorganized Debtors may not be able to generate sufficient cash from operations to meet their debt service and lease obligations as well as fund necessary capital expenditures and investments in sales and marketing. In addition, if the Reorganized Debtors need to obtain additional financing or sell assets or equity, they may not be able to do so on commercially reasonable terms, if at all.

D. Factors Relating to Securities to Be Issued Under the Plan

1. Market for Securities

A liquid trading market for the New Common Stock is unlikely to develop. As of the Effective Date, the New Common Stock will not be listed for trading on any stock exchange or trading system and the Reorganized Debtors will not file any reports with the SEC. Consequently, the trading liquidity of such securities will be limited as of the Effective Date. The future liquidity of the trading market for such securities will depend, among other things, upon the number of holders of these securities, whether these securities become listed for trading on an exchange or trading system at some future time and whether the Reorganized Debtors begin to file annual and quarterly reports with the SEC.

Furthermore, Persons to whom the New Common Stock is issued pursuant to the Plan may prefer to liquidate their investments rather than hold such securities on a long-term basis. Accordingly, any market that does develop for such securities may be volatile.

2. Potential Dilution

The ownership percentage represented by the Reorganized Taco Bueno Equity distributed on the Effective Date under the Plan will be subject to dilution from the conversion of any options, warrants, convertible securities, exercisable securities, or other securities that may be issued post-emergence.

In the future, similar to all companies, additional equity financings or other share issuances by the Reorganized Debtors could adversely affect the value of the Reorganized Taco Bueno Equity issuable upon such conversion. The amount and dilutive effect of any of the foregoing could be material.

3. Interests Subordinated to the Reorganized Debtors' Indebtedness

In any subsequent liquidation, dissolution, or winding up of the Reorganized Debtors, the New Common Stock would rank below all debt claims against the Reorganized Debtors. As a result, holders of New Common Stock will not be entitled to receive any payment or other distribution of assets upon the liquidation, dissolution, or winding up of the Reorganized Debtors until after all the Reorganized Debtors' obligations to their debt holders have been satisfied.

4. Implied Valuation of Reorganized Taco Bueno Equity Not Intended to Represent the Trading Value of the Reorganized Taco Bueno Equity

The valuation of the Reorganized Debtors is not intended to represent the trading value of the New Common Stock in public or private markets and is subject to additional uncertainties and contingencies, all of which are difficult to predict. Actual market prices of such securities at issuance will depend upon, among other things: (a) prevailing interest rates; (b) conditions in the financial markets; and (c) other factors that generally influence the prices of securities. The actual market price of the New Common Stock is likely to be volatile. Many factors, including factors unrelated to the Reorganized Debtors' actual operating performance and other factors not possible to predict, could cause the market price of the New Common Stock to rise and fall. Accordingly, the implied value, stated herein, of the securities to be issued does not necessarily reflect, and should not be construed as reflecting, values that will be attained for the New Common Stock in the public or private markets.

E. Additional Factors

1. The Debtors Could Withdraw the Plan

Subject to the terms of, and without prejudice to, the rights of any party to the Restructuring Support Agreement, the Debtors may revoke or withdraws the Plan prior to the Confirmation Date.

2. No Representations Outside this Disclosure Statement Are Authorized

No representations concerning or related to the Debtors, the Chapter 11 Cases, or the Plan are authorized by the Court or the Bankruptcy Code, other than as set forth in this Disclosure Statement. Any representations or inducements made to secure your acceptance or rejection of the Plan that are other than those contained in, or included with, this Disclosure Statement should not be relied upon in making the decision to accept or reject the Plan.

3. No Legal or Tax Advice Is Provided by this Disclosure Statement

The contents of this Disclosure Statement should not be construed as legal, business, or tax advice. Each holder of Claims or Interests should consult their own legal counsel and accountant as to legal, tax, and other matters concerning their Claim or Interest. This Disclosure Statement is not legal advice to you. This Disclosure Statement may not be relied upon for any purpose other than to determine how to vote on the Plan or object to confirmation of the Plan.

4. No Admission Made

Nothing contained herein or in the Plan will constitute an admission of, or will be deemed evidence of, the tax or other legal effects of the Plan on the Debtors or holders of Claims or Interests.

5. Certain Tax Consequences

For a discussion of certain U.S. federal income tax considerations to the Debtors and certain holders of Claims in connection with the implementation of the Plan, *see* Section VIII hereof.

VII. IMPORTANT SECURITIES LAW DISCLOSURE

The Plan provides for the offer, sale or distribution of the New Common Stock. The Debtors believe that the New Common Stock are "securities," as defined in section 2(a)(1) of the Securities Act, section 101 of the Bankruptcy

Code and applicable Blue Sky Law. Prior to the filing of the Chapter 11 Cases, the Debtors will rely on the exemptions from registration requirements provided by the Securities Act, including section 4(a)(2) thereof, to the extent section 1145 of the Bankruptcy Code is not available, and after the filing of the Chapter 11 Cases, the Debtors expect to rely on the exemption from the Securities Act and equivalent state law registration requirements provided by section 1145(a)(1) of the Bankruptcy Code to exempt the issuance of new securities in connection with the solicitation and the Plan from registration under the Securities Act and applicable Blue Sky Law.

Section 1145(a)(1) of the Bankruptcy Code exempts the offer and sale of securities under a plan of reorganization from registration under Section 5 of the Securities Act and state laws when such securities are to be exchanged for claims or principally in exchange for claims and partly for cash.

In general, securities issued under section 1145 of the Bankruptcy Code may be resold without registration unless the recipient is an "underwriter" with respect to those securities. Section 1145(b)(1) of the Bankruptcy Code defines an "underwriter" as any person who:

- purchases a claim against, an interest in or a claim for an administrative expense against the debtor, if that purchase is with a view to distributing any security received in exchange for such a claim or interest;
- offers to sell securities offered or sold under a plan of reorganization for the holders of those securities;
- offers to buy those securities from the holders of the securities, if the offer to buy is (i) with a view to distributing those securities; and (ii) under an agreement made in connection with the plan of reorganization, the completion of the plan of reorganization or with the offer or sale of securities under the plan of reorganization; or
- is an issuer with respect to the securities, as the term "issuer" is defined in section 2(a)(11) of the Securities Act.

Under section 2(a)(11) of the Securities Act, an "issuer" includes any person directly or indirectly controlling or controlled by the issuer, or any person under direct or indirect common control with the issuer. "Control," as defined in Rule 405 of the Securities Act, means the possession, directly or indirectly, of the power to direct or cause the direction of the management and policies of a person, whether through the ownership of voting securities, by contract, or otherwise. Accordingly, an officer or director of a Reorganized Debtor or its successor may be deemed to be a "controlling" person of such Reorganized Debtor or successor, particularly if the management position or directorship is coupled with ownership of a significant percentage of the Reorganized Debtor's or successor's voting securities. In addition, the legislative history of section 1145 of the Bankruptcy Code may suggest that a creditor that owns 10% or more of a class of voting securities of a Reorganized Debtor may be presumed to be a "controlling" person and, therefore, an underwriter.

To the extent that persons who receive the New Common Stock are deemed to be "underwriters," resales by those persons would not be exempted from registration under the Securities Act or other applicable law by section 1145 of the Bankruptcy Code. Those persons would, however, be permitted to sell New Common Stock (or other securities) without registration if they are able to comply with the provisions of Rule 144 under the Securities Act, as described further below. Whether any particular person would be deemed an "underwriter" (including whether such person is a "controlling" person) with respect to the New Common Stock would depend upon various facts and circumstances applicable to that person. Accordingly, the Debtors express no view as to whether any Person would be deemed an "underwriter" with respect to the New Common Stock and, in turn, whether any Person may freely resell the New Common Stock.

YOU SHOULD CONFER WITH YOUR OWN LEGAL ADVISORS TO HELP DETERMINE WHETHER OR NOT YOU ARE AN "UNDERWRITER."

Under certain circumstances, holders of New Common Stock deemed to be "underwriters" may be entitled to resell their securities without registration pursuant to the limited safe harbor resale provisions of Rule 144 of the

Securities Act, to the extent available and in compliance with applicable Blue Sky Law. Generally, these rules permit the public sale of such securities if current information regarding the issuer is publicly available and if volume limitations and certain other conditions are met.

VIII. CERTAIN UNITED STATES FEDERAL INCOME TAX CONSEQUENCES OF THE PLAN

A. Introduction

The following discussion summarizes certain U.S. federal income tax consequences expected to result from the consummation of the Plan as they relate to the Debtors and to the beneficial owners (each a "***Holder***") of Prepetition Lender Secured Claims and their ownership and disposition of New Common Stock acquired in accordance with the Plan in exchange for their Allowed Prepetition Lender Secured Claims. This discussion is based on the Internal Revenue Code, the Treasury regulations promulgated thereunder, judicial authority and current administrative rulings and practice, all as in effect as of the date of this Disclosure Statement and all of which are subject to change, possibly with retroactive effect. Events subsequent to the date of this Disclosure Statement, such as the enactment of additional tax legislation, court decisions or administrative changes, could affect the U.S. federal income tax consequences of the Plan and the transactions contemplated thereunder. No representations are being made regarding the particular tax consequences of the Plan to the Debtors or any Holder of a Prepetition Lender Secured Claim or New Common Stock. The Debtors will not seek a ruling from the Internal Revenue Service (the "***IRS***") and have not obtained an opinion of counsel regarding any tax consequences of the Plan to the Debtors or any Holder of a Prepetition Lender Secured Claim or New Common Stock. No assurances can be given that the IRS would not assert, or that a court would not sustain, a different position from any discussed herein. This discussion only addresses U.S. federal income tax consequences and does not address any other U.S. federal tax consequences (such as estate and gift tax consequences), the Medicare tax on net investment income or the tax consequences arising under the laws of any foreign, state, local or other jurisdiction or any income tax treaty.

This discussion does not apply to Holders of Claims that are not entitled to vote on the Plan, that are not United States persons for U.S. federal income tax purposes or that are otherwise subject to special treatment under the Internal Revenue Code, including, for example, financial institutions; banks; broker-dealers; insurance companies; tax-exempt organizations; retirement plans or other tax-deferred accounts; mutual funds; real estate investment trusts; traders in securities that elect mark-to-market treatment; persons subject to the alternative minimum tax; certain former U.S. citizens or long-term residents; United States persons who hold their Prepetition Lender Secured Claims or will hold New Common Stock through foreign financial entities or other foreign entities; persons who hold Prepetition Lender Secured Claims or New Common Stock as part of a hedge, straddle, constructive sale, conversion or other integrated transaction; persons that have a functional currency other than the U.S. dollar; governments or governmental organizations; partnerships or other pass-through entities or holders of interests therein; persons who received their Prepetition Lender Secured Claims upon exercise of employee options or otherwise as compensation; persons subject to special tax accounting rules as a result of any item of gross income with respect to the Prepetition Lender Secured Claims being taken into account in an applicable financial statement; and persons who acquire New Common Stock in the secondary market. The following discussion assumes that all Holders of Prepetition Lender Secured Claims hold their Prepetition Lender Secured Claims and any New Common Stock they acquired in exchange therefor under the Plan as "capital assets" (as defined in section 1221 of the Internal Revenue Code). For purposes of this discussion, a "U.S. Holder" is a Holder of a Prepetition Lender Secured Claim or a Holder of New Common Stock received in exchange for an Allowed Prepetition Lender Secured Claim under the Plan that is, for U.S. federal income tax purposes:

- an individual who is a U.S. citizen or U.S. resident alien;
- a corporation, or other entity taxable as a corporation for U.S. federal income tax purposes, that was created or organized in or under the laws of the United States, any state thereof or the District of Columbia;
- an estate the income of which is subject to U.S. federal income taxation regardless of its source; or
- a trust: (i) the administration of which is subject to the primary supervision of a U.S. court and that has one or more United States persons that have the authority to control all substantial decisions of the trust; or (ii)

that has made a valid election under applicable U.S. Treasury regulations to be treated as a United States person.

THE FOLLOWING DISCUSSION OF CERTAIN U.S. FEDERAL INCOME TAX CONSEQUENCES IS FOR INFORMATIONAL PURPOSES ONLY AND IS NOT A SUBSTITUTE FOR ADVICE BASED UPON THE INDIVIDUAL CIRCUMSTANCES PERTAINING TO A HOLDER. ALL HOLDERS OF PREPETITION LENDER SECURED CLAIMS ARE URGED TO CONSULT THEIR OWN TAX ADVISORS FOR THE U.S. FEDERAL, STATE, LOCAL AND NON-U.S. TAX CONSEQUENCES OF THE PLAN.

B. Certain U.S. Federal Income Tax Consequences of the Plan to the Debtors

1. Cancellation of Debt and Reduction of Tax Attributes

The discharge of a debt obligation for an amount less than the amount of such debt obligation (as determined for U.S. federal income tax purposes) generally will give rise to cancellation of indebtedness ("***COD***") income that must be included in a debtor's income, subject to certain exceptions. In particular, under section 108 of the Internal Revenue Code, COD income will be excluded from a debtor's income if the discharge of the debt obligation occurs in a case brought under the Bankruptcy Code, a debtor is under a court's jurisdiction in such case and the discharge is granted by the court or is pursuant to a plan approved by a court (the "***Bankruptcy Exception***"). The Debtors expect that the consummation of the Plan will produce COD income.

A debtor in a consolidated group that excludes COD income from income under the Bankruptcy Exception generally must reduce certain tax attributes by a corresponding amount in accordance with the methodology set forth in the Treasury regulations addressing such reduction for consolidated groups. Generally, tax attributes are reduced in the following order: (a) net operating losses ("***NOLs***") and NOL carryovers; (b) certain tax credit carryovers; (c) net capital losses and capital loss carryovers; (d) tax basis in assets (but not below the amount of liabilities to which the debtor remains subject); (e) passive activity loss and credit carryovers; and (f) foreign tax credit carryovers. However, the Debtors may elect to first reduce the basis of their depreciable assets, in which case the limitation on reduction in tax basis in assets described above in (d) will not apply.

The Debtors' NOLs and other tax attributes will be reduced or eliminated as a result of the Debtors' excluded COD income. However, the exact amount of excluded COD income, and the resulting tax attribute reduction amount, will depend in part on the fair market value of the New Common Stock, which cannot be known with certainty as of the date of this Disclosure Statement.

2. Limitation of NOL Carryforwards and Other Tax Attributes

Section 382 of the Internal Revenue Code generally imposes an annual limitation on the use of NOLs, built-in losses and certain other tax attributes if a corporation with NOLs (a "***Loss Corporation***") undergoes an "ownership change." In general, an ownership change occurs if the percentage of the value of the Loss Corporation's stock owned by one or more direct or indirect "five-percent shareholders" increases by more than 50 percentage points over the lowest percentage of value owned by the five-percent shareholders at any time during the applicable testing period. The testing period generally is the shorter of: (i) the three-year period preceding the testing date; or (ii) the period of time since the most recent ownership change of the corporation.

Following an ownership change under section 382 of the Internal Revenue Code, the amount of pre-ownership change NOLs and/or built-in-losses of a consolidated group with Loss Corporations (the "***Consolidated Loss Corporation Group***") that may be utilized to offset future taxable income generally is subject to an annual limitation in accordance with the methodology set forth in the Treasury regulations for consolidated groups. In general, the amount of the annual limitation on a Consolidated Loss Corporation Group's use of its pre-change NOLs (and certain other tax attributes) is equal to the product of the long-term tax-exempt rate in effect on the date of the ownership change (e.g., 2.43% for November 2018) and the value of the Consolidated Loss Corporation Group's

outstanding stock immediately before the ownership change, which value is determined under special rules if the ownership change occurs in a case brought under the Bankruptcy Code (the "***Section 382 Limitation***").

Section 382(l)(6) of the Internal Revenue Code provides that the value of the Reorganized Debtors' stock, for the purpose of calculating the Section 382 Limitation, generally will be determined by reference to the lesser of the value of the Reorganized Debtors' stock (with certain adjustments) immediately after the ownership change has occurred or the value of such Reorganized Debtors' assets (determined without regard to liabilities) immediately before the ownership change. The amount of tax attributes, if any, that will be available to the Reorganized Debtors following such reduction is based on a number of factors and is not possible to calculate at this time. Some of the factors that will impact the amount of available tax attributes include the amount of taxable income or loss incurred by the Debtors in 2018 and the amount of COD income recognized by the Debtors in connection with the consummation of the Plan.

C. Certain U.S. Federal Income Tax Consequences to Certain U.S. Holders of Prepetition Lender Secured Claims

1. U.S. Federal Income Tax Consequences to U.S. Holders of an Exchange Treated as a Section 351 Exchange

Pursuant to the Plan, each U.S. Holder of an Allowed Prepetition Lender Secured Claim, along with each Holder of DIP Facility Claim, will receive its pro rata share of New Common Stock. Whether and to what extent a U.S. Holder of an Allowed Prepetition Lender Secured Claim recognizes gain or loss as a result of the exchange of its Allowed Prepetition Lender Secured Claim for New Common Stock depends, in part, on whether the exchange qualifies as a tax-free transfer of property to TB Holdings in exchange for New Common Stock pursuant to section 351 of the Internal Revenue Code (a "*Section 351 Exchange*").

A transfer of property to a corporation in exchange for stock in such corporation will be treated as a Section 351 Exchange if, immediately after the transfers, the transferors of property, in the aggregate, are "in control" of the transferee corporation. For this purpose, control means ownership of 80% or more of the total voting power of the voting stock of the transferee corporation and 80% or more of each class of non-voting stock. The Plan provides that U.S. Holders of Allowed Prepetition Lender Secured Claims and Holders of DIP Facility Claims will transfer their Allowed Prepetition Lender Secured Claims and DIP Facility Claims to TB Holdings in exchange for 100% of New Common Stock. If the New Common Stock issued to U.S. Holders of Allowed Prepetition Lender Secured Claims and Holders of DIP Facility Claims constitutes "control" of TB Holdings for purposes of section 351 of the Internal Revenue Code, the exchange of Allowed Prepetition Lender Secured Claims for New Common Stock is expected to qualify as a Section 351 Exchange; however, there can be no assurance that the IRS could not successfully take a contrary position. Accordingly, a U.S. Holder of an Allowed Prepetition Lender Secured Claim is urged to consult its tax advisor regarding the characterization of such exchange as a Section 351 Exchange.

To the extent the exchange of an Allowed Prepetition Lender Secured Claim for New Common Stock qualifies as a Section 351 Exchange, a U.S. Holder should not recognize loss with respect to the exchange and should not recognize gain (subject to "Accrued Interest," as discussed in Section VIII.C.2 of this Disclosure Statement and "Market Discount" as discussed in Section VIII.C.3 of this Disclosure Statement). Such U.S. Holder's total combined tax basis in its New Common Stock received in exchange for its Allowed Prepetition Lender Secured Claims should equal the U.S. Holder's tax basis in its Allowed Prepetition Lender Secured Claims surrendered therefor increased by gain, if any, recognized by such U.S. Holder in connection therewith. A U.S. Holder's holding period for its interest in the New Common Stock received in exchange for its Allowed Prepetition Lender Secured Claims should include the holding period for its Allowed Prepetition Lender Secured Claims surrendered therefor (except to the extent any such New Common Stock is allocable to accrued but unpaid interest, in which case its holding period in such New Common Stock would begin on the day following the Effective Date).

If the exchange of an Allowed Prepetition Lender Secured Claim does not satisfy the "control" requirement or otherwise satisfy the requirements of a Section 351 Exchange, each U.S. Holder of an Allowed Prepetition Lender Secured Claim would recognize gain or loss in an amount equal to the difference between (i) the fair market value of any New Common Stock received by such U.S. Holder in exchange for its Allowed Prepetition Lender Secured Claim (other than any Allowed Prepetition Lender Secured Claim for accrued but unpaid interest) and (ii) such U.S. Holder's

adjusted tax basis in its Allowed Prepetition Lender Secured Claim (other than any Allowed Prepetition Lender Secured Claim for accrued but unpaid interest). In such event, a U.S. Holder's tax basis in any New Common Stock received will equal the fair market value of such equity, and the holding period for such equity generally will begin on the day following the Effective Date.

2. Accrued Interest

To the extent that any amount received by a U.S. Holder of a Prepetition Lender Secured Claim is attributable to accrued but unpaid interest (including accrued original issue discount ("***OID***")) on the debt instruments constituting the surrendered Prepetition Lender Secured Claim, the receipt of such amount should be taxable to such U.S. Holder as ordinary interest income (to the extent not already taken into income by such U.S. Holder). Conversely, a U.S. Holder of a Prepetition Lender Secured Claim may be able to recognize a deductible loss to the extent that any accrued interest (including accrued OID) was previously included in such U.S. Holder's gross income but was not paid in full by the Debtors. Such loss may be ordinary, but the tax law is unclear on this point.

If the fair market value of the consideration is not sufficient to fully satisfy all principal and interest on Prepetition Lender Secured Claims, the extent to which such consideration will be attributable to accrued but unpaid interest is unclear. Under the Plan, the aggregate consideration to be distributed to U.S. Holders of Allowed Prepetition Lender Secured Claims will be allocated first to the principal amount of Prepetition Lender Secured Claims, with any excess allocated to unpaid interest that accrued on these Prepetition Lender Secured Claims, if any. Certain legislative history indicates that an allocation of consideration as between principal and interest provided in a chapter 11 plan of reorganization is binding for U.S. federal income tax purposes. However, the IRS could take the position that the consideration received by the U.S. Holder of a Prepetition Lender Secured Claim should be allocated in a manner other than as provided in the Plan.

U.S. HOLDERS SHOULD CONSULT THEIR OWN TAX ADVISORS CONCERNING THE ALLOCATION OF CONSIDERATION RECEIVED IN SATISFACTION OF THEIR CLAIMS AND THE FEDERAL INCOME TAX TREATMENT OF ACCRUED BUT UNPAID INTEREST.

3. Market Discount

In general, a debt instrument is considered to have been acquired with "market discount" if it is acquired other than on original issue and if its holder's adjusted tax basis in the debt instrument is less than: (i) the sum of all remaining payments to be made on the debt instrument, excluding "qualified stated interest"; or (ii) in the case of a debt instrument issued with OID, its adjusted issue price, by at least a *de minimis* amount. Any gain recognized by a U.S. Holder on the taxable disposition of a Prepetition Lender Secured Claim that had been acquired with market discount should be treated as ordinary income to the extent of the market discount that accrued thereon while the Prepetition Lender Secured Claim was considered to be held by such U.S. Holder (unless such U.S. Holder elected to include market discount in income as it accrued).

To the extent that Allowed Prepetition Lender Secured Claims that were acquired with market discount are exchanged in a transaction that qualifies as a Section 351 Exchange, a U.S. Holder will be required to recognize any market discount that accrued on its Allowed Prepetition Lender Secured Claims (i.e., up to the time of the exchange) to the extent of any deemed gain.

D. U.S. Federal Income Tax Consequences to U.S. Holders of Ownership and Disposition of the New Common Stock

1. Distributions on New Common Stock

The gross amount of any distribution of cash or property made to a U.S. Holder with respect to New Common Stock received in exchange for an Allowed Prepetition Lender Secured Claim generally will be includible in gross income by a U.S. Holder as dividend income to the extent such distribution is paid out of current or accumulated earnings and profits, as determined under U.S. federal income tax principles. To the extent those distributions exceed

TB Holding's current and accumulated earnings and profits, the distribution: (i) will be treated as a non-taxable return of a U.S. Holder's adjusted basis in the New Common Stock received in exchange for an Allowed Prepetition Lender Secured Claim under the Plan; and (ii) thereafter as capital gain. Dividends received by non-corporate U.S. Holders may qualify for reduced rates of taxation. Subject to applicable limitations, a distribution which is treated as a dividend for U.S. federal income tax purposes may qualify for the dividends-received deduction if such amount is distributed to a corporate U.S. Holder and certain other requirements are satisfied.

2. Sale, Exchange, or Other Taxable Disposition of New Common Stock

For U.S. federal income tax purposes, a U.S. Holder generally will recognize gain or loss on the sale, exchange, or other taxable disposition of any of its New Common Stock received in exchange for an Allowed Prepetition Lender Secured Claim in an amount equal to the difference, if any, between the amount realized for such New Common Stock and such U.S. Holder's adjusted tax basis in such New Common Stock. The amount realized will include the amount of any cash and the fair market value of any other property received for such New Common Stock. Any such gain or loss generally will be capital gain or loss, and will be long-term capital gain or loss if such U.S. Holder has a holding period in such New Common Stock of more than one year as of the date of disposition. Non-corporate U.S. Holders may be eligible for reduced rates of taxation on long-term capital gains. The deductibility of capital losses may be subject to limitation.

E. Information Reporting and Back-Up Withholding

Information reporting generally will apply to dividends on New Common Stock received in exchange for Allowed Prepetition Lender Secured Claims. Backup withholding generally will not apply to such payments or to consideration received under the Plan if the appropriate certifications are received. A U.S. Holder generally can meet such certification requirement by providing a properly executed IRS Form W-9 certifying to a complete exemption from backup withholding.

Backup withholding is not an additional tax. Amounts withheld under the backup withholding rules may be credited against a U.S. Holder's U.S. federal income tax liability, and a U.S. Holder may obtain a refund of any excess amounts withheld under the backup withholding rules by filing an appropriate claim for refund with the IRS.

In addition, from an information reporting perspective, the Treasury regulations generally require disclosure by a taxpayer on its U.S. federal income tax return of certain types of transactions in which the taxpayer participated, including, among other types of transactions, certain transactions that result in the taxpayer's claiming a loss in excess of specified thresholds. U.S. Holders are urged to consult their tax advisors regarding these regulations and whether the transactions contemplated by the Plan would be subject to these regulations and require disclosure on the U.S. Holders' tax returns.

THE U.S. FEDERAL INCOME TAX CONSEQUENCES OF THE PLAN ARE COMPLEX. THE FOREGOING DISCUSSION DOES NOT ADDRESS ALL ASPECTS OF U.S. FEDERAL INCOME TAXATION THAT MAY BE RELEVANT TO A PARTICULAR U.S. HOLDER IN LIGHT OF SUCH U.S. HOLDER'S CIRCUMSTANCES AND INCOME TAX SITUATION. ALL U.S. HOLDERS OF PREPETITION LENDER SECURED CLAIMS AND NEW COMMON STOCK RECEIVED IN EXCHANGE FOR ALLOWED PREPETITION LENDER SECURED CLAIMS SHOULD CONSULT WITH THEIR TAX ADVISORS AS TO THE PARTICULAR TAX CONSEQUENCES TO THEM OF THE TRANSACTIONS CONTEMPLATED UNDER THE PLAN, INCLUDING THE APPLICABILITY AND EFFECT OF ANY STATE, LOCAL OR FOREIGN TAX LAWS, AND OF ANY CHANGE IN APPLICABLE TAX LAWS.

IX. CONCLUSION AND RECOMMENDATION

In the opinion of the Debtors, the Plan is preferable to all other available alternatives and provides for a larger distribution to the Debtors' creditors than would otherwise result in any other scenario. Accordingly, the Debtors

recommend that holders of Claims entitled to vote on the Plan vote to accept the Plan and that all stakeholders support Confirmation of the Plan.

Respectfully submitted, as of the date first set forth above,

Dated: November 6, 2018

Taco Bueno Restaurants, Inc.
on behalf of itself and all other Debtors

/s/
Haywood Miller
Chief Restructuring Officer
1800 M Street NW, Second Floor
Washington, D.C. 20036

EXHIBIT A

Plan of Reorganization

Solicitation Version

IN THE UNITED STATES BANKRUPTCY COURT
FOR THE NORTHERN DISTRICT OF TEXAS
DALLAS DIVISION

In re:	**§**	**Case No. 18-[-----] (---)**
	§	
TACO BUENO RESTAURANTS, INC., et al.,	**§**	**(Chapter 11)**
	§	
	§	**(Joint Administration Pending)**
Debtors.[1]	**§**	

DEBTORS' JOINT PREPACKAGED CHAPTER 11 PLAN OF REORGANIZATION

THIS CHAPTER 11 PLAN IS BEING SOLICITED FOR ACCEPTANCE OR REJECTION IN ACCORDANCE WITH BANKRUPTCY CODE SECTION 1125 AND WITHIN THE MEANING OF BANKRUPTCY CODE SECTION 1126. THE DEBTORS HAVE NOT COMMENCED CHAPTER 11 CASES. THIS CHAPTER 11 PLAN WILL BE SUBMITTED TO THE BANKRUPTCY COURT FOR APPROVAL FOLLOWING SOLICITATION AND THE DEBTORS' COMMENCEMENT OF CHAPTER 11 CASES.

Paul E. Heath (TX 09355050)
Garrick C. Smith (TX 24088435)
Trammell Crow Center
2001 Ross Avenue, Suite 3900
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666 Fifth Avenue, 26th Floor
New York, NY 10103-0040

VINSON & ELKINS LLP
PROPOSED COUNSEL FOR THE DEBTORS

Dated: November 6, 2018

[1] The Debtors in these chapter 11 cases, along with the last four digits of each Debtor's federal tax identification number, are as follows: CBI Restaurants, Inc. (3490); Taco Bueno Equipment Company (0677); Taco Bueno Franchise Company L.P. (2397); Taco Bueno Restaurants, Inc. (8214); Taco Bueno Restaurants L.P. (6189); Taco Bueno West, Inc. (6200); TB Corp. (8535); TB Holdings II, Inc. (7703); TB Holdings II Parent, Inc. (3347); and TB Kansas LLC (6158). The location of the Debtors' corporate headquarters and the Debtors' service address is: 300 East John Carpenter Freeway, Suite 800, Irving, Texas 75062.

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INTRODUCTION

Taco Bueno Restaurants, Inc. and its affiliated debtors and debtors in possession in the above-captioned chapter 11 cases jointly propose this prepackaged chapter 11 plan of reorganization. Although proposed jointly for administrative purposes, the Plan constitutes a separate Plan for each Debtor for the resolution of outstanding Claims against, and Interests in, such Debtor. Capitalized terms used and not otherwise defined herein shall have the meanings ascribed to such terms in Article I.A hereof or the Bankruptcy Code or Bankruptcy Rules. Holders of Claims and Interests should refer to the Disclosure Statement for a discussion of the Debtors' history, businesses, assets, results of operations, historical financial information, projections of future operations, and prepetition sale process, as well as a summary and description of the Plan. The Debtors are the proponents of the Plan within the meaning of section 1129 of the Bankruptcy Code.

ALL HOLDERS OF CLAIMS WHO ARE ELIGIBLE TO VOTE ARE ENCOURAGED TO READ THE PLAN AND THE DISCLOSURE STATEMENT IN THEIR ENTIRETY BEFORE VOTING TO ACCEPT OR REJECT THE PLAN.

ARTICLE I.
DEFINED TERMS, RULES OF INTERPRETATION, COMPUTATION OF TIME, AND GOVERNING LAW

A. *Defined Terms*

As used in the Plan, capitalized terms have the meanings set forth below.

1. "***Administrative Claim***" means a Claim (other than Secured Lender Adequate Protection Claims and DIP Facility Claims) for costs and expenses of administration of the Debtors' Estates pursuant to sections 503(b), 507(a)(2), 507(b), or 1114(e)(2) of the Bankruptcy Code, including: (a) the actual and necessary costs and expenses incurred after the Petition Date and through the Effective Date of preserving the Estates and operating the businesses of the Debtors; (b) Professional Fee Claims; and (c) all Allowed requests for compensation or expense reimbursement for making a substantial contribution in the Chapter 11 Cases pursuant to sections 503(b)(3), (4), and (5) of the Bankruptcy Code.

2. "***Administrative Claims Bar Date***" means the deadline for Filing requests for payment of Administrative Claims, which: (a) with respect to Administrative Claims other than Professional Fee Claims, shall be 30 days after the Effective Date; and (b) with respect to Professional Fee Claims, shall be 45 days after the Effective Date.

3. "***Affiliate***" shall have the meaning set forth in section 101(2) of the Bankruptcy Code.

4. "***Allowed***" means with respect to any Claim: (a) any Claim, proof of which is timely Filed on or before the applicable Bar Date (or that by the Bankruptcy Code or Final Order is not or shall not be required to be Filed); (b) any Claim that is listed in the Schedules as of the Effective Date as not disputed, not contingent, and not unliquidated, and for which no Proof of Claim has

been timely Filed; or (c) any Claim allowed pursuant to the Plan or a Final Order of the Court (including pursuant to any stipulation approved by the Court); *provided that* with respect to any Claim described in clauses (a) or (b) above, such Claim shall be considered Allowed only if and to the extent that no objection to the allowance thereof has been interposed within the applicable period of time fixed by the Plan, the Bankruptcy Code, the Bankruptcy Rules, or the Court or such an objection is so interposed and the Claim has been Allowed by a Final Order; *provided further* that any Claim described in clauses (a), (b), and (c) above shall not include any Claim on account of a right, option, warrant, right to convert, or other right to purchase an Interest. Except as otherwise specified in the Plan or an order of the Court or with respect to Priority Tax Claims, the amount of an Allowed Claim shall not include interest on such Claim from and after the Petition Date. Any Claim that has been listed in the Schedules as disputed, contingent, or unliquidated, and for which no Proof of Claim has been timely Filed, is not considered Allowed and shall be expunged without further action and without any further notice to or action, order, or approval of the Court.

5. "***Associated Entities***" means with respect to any Person or Entity, such Person's or Entity's Affiliates, current and former officers, managers, members, directors, shareholders, , partners, general partners, limited partners, managed accounts and funds, predecessors, successors and assigns, and each of their (or such person's) respective professionals, advisors, accountants, attorneys, financial advisors, investment bankers, consultants, employees, principals, members, shareholders, partners, limited partners, general partners, agents and other representatives, each solely in its capacity as such.

6. "***Avoidance Actions***" means any and all actual or potential Claims and Causes of Action to avoid a transfer of property or an obligation incurred by the Debtors arising under chapter 5 of the Bankruptcy Code, including sections 544, 545, 547 through 553, and 724(a) of the Bankruptcy Code or under similar or related state or federal statutes and common law, including fraudulent transfer laws.

7. "***Bankruptcy Code***" means title 11 of the United States Code, as amended and in effect during the pendency of the Chapter 11 Cases.

8. "***Bankruptcy Rules***" means the Federal Rules of Bankruptcy Procedure, as applicable to the Chapter 11 Cases, promulgated under section 2075 of the Judicial Code and the general, local, and chambers rules of the Court other than the Local Rules.

9. "***Bar Date***" means, as applicable, the Administrative Claims Bar Date, the General Bar Date, the Governmental Bar Date, and any other date or dates to be established by an order of the Court by which Proofs of Claim must be Filed.

10. "***Business Day***" means any day other than a Saturday, Sunday, or "legal holiday" (as defined in Bankruptcy Rule 9006(a)).

11. "***Cash***" means the legal tender of the United States of America or the equivalent thereof.

12. "***Causes of Action***" means any action, claim, cause of action, controversy, third-party claim, demand, right, Lien, indemnity, contribution, guaranty, suit, obligation, liability,

damage, judgment, account, defense, offset, power, privilege, license, and franchise of any kind or character whatsoever, whether known, unknown, contingent or non-contingent, matured or unmatured, suspected or unsuspected, liquidated or unliquidated, disputed or undisputed, secured or unsecured, assertable directly or derivatively, whether arising before, on, or after the Petition Date, in contract or in tort, in law, or in equity or pursuant to any other theory of law. For the avoidance of doubt, a "Cause of Action" includes: (a) any right of setoff, counterclaim, or recoupment and any claim for breach of contract or for breach of duties imposed by law or in equity; (b) the right to object to Claims or Interests; (c) any Claim pursuant to section 362 or chapter 5 of the Bankruptcy Code; (d) any claim or defense including fraud, mistake, duress, and usury, and any other defense set forth in section 558 of the Bankruptcy Code; and (e) any state or foreign law fraudulent transfer or similar claim.

13. "***Chapter 11 Cases***" means (a) when used with reference to a particular Debtor, the case pending for that Debtor under chapter 11 of the Bankruptcy Code in the Court; and (b) when used with reference to all of the Debtors, the procedurally consolidated and jointly administered chapter 11 cases pending for the Debtors in the Court.

14. "***Claim***" shall have the meaning set forth in section 101(5) of the Bankruptcy Code.

15. "***Claims Register***" means the official register of Claims against and Interests in the Debtors maintained by the Notice and Claims Agent.

16. "***Class***" means a category of Claims against or Interests in the Debtors as set forth in Article III hereof pursuant to section 1122(a) of the Bankruptcy Code.

17. "***Committee***" means any official committee (and all subcommittees thereof) appointed in the Chapter 11 Cases pursuant to section 1102 of the Bankruptcy Code.

18. "***Confirmation***" means the entry of the Confirmation Order on the docket of the Chapter 11 Cases.

19. "***Confirmation Date***" means the date upon which the Court enters the Confirmation Order on the docket of the Chapter 11 Cases, within the meaning of Bankruptcy Rules 5003 and 9021.

20. "***Confirmation Hearing***" means the hearing held by the Court to consider Confirmation of the Plan pursuant to section 1128(a) of the Bankruptcy Code, as such hearing may be adjourned or continued from time to time.

21. "***Confirmation Order***" means the order of the Court confirming the Plan pursuant to section 1129 of the Bankruptcy Code.

22. "***Consenting Equity Holders***" means the partners of Tomatillo Holdings L.P., holding 100% of the equity interests in TB Holdings II Parent, Inc.

23. "***Consummation***" means the occurrence of the Effective Date.

24. "***Court***" means the United States Bankruptcy Court for the Northern District of Texas having jurisdiction over the Chapter 11 Cases, and, to the extent of the withdrawal of any reference under 28 U.S.C. § 157 and/or the General Order of the District Court pursuant to section 151 of title 28 of the United States Code, the United States District Court for the Northern District of Texas.

25. "***Cure Claim***" means a monetary Claim based upon a Debtor's defaults under an Executory Contract or Unexpired Lease at the time such contract or lease is assumed by the Debtor pursuant to section 365 of the Bankruptcy Code, other than a default that is not required to be cured pursuant to section 365(b)(2) of the Bankruptcy Code.

26. "***D&O Liability Insurance Policies***" means all unexpired directors', managers', and officers' liability insurance policies (including any "tail policy") of any of the Debtors with respect to directors, managers, officers, and employees of the Debtors.

27. "***Debtors***" means, collectively, the following: CBI Restaurants, Inc.; Taco Bueno Equipment Company; Taco Bueno Franchise Company L.P.; Taco Bueno Restaurants, Inc.; Taco Bueno Restaurants L.P.; Taco Bueno West, Inc.; TB Corp.; TB Holdings II, Inc.; TB Holdings II Parent, Inc.; and TB Kansas LLC.

28. "***Definitive Documentation***" means the definitive documents and agreements governing the Restructuring Transactions and shall include, without limitation: (a) the Plan (and all exhibits thereto) and the Confirmation Order; (b) the Disclosure Statement; (c) the solicitation materials with respect to the Plan; (d) the Management Employment Agreements; (e) the New Organizational Documents; and (f) any other documents included in the Plan Supplement. Any document that is included within this definition of "Definitive Documentation," including any amendment, supplement, or modification thereof, shall contain terms and conditions consistent with the Restructuring Support Agreement and shall otherwise be in form and substance reasonably satisfactory to the Debtors, Taco Supremo.

29. "***Description of the Transaction Steps***" means the description of the Restructuring Transactions as set forth in the Plan Supplement.

30. "***DIP Agent***" means Taco Supremo in its capacity as administrative agent and collateral agent under the DIP Facility.

31. "***DIP Facility***" means that certain Credit Agreement, dated as of December 1, 2015, among TB Corp., as borrower, TB Holdings II, Inc., as holding company guarantor, and the agents and lenders thereunder as amended by that certain Debtor in Possession Financing Amendment to Credit Agreement, dated as of November 6, 2018.

32. "***DIP Facility Claim***" means any Claim held by the DIP Lender arising under or related to the DIP Facility.

33. "***DIP Lender***" means the DIP Agent and the lender(s) party to the DIP Facility from time to time. Taco Supremo is the sole DIP Lender as of the Petition Date.

34. "***DIP Lender/Prepetition Lender Equity Distribution***" means 100% of the New Common Stock issued and outstanding as of the Effective Date.

35. "***Disallowed***" means, with respect to any Claim, or any portion thereof, that such Claim, or such portion thereof, is not Allowed.

36. "***Disclosure Statement***" means the disclosure statement for the Plan, as may be amended, supplemented, or modified from time to time, including all exhibits and schedules thereto, which is prepared and distributed in accordance with the Bankruptcy Code, the Bankruptcy Rules, and any other applicable law.

37. "***Disputed***" means, with respect to any Claim or Interest, that such Claim or Interest that is not yet Allowed.

38. "***Effective Date***" means the date that is a Business Day selected by the Debtors, in consultation with Taco Supremo, on which: (a) no stay of the Confirmation Order is in effect; (b) all conditions precedent specified in Article IX.B have been satisfied or waived (in accordance with Article IX.C); and (c) the Plan becomes effective.

39. "***Entity***" shall have the meaning set forth in section 101(15) of the Bankruptcy Code.

40. "***Estate***" means, as to each Debtor, the estate created for the Debtor in its Chapter 11 Case pursuant to section 541 of the Bankruptcy Code.

41. "***Exculpated Party***" means each of the following solely in its capacity as such: (a) the Debtors; (b) the Reorganized Debtors; (c) each Released Party; and (d) with respect to each of the foregoing Entities in clauses (a) through (c), such Entity's Associated Entities.

42. "***Executory Contract***" means a contract to which one or more of the Debtors is a party that is subject to assumption or rejection under sections 365 or 1123 of the Bankruptcy Code.

43. "***Federal Judgment Rate***" means the federal judgment rate in effect as of the Petition Date, compounded annually.

44. "***File***," "***Filed***," or "***Filing***" means file, filed, or filing in the Chapter 11 Cases with the Court or, with respect to the filing of a Proof of Claim or proof of Interest, with the Notice and Claims Agent or the Court through the PACER or CM/ECF website.

45. "***Final DIP Order***" means the order of the Court authorizing, among other things, on a final basis, the Debtors to enter into the DIP Facility and incur postpetition obligations thereunder.

46. "***Final Order***" means (a) an order or judgment of the Court, as entered on the docket in any Chapter 11 Case (or any related adversary proceeding or contested matter) or the docket of any other court of competent jurisdiction; or (b) an order or judgment of any other court having jurisdiction over any appeal from (or petition seeking certiorari or other review of) any order or judgment entered by the Court (or any other court of competent jurisdiction, including in an appeal

taken) in the Chapter 11 Cases (or in any related adversary proceeding or contested matter), in each case that has not been reversed, stayed, modified, or amended, and as to which the time to appeal, or seek certiorari or move for a new trial, reargument, or rehearing has expired according to applicable law and no appeal or petition for certiorari or other proceedings for a new trial, reargument, or rehearing has been timely taken, or as to which any appeal that has been taken or any petition for certiorari that has been or may be timely Filed has been withdrawn or resolved by the highest court to which the order or judgment was appealed or from which certiorari was sought or the new trial, reargument, or rehearing shall have been denied, resulted in no modification of such order, or has otherwise been dismissed with prejudice; *provided, however*, that the possibility a motion under Rule 60 of the Federal Rules of Civil Procedure, or any analogous rule under the Bankruptcy Rules or the Local Rules, may be Filed relating to such order shall not prevent such order from being a Final Order.

47. "***General Bar Date***" means the date to be set by the Court as the last date for Filing a Proof of Claim.

48. "***General Unsecured Claim***" means any Unsecured Claim against any Debtor (including, for the avoidance of doubt, the Prepetition Lender Deficiency Claim and any Claim arising from the rejection of an Executory Contract or Unexpired Lease) that is not otherwise paid in full or otherwise satisfied during the Chapter 11 Cases pursuant to an order of the Court, other than a Professional Fee Claim, an Administrative Claim, a Priority Tax Claim, an Other Priority Claim, or an Intercompany Claim.

49. "***Governmental Bar Date***" means the date that is the 180th day after the Petition Date.

50. "***Governmental Unit***" shall have the meaning set forth in section 101(27) of the Bankruptcy Code.

51. "***Impaired***" means, with respect to a Class of Claims or Interests, a Class of Claims or Interests that is not Unimpaired.

52. "***Indemnification Obligations***" means each of the Debtors' indemnification obligations for the current and former directors, managers, and officers of the Debtors, whether set forth in the Debtors' bylaws, certificates of incorporation or formation, limited liability company agreements, other organizational or formation documents, board resolutions, management or indemnification agreements, or employment contracts, remaining after exhaustion or the unavailability of coverage under any and all D&O Liability Insurance Policies, including any Side A coverage thereunder..

53. "***Initial Lender Group***" means those lenders party to the Prepetition Credit Agreement as of December 1, 2015, and who sold their Prepetition Lender Claims to Taco Supremo on the terms set forth in the Disclosure Statement.

54. "***Intercompany Claim***" means any Claim held against one Debtor by another Debtor.

55. "***Intercompany Interest***" means an Interest in one Debtor held by another Debtor.

56. "***Interests***" means the common stock, preferred stock, limited liability company interests, and any other equity, ownership, or profits interests or units of any Debtor, including, without limitation, any options, warrants, rights, or other securities or agreements to acquire the common stock, preferred stock, limited liability company interests, or other equity, ownership, or profits interests of any Debtor (whether or not arising under or in connection with any employment agreement), including any Claim against the Debtors that is subject to subordination pursuant to section 510(b) of the Bankruptcy Code arising from or related to any of the foregoing.

57. "***Interim Compensation Order***" means the order to be entered by the Court establishing procedures for compensation of Professionals [Docket No. ___].

58. "***Internal Revenue Code***" means title 26 of the United States Code, 26 U.S.C. §§ 1–9834.

59. "***Judicial Code***" means title 28 of the United States Code, 28 U.S.C. §§ 1–4001.

60. "***Lien***" shall have the meaning set forth in section 101(37) of the Bankruptcy Code.

61. "***List of Retained Causes of Action***" means the schedule of certain Causes of Action of the Debtors that are not released, waived, or transferred pursuant to the Plan, which shall be included in the Plan Supplement. For the avoidance of doubt, the List of Retained Causes of Action shall not include any Causes of Action against any Released Parties.

62. "***Local Rules***" means the Local Rules of Bankruptcy Practice and Procedure of the United States Bankruptcy Court for the Northern District of Texas.

63. "***Management Employment Agreements***" is used as defined in the Restructuring Support Agreement, and the forms of such agreements shall be included in the Plan Supplement.

64. "***New Board***" means the initial board of directors, members, or managers, as applicable, of Reorganized Taco Bueno.

65. "***New Common Stock***" means the common stock of Reorganized Taco Bueno to be issued to Taco Supremo pursuant to the Plan on the Effective Date.

66. "***New Organizational Documents***" means the form of the certificates or articles of incorporation, certificates of formation, bylaws, operating agreements, or such other applicable formation, organizational, and governance documents of each of the Reorganized Debtors.

67. "***Notice and Claims Agent***" means Prime Clerk, LLC, the notice, claims, and solicitation agent proposed to be retained by the Debtors in the Chapter 11 Cases, or its successor in that capacity.

68. "***Other Priority Claim***" means any Claim against a Debtor other than an Administrative Claim or a Priority Tax Claim entitled to priority in right of payment under section 507(a) of the Bankruptcy Code, to the extent such claim has not already been paid during the Chapter 11 Cases.

69. "***Other Secured Claim***" means any Secured Claim other than the Prepetition Lender Secured Claims.

70. "***Person***" shall have the meaning set forth in section 101(41) of the Bankruptcy Code.

71. "***Petition Date***" means the date on which each Debtor Filed its voluntary petition for relief commencing the Chapter 11 Cases.

72. "***Plan***" means this chapter 11 plan of reorganization, as it may be altered, amended, modified, or supplemented from time to time, including the Plan Supplement and all exhibits, supplements, appendices, and schedules to the Plan.

73. "***Plan Supplement***" means the compilation of documents and forms of documents, schedules, and exhibits to the Plan (as amended, supplemented, or modified from time to time in accordance with the terms hereof, the Bankruptcy Code, the Bankruptcy Rules, and the Restructuring Support Agreement), each of which shall be in form and substance reasonably acceptable to the Debtors, and Taco Supremo, to be Filed by the Debtors no later than three Business Days before the deadline to File objections to the Plan, including the following, as applicable: (a) the Management Employment Agreements; (b) the New Organizational Documents of Reorganized Taco Bueno; (c) the Schedule of Assumed Executory Contracts and Unexpired Leases; (d) the Description of the Transaction Steps; (e) the identity of the members of the New Board and the officers of Reorganized Taco Bueno as of the Effective Date; (f) the List of Retained Causes of Action; and (g) any other documentation necessary to effectuate the Restructuring Transactions or that is contemplated by the Plan. The Debtors shall have the right to amend the documents contained in, and exhibits to, the Plan Supplement through the Effective Date consistent with the Restructuring Support Agreement.

74. "***Prepetition Agent***" means Taco Supremo, in its capacity as successor administrative agent under the Prepetition Credit Agreement.

75. "***Prepetition Credit Agreement***" means that certain Credit Agreement, dated as of December 1, 2015, among TB Corp., as borrower, TB Holdings II, Inc., as holding company guarantor, and the agents and lenders thereunder (as amended, restated, modified, or supplemented from time to time prior to the Petition Date).

76. "***Prepetition Lender***" means the lender(s) party to the Prepetition Credit Agreement. Taco Supremo is the sole Prepetition Lender as of the Petition Date.

77. "***Prepetition Lender Claim***" means, any Claim against the Debtors arising under the Prepetition Credit Agreement.

78. "***Prepetition Lender Deficiency Claim***" means any Unsecured deficiency Claim arising under the Prepetition Credit Agreement.

79. "***Prepetition Lender Secured Claim***" means any Secured Claim arising under the Prepetition Credit Agreement.

80. "***Priority Tax Claim***" means any Claim, whether Secured or Unsecured, against a Debtor of a Governmental Unit of the kind specified in section 507(a)(8) of the Bankruptcy Code.

81. "***Pro Rata***" means, unless indicated otherwise, the proportion that an Allowed Claim or Interest in a particular Class bears to the aggregate amount of Allowed Claims or Interests in that respective Class, or the proportion that Allowed Claims or Interests in a particular Class bear to the aggregate amount of Allowed Claims or Interests in a particular Class and other Classes entitled to share in the same recovery as such Allowed Claim or Interest under the Plan.

82. "***Professional***" means an Entity employed pursuant to a Final Order of the Court in accordance with sections 327 or 1103 of the Bankruptcy Code and to be compensated for services rendered before or on the Effective Date, pursuant to sections 327, 328, 329, 330, or 331 of the Bankruptcy Code.

83. "***Professional Fee Claims***" means all Administrative Claims for the compensation of Professionals and the reimbursement of expenses incurred by such Professionals through and including the Effective Date to the extent such fees and expenses have not been paid pursuant to the Interim Compensation Order or any other order of the Court. To the extent the Court denies or reduces by a Final Order any amount of a Professional's requested fees and expenses, then the amount by which such fees or expenses are reduced or denied shall reduce the applicable Allowed Professional Fee Claim.

84. "***Professional Fee Escrow Account***" means an interest-bearing account in an amount equal to the Professional Fee Reserve Amount and funded by the Debtors on the Effective Date, pursuant to Article II.B.

85. "***Professional Fee Reserve Amount***" means the total amount of Professional Fee Claims estimated in accordance with Article II.B.3.

86. "***Proof of Claim***" means a proof of Claim Filed against any of the Debtors in the Chapter 11 Cases.

87. "***Reinstated***" or "***Reinstatement***" means, with respect to Claims and Interests, the treatment provided for in section 1124 of the Bankruptcy Code.

88. "***Released Party***" means each of the following solely in its capacity as such: (a) the Debtors and the Debtors' current officers, directors, and managers as of the Petition Date; (b) the Reorganized Debtors; (c) the Prepetition Agent and the Prepetition Lender; (d) Taco Supremo; (e) the DIP Agent and the DIP Lender; (f) the Consenting Equity Holders; and (g) with respect to each of the foregoing parties under (a) through (f), such Entity and its Associated Entities.

89. "***Releasing Party***" means each of the following solely in its capacity as such: (a) the Debtors; (b) the Reorganized Debtors; (c) the Prepetition Agent and the Prepetition Lender; (d) Taco Supremo; (e) the DIP Agent and the DIP Lender; (f) the Consenting Equity Holders; and (g) with respect to each of the foregoing parties under (a) through (f), such Entity and its Associated Entities.

90. "***Reorganized Debtors***" means the Debtors, or any successors thereto, by merger, consolidation, or otherwise, on or after the Effective Date.

91. "***Reorganized Taco Bueno***" means TB Holdings or any successor thereto, by merger, consolidation, or otherwise, on or after the Effective Date.

92. "***Reorganized Taco Bueno Equity***" means the New Common Stock, which New Common Stock..

93. "***Restructuring Support Agreement***" means that certain Restructuring Support Agreement, dated November 6, 2018, by and among the Debtors and the Restructuring Support Parties, as amended, modified, or supplemented, from time to time.

94. "***Restructuring Support Parties***" is used as defined in the Restructuring Support Agreement.

95. "***Restructuring Transactions***" means all actions that may be necessary or appropriate to effectuate the transactions described in, approved by, or contemplated by the Restructuring Support Agreement and the Plan, including the Plan Supplement.

96. "***Schedule of Assumed Executory Contracts and Unexpired Leases***" means the schedule of Executory Contracts and Unexpired Leases to be assumed by the Debtors pursuant to the Plan, as set forth in the Plan Supplement, as may be amended from time to time prior to the Effective Date.

97. "***Schedules***" means, collectively, the schedules of assets and liabilities, schedules of Executory Contracts and Unexpired Leases, and statements of financial affairs Filed by the Debtors pursuant to section 521 of the Bankruptcy Code and in substantial conformance with the official bankruptcy forms, as the same may have been amended, modified, or supplemented from time to time.

98. "***Secured***" means when referring to a Claim, a Claim: (a) secured by a Lien on property in which the applicable Estate has an interest, which Lien is valid, perfected, and enforceable pursuant to applicable law or by reason of a Court order, or that is subject to setoff pursuant to section 553 of the Bankruptcy Code, to the extent of the value of the creditor's interest in such Estate's interest in such property or to the extent of the amount subject to setoff, as applicable, as determined pursuant to section 506(a) of the Bankruptcy Code; or (b) otherwise Allowed pursuant to the Plan as a Secured Claim.

99. "***Secured Lender Adequate Protection Claims***" means all adequate protection claims arising in favor of the Prepetition Lender under applicable law or pursuant to the Final DIP Order.

100. "***Securities Act***" means the Securities Act of 1933, 15 U.S.C. §§ 77a–77aa, as amended, or any similar federal, state or local law.

101. "***Security***" shall have the meaning set forth in section 101(49) of the Bankruptcy Code.

102. "***Store 3177 Adversary Proceeding***" means the adversary proceeding commenced or to be commenced by one or more of the Debtors against Rosebriar/Caruth Haven, L.P. seeking, among other things, a declaratory judgement that the Store 3177 Lease was not terminated before the Petition Date.

103. "***Store 3177 Lease***" means the Net Land and Building Lease between Rosbriar/Caruth Haven, L.P., as landlord, and Taco Bueno Restaurants, L.P., as tenant.

104. "***Taco Supremo***" means a special purpose entity created by Affiliates of Sun Holdings, Inc. to purchase all Prepetition Lender Claims of the Initial Lender Group, all as described in the Disclosure Statement.

105. "***TB Holdings***" means debtor TB Holdings II Parent, Inc., a Delaware corporation.

106. "***TB Holdings Interest***" means all Interests in TB Holdings.

107. "***Unexpired Lease***" means a lease of nonresidential real property to which one or more of the Debtors is a party that is subject to assumption or rejection under sections 365 or 1123 of the Bankruptcy Code.

108. "***Unimpaired***" means, with respect to a Class of Claims or Interests, a Class consisting of Claims or Interests that are "unimpaired" within the meaning of section 1124 of the Bankruptcy Code, including through payment in full in Cash or Reinstatement.

109. "***Unsecured***" means, with respect to a Claim, not Secured.

110. "***U.S. Trustee***" means the Office of the United States Trustee for the Northern District of Texas.

111. "***U.S. Trustee Fees***" means fees arising under 28 U.S.C. § 1930(a)(6) and, to the extent applicable, accrued interest thereon arising under 31 U.S.C. § 3717.

112. "***Voting Deadline***" means November 6, 2018 at 1:00 p.m. Central Time.

113. "***Voting Record Date***" means October 31, 2018.

B. *Rules of Interpretation*

For purposes herein: (1) in the appropriate context, each term, whether stated in the singular or the plural, shall include both the singular and the plural, and pronouns stated in the masculine, feminine, or neuter gender shall include the masculine, feminine, and the neuter gender; (2) except as otherwise provided, any reference herein to a contract, lease, instrument, release, indenture, or other agreement or document being in a particular form or on particular terms and conditions means that the referenced document shall be substantially in that form or substantially on those terms and conditions; (3) except as otherwise provided, any reference herein to an existing document or exhibit having been Filed or to be Filed shall mean that document or exhibit, as it may thereafter be amended, restated, supplemented, or otherwise modified in accordance with the terms of the Plan and the Restructuring Support Agreement; (4) unless otherwise specified, all

references herein to "Articles" are references to Articles of the Plan; (5) unless otherwise stated, the words "herein," "hereof," and "hereto" refer to the Plan in its entirety rather than to a particular portion of the Plan; (6) captions and headings to Articles are inserted for convenience of reference only and are not intended to be a part of or to affect the interpretation hereof; (7) the words "include" and "including," and variations thereof, shall not be deemed to be terms of limitation, and shall be deemed to be followed by the words "without limitation;" (8) the rules of construction set forth in section 102 of the Bankruptcy Code shall apply; (9) any term used in capitalized form herein that is not otherwise defined but that is used in the Bankruptcy Code or the Bankruptcy Rules shall have the meaning assigned to that term in the Bankruptcy Code or the Bankruptcy Rules, as the case may be; and (10) any docket number references in the Plan shall refer to the docket number of any document Filed with the Court in the Chapter 11 Cases.

C. *Computation of Time*

Unless otherwise specifically stated herein, the provisions of Bankruptcy Rule 9006(a) shall apply in computing any period of time prescribed or allowed herein. If the date on which a transaction, action, or event shall or may occur pursuant to the Plan is a day that is not a Business Day, then such transaction, action, or event shall instead occur on the next succeeding Business Day.

D. *Governing Law*

Unless a rule of law or procedure is supplied by federal law (including the Bankruptcy Code and Bankruptcy Rules) or unless otherwise specifically stated herein, the laws of the State of New York without giving effect to the principles of conflict of laws, shall govern the rights, obligations, construction, and implementation of the Plan and any agreements, documents, instruments, or contracts executed or entered into in connection with the Plan (except as otherwise set forth in those agreements, in which case the governing law of such agreement shall control); *provided that* corporate, partnership, or limited liability company governance matters relating to the Debtors or the Reorganized Debtors, as applicable, shall be governed by the laws of the state of incorporation or formation (as applicable) of the applicable Debtor or Reorganized Debtor.

E. *Reference to Monetary Figures*

All references in the Plan to monetary figures shall refer to currency of the United States of America, unless otherwise expressly provided herein.

F. *Reference to the Debtors or the Reorganized Debtors*

Except as otherwise specifically provided in the Plan to the contrary, references in the Plan to the Debtors or the Reorganized Debtors shall mean the Debtors and the Reorganized Debtors, as applicable, to the extent the context requires.

G. *Consent Rights of the Restructuring Support Parties*

Notwithstanding anything herein to the contrary, any and all consent rights of the Restructuring Support Parties set forth in the Restructuring Support Agreement with respect to the form and substance of this Plan and the Plan Supplement, including any amendments,

restatements, supplements, or other modifications to such documents, and any consents, waivers, or other deviations under or from any such documents, shall be incorporated herein by this reference and fully enforceable as if stated in full herein.

H. *Controlling Document*

In the event of an inconsistency between the Plan, the Restructuring Support Agreement, the Disclosure Statement, or any other order (other than the Confirmation Order) referenced in the Plan (or any exhibits, schedules, appendices, supplements, or amendments to any of the foregoing, other than the Plan Supplement), the terms of the Plan shall control in all respects. In the event of an inconsistency between the Plan and the Plan Supplement, the terms of the relevant document in the Plan Supplement shall control (unless stated otherwise in such Plan Supplement document or in the Confirmation Order). In the event of an inconsistency between the Confirmation Order and the Plan, the Confirmation Order shall control.

ARTICLE II.
ADMINISTRATIVE CLAIMS, PROFESSIONAL FEE CLAIMS, AND PRIORITY CLAIMS

In accordance with section 1123(a)(1) of the Bankruptcy Code, Administrative Claims and Priority Tax Claims have not been classified and, thus, are excluded from the Classes of Claims and Interests set forth in Article III hereof.

A. *Administrative Claims*

Except with respect to Administrative Claims that are Professional Fee Claims, and except to the extent that an Administrative Claim has already been paid during the Chapter 11 Cases or a holder of an Allowed Administrative Claim and the applicable Debtor(s) agree to less favorable treatment, each holder of an Allowed Administrative Claim shall be paid in full in Cash on the latest of: (a) on or as soon as reasonably practicable after the Effective Date if such Administrative Claim is Allowed as of the Effective Date; (b) on or as soon as reasonably practicable after the date such Administrative Claim is Allowed; and (c) the date such Allowed Administrative Claim becomes due and payable, or as soon thereafter as is reasonably practicable; *provided that* Allowed Administrative Claims that arise in the ordinary course of the Debtors' businesses shall be paid in the ordinary course of business in accordance with the terms and subject to the conditions of any agreements governing, instruments evidencing, or other documents relating to such transactions.

Except as otherwise provided in this Article II.A, requests for payment of Administrative Claims must be Filed and served on the Reorganized Debtors pursuant to the procedures specified in the Confirmation Order and the notice of entry of the Confirmation Order no later than the Administrative Claims Bar Date. Holders of Administrative Claims that are required to, but do not, File and serve a request for payment of such Administrative Claims by such dates shall be forever barred, estopped, and enjoined from asserting such Administrative Claims against the Debtors or their property and such Administrative Claims shall be deemed discharged as of the Effective Date. Objections to such requests, if any, must be Filed and served on the Reorganized Debtors and the requesting party no later than 60 days after the Effective Date or such other date

fixed by the Court. Notwithstanding the foregoing, no request for payment of an Administrative Claim need be Filed with respect to an Administrative Claim previously Allowed.

B. *Professional Compensation*

1. Final Fee Applications

All final requests for payment of Professional Fee Claims, including the Professional Fee Claims incurred during the period from the Petition Date through and including the Effective Date, shall be Filed and served on the Reorganized Debtors no later than 45 days after the Effective Date. Each such final request will be subject to approval by the Court after notice and a hearing in accordance with the procedures established by the Bankruptcy Code and prior orders of the Court in the Chapter 11 Cases, and once approved by the Court, shall be promptly paid from the Professional Fee Escrow Account up to its full Allowed amount. If the Professional Fee Escrow Account is insufficient to fund the full Allowed amounts of all Professional Fee Claims, remaining unpaid Allowed Professional Fee Claims shall be promptly paid by the Reorganized Debtors without any further action or order of the Court.

Except as otherwise provided in the Plan, Professionals shall be paid pursuant to the Interim Compensation Order.

2. Professional Fee Escrow Account

On the Effective Date, the Reorganized Debtors shall establish and fund the Professional Fee Escrow Account with Cash equal to the Professional Fee Reserve Amount. The Professional Fee Escrow Account shall not be subject to any Lien and shall be maintained in trust solely for the benefit of the Professionals, including with respect to whom fees or expenses have been held back pursuant to the Interim Compensation Order. The funds in the Professional Fee Escrow Account shall not be considered property of the Estates or of the Reorganized Debtors. The amount of Professional Fee Claims owing to the Professionals shall be paid in Cash to such Professionals from the Professional Fee Escrow Account as soon as reasonably practicable after such Professional Fee Claims are Allowed by a Final Order. When all such Allowed amounts owing to Professionals have been paid in full, any remaining amount in the Professional Fee Escrow Account shall promptly be turned over to the Reorganized Debtors without any further action or order of the Court.

3. Professional Fee Reserve Amount

Professionals shall reasonably estimate their unpaid Professional Fee Claims before and as of the Effective Date, and shall deliver such estimate to the Debtors and Taco Supremo in writing via email no later than five Business Days before the Effective Date, *provided, however*, that such estimate shall not be deemed to limit the amount of the fees and expenses that are the subject of the Professional's final request for payment of Professional Fee Claims and Taco Supremo shall be entitled to contest the estimated amount of the Professional Fee Claims by initiating a contested matter in the Chapter 11 Cases on or before two (2) Business Days before the Effective Date, and the affected Professional and Taco Supremo shall consent to an emergency hearing before the Court in order to resolve the same. If a Professional does not timely provide an estimate, the

Debtors or Reorganized Debtors may estimate the unpaid and unbilled fees and expenses of such Professional.

4. Post-Effective Date Fees and Expenses

Except as otherwise specifically provided in the Plan, from and after the Effective Date, the Debtors or Reorganized Debtors shall, in the ordinary course of business and without any further notice or application to or action, order, or approval of the Court, pay in Cash the reasonable, actual, and documented legal, professional, or other fees and expenses related to implementation of the Plan and Consummation incurred on or after the Effective Date by the Professionals. Upon the Effective Date, any requirement that Professionals comply with sections 327 through 331, 363, and 1103 of the Bankruptcy Code in seeking retention or compensation for services rendered after such date shall terminate, and the Debtors or Reorganized Debtors may employ and pay any Professional for fees and expenses incurred after the Effective Date in the ordinary course of business without any further notice to or action, order, or approval of the Court.

C. *DIP Facility Claims*

Notwithstanding anything to the contrary herein, on the Effective Date each holder of a DIP Facility Claim shall voluntarily receive, together with its recovery on account of its Allowed Prepetition Lender Secured Claim, the DIP Lender/Prepetition Lender Equity Distribution in exchange for and in full and final satisfaction, compromise, settlement, release, and discharge of its DIP Facility Claim.

D. *Priority Tax Claims*

Except to the extent that a holder of an Allowed Priority Tax Claim agrees to a less favorable treatment, in full and final satisfaction, settlement, release, and discharge of and in exchange for each Allowed Priority Tax Claim, each holder of such Allowed Priority Tax Claim shall be treated in accordance with the terms set forth in sections 511 and 1129(a)(9)(C) of the Bankruptcy Code.

E. *Statutory Fees*

All fees payable pursuant to 28 U.S.C. § 1930(a) shall be paid by the Debtors or Reorganized Debtors, as applicable, for each quarter (including any fraction thereof) until the Chapter 11 Cases are converted, dismissed or a final decree is issued, whichever occurs first. The Reorganized Debtors shall continue to File quarterly-post confirmation operating reports in accordance with the U.S. Trustee's Region 6 Guidelines for Debtors-in-Possession.

ARTICLE III.
CLASSIFICATION AND TREATMENT OF CLAIMS AND INTERESTS

A. *Summary of Classification*

Claims and Interests, except for Administrative Claims, Professional Fee Claims, Cure Claims, DIP Facility Claims, and Priority Tax Claims, are classified in the Classes set forth in this Article III. A Claim or Interest is classified in a particular Class only to the extent that the Claim

or Interest qualifies within the description of that Class and is classified in other Classes to the extent that any portion of the Claim or Interest qualifies within the description of such other Classes. A Claim or Interest also is classified in a particular Class for the purpose of receiving distributions pursuant to the Plan only to the extent that such Claim is an Allowed Claim in that Class and has not been paid, released, or otherwise satisfied prior to the Effective Date. The Plan constitutes a separate chapter 11 plan of reorganization for each Debtor and the classifications set forth in Classes 1 through 7 shall be deemed to apply to each Debtor. For all purposes under the Plan, each Class will contain sub-Classes for each of the Debtors (*i.e.*, there will be seven Classes for each Debtor); *provided that* any Class that is vacant as to a particular Debtor will be treated in accordance with Article III.E below.

The classification of Claims and Interests against each Debtor (as applicable) pursuant to the Plan is as follows:

Class	Claim or Interest	Status	Voting Rights
1	Other Priority Claims	Unimpaired	Presumed to Accept
2	Other Secured Claims	Unimpaired	Presumed to Accept
3	Prepetition Lender Secured Claims	Impaired	Entitled to Vote
4	General Unsecured Claims	Impaired	Deemed to Reject
5	Intercompany Claims	Unimpaired/Impaired	Not Entitled to Vote
6	Intercompany Interests	Unimpaired/Impaired	Not Entitled to Vote
7	TB Holdings Interests	Impaired	Deemed to Reject

B. *Treatment of Claims and Interests*

1. Class 1 – Other Priority Claims

a. *Classification*: Class 1 consists of Other Priority Claims.

b. *Treatment*: In full and final satisfaction, compromise, settlement, release, and discharge of and in exchange for each Allowed Other Priority Claim, each holder thereof shall receive (i) payment in full, in Cash, of the unpaid portion of its Allowed Other Priority Claim or (ii) such other treatment as may otherwise be agreed to by such holder, the Debtors, and Taco Supremo.

c. *Voting*: Class 1 is Unimpaired under the Plan. Each holder of an Other Priority Claim will be conclusively presumed to have accepted the Plan pursuant to section 1126(f) of the Bankruptcy Code. Therefore, the holders of Other Priority Claims will not be entitled to vote to accept or reject the Plan.

2. Class 2 – Other Secured Claims

a. *Classification*: Class 2 consists of Other Secured Claims.

b. *Treatment*: Except to the extent that a holder of an Allowed Other Secured Claim agrees to a less favorable treatment, in full and final satisfaction, compromise, settlement, release, and discharge of and in exchange for its Allowed Other Secured Claim, each such holder shall receive, at the Debtors' election, either (i) Cash equal to the full Allowed amount of its Claim, (ii) Reinstatement of such holder's Allowed Other Secured Claim, (iii) the return or abandonment of the collateral securing such Allowed Other Secured Claim to such holder, or (iv) such other treatment as may otherwise be agreed to by such holder, the Debtors, and Taco Supremo.

c. *Voting*: Class 2 is Unimpaired under the Plan. Each holder of an Other Secured Claim will be conclusively presumed to have accepted the Plan pursuant to section 1126(f) of the Bankruptcy Code. Therefore, the holders of Other Secured Claims will not be entitled to vote to accept or reject the Plan.

3. Class 3 – Prepetition Lender Secured Claims

a. *Classification*: Class 3 consists of the Prepetition Lender Secured Claims.

b. *Allowance*: On the Effective Date, the Prepetition Lender Claims shall be deemed Allowed in the aggregate principal amount of $130,912,500 plus any accrued interest, fees, and costs under the Prepetition Credit Agreement as of the Petition Date.

c. *Treatment*: On the Effective Date, each holder of an Allowed Prepetition Lender Secured Claim shall receive, together with its recovery on account of the DIP Facility Claims, the DIP Lender/Prepetition Lender Equity Distribution in exchange for and in full and final satisfaction, compromise, settlement, release, and discharge of its Prepetition Lender Secured Claim and any Secured Lender Adequate Protection Claim.

d. *Voting*: Class 3 is Impaired under the Plan. Holders of Prepetition Lender Secured Claims will be entitled to vote to accept or reject the Plan.

4. Class 4 – General Unsecured Claims

a. *Classification*: Class 4 consists of all Allowed General Unsecured Claims.

b. *Treatment*: Holders of General Unsecured Claims shall not receive any distribution on account of such General Unsecured Claims. On the Effective Date, all General Unsecured Claims shall be cancelled, released, discharged, and extinguished.

c. *Voting*: Class 4 is Impaired and Holders of Class 4 General Unsecured Claims are conclusively deemed to have rejected the Plan pursuant to section 1126(g) of the Bankruptcy Code. Therefore, Holders of Class 4

General Unsecured Claims are not entitled to vote to accept or reject the Plan.

5. Class 5 – Intercompany Claims

a. *Classification*: Class 5 consists of all Intercompany Claims.

b. *Treatment*: Intercompany Claims shall be Reinstated as of the Effective Date or, at the Reorganized Debtors' option, with the consent of Taco Supremo, shall be cancelled. No distribution shall be made on account of any Intercompany Claims other than in the ordinary course of business of the Reorganized Debtors, as applicable.

c. *Voting*: Intercompany Claims are either Unimpaired, in which case the holders of such Intercompany Claims are conclusively presumed to have accepted the Plan pursuant to section 1126(f) of the Bankruptcy Code, or Impaired and not receiving any distribution under the Plan, in which case the holders of such Intercompany Claims are deemed to have rejected the Plan pursuant to section 1126(g) of the Bankruptcy Code. Therefore, each holder of an Intercompany Claim will not be entitled to vote to accept or reject the Plan.

6. Class 6 – Intercompany Interests

a. *Classification*: Class 6 consists of all Intercompany Interests.

b. *Treatment*: Intercompany Interests shall be Reinstated as of the Effective Date or, at the Reorganized Debtors' option, with the consent of Taco Supremo, shall be cancelled. No distribution shall be made on account of any Intercompany Interests.

To the extent Intercompany Interests are Reinstated under the Plan, such Reinstatement is solely for the purposes of administrative convenience, for the ultimate benefit of the holders of the Reorganized Taco Bueno Equity, and in exchange for the Debtors' and Reorganized Debtors' agreement under the Plan to make certain distributions to the holders of Allowed Claims. For the avoidance of doubt: (i) to the extent Reinstated pursuant to the Plan, on and after the Effective Date, all Intercompany Interests shall continue to be owned by the Reorganized Debtor that corresponds to the Debtor that owned such Intercompany Interests prior to the Effective Date; and (ii) except as set forth in the Description of the Transaction Steps and in Class 7, no Interests in a Debtor, or Affiliate of a Debtor, held by a Non-Debtor Affiliate of a Debtor will be affected by the Plan.

c. *Voting*: Intercompany Interests are either Unimpaired, in which case the holders of such Intercompany Interests conclusively are presumed to have accepted the Plan pursuant to section 1126(f) of the Bankruptcy Code, or Impaired, in which case the holders of such Intercompany Interests are

deemed to have rejected the Plan pursuant to section 1126(g) of the Bankruptcy Code. Therefore, each holder of an Intercompany Interest will not be entitled to vote to accept or reject the Plan.

7. Class 7 – TB Holdings Interests

a. *Classification*: Class 7 consists of all TB Holdings Interests.

b. *Treatment*: On the Effective Date, all TB Holdings Interests shall be cancelled, released, discharged, and extinguished. Holders of TB Holdings Interests shall not receive any distribution on account of such Interests.

c. *Voting*: TB Holdings Interests are Impaired under the Plan. Each holder of a TB Holdings Interest will be conclusively deemed to have rejected the Plan pursuant to section 1126(g) of the Bankruptcy Code. Therefore, each holder of TB Holdings Interests will not be entitled to vote to accept or reject the Plan.

C. *Special Provision Governing Unimpaired Claims*

Nothing under the Plan shall affect the Debtors' or the Reorganized Debtors' rights in respect of any Unimpaired Claims, including all rights in respect of legal and equitable defenses to or setoffs or recoupment against any such Unimpaired Claims.

D. *Confirmation Pursuant to Section 1129(b) of the Bankruptcy Code*

The Debtors reserve the right to seek Confirmation of the Plan pursuant to section 1129(b) of the Bankruptcy Code with respect to any rejecting Class of Claims or Interests, and the filing of the Plan shall constitute a motion for such relief.

E. *Elimination of Vacant Classes*

Any Class of Claims that does not contain an Allowed Claim or a Claim temporarily Allowed by the Court for voting purposes as of the date of the Confirmation Hearing shall be deemed eliminated from the Plan for purposes of voting to accept or reject the Plan and for purposes of determining acceptance or rejection of the Plan by such Class pursuant to section 1129(a)(8) of the Bankruptcy Code.

F. *Subordinated Claims*

Except as may be the result of the settlement described in Article VIII.A of the Plan, the allowance, classification, and treatment of all Claims and Interests and the respective distributions and treatments under the Plan take into account and conform to the relative priority and rights of the Claims and Interests in each Class in connection with any contractual, legal, and equitable subordination rights relating thereto, whether arising under general principles of equitable subordination, section 510(b) of the Bankruptcy Code, or otherwise. Pursuant to section 510 of the Bankruptcy Code, the Debtors or Reorganized Debtors reserve the right to reclassify any Claim or Interest in accordance with any contractual, legal, or equitable subordination relating thereto.

ARTICLE IV.
MEANS FOR IMPLEMENTATION OF THE PLAN

A. *Restructuring Transactions*

On the Effective Date, or as soon as reasonably practicable thereafter, with the consent of Taco Supremo, such consent not to be unreasonably withheld, the Reorganized Debtors shall undertake the Restructuring Transactions, including: (1) the execution and delivery of any appropriate agreements or other documents of merger, consolidation, restructuring, conversion, disposition, sale, transfer, dissolution, or liquidation containing terms that are consistent with the terms of the Plan, and that satisfy the requirements of applicable law and any other terms to which the applicable Entities may agree; (2) the execution and delivery of appropriate instruments of transfer, assignment, assumption, or delegation of any asset, property, right, liability, debt, or obligation on terms consistent with the terms of the Plan; (3) the filing of appropriate certificates or articles of incorporation, reincorporation, merger, consolidation, conversion, or dissolution pursuant to applicable state law; (4) the issuance of securities, including the New Common Stock, which shall be authorized and approved in all respects in each case without further action being required under applicable law, regulation, order, or rule; (5) the execution and delivery of Definitive Documentation not otherwise included in the foregoing, if applicable; and (6) all other actions that the Debtors determine, in consultation with Taco Supremo, to be necessary or appropriate, including making filings or recordings that may be required by applicable law.

B. *Corporate Action*

Upon the Effective Date, all actions (whether to occur before, on, or after the Effective Date) contemplated by the Plan shall be deemed authorized and approved by the Court in all respects. Upon the Effective Date, all matters provided for in the Plan involving the corporate structure of the Reorganized Debtors, and any corporate action required by the Debtors or the Reorganized Debtors in connection with the Plan (including any items listed in the first sentence of this paragraph) shall be deemed to have occurred and shall be in effect, without any requirement of further action by the security holders, directors, managers, or officers of the Debtors or the Reorganized Debtors, as applicable. On or (as applicable) before the Effective Date, the appropriate officers or managers of the Debtors or the Reorganized Debtors shall be authorized and directed to issue, execute, and deliver the agreements, documents, securities, and instruments contemplated by the Plan (or necessary or desirable to effectuate the transactions contemplated by the Plan) in the name of and on behalf of the Reorganized Debtors and any and all other agreements, documents, securities, and instruments relating to the foregoing, to the extent not previously authorized by the Court. The authorizations and approvals contemplated by this Article IV.B shall be effective notwithstanding any requirements under non-bankruptcy law.

C. *Sources of Consideration for Plan Distributions*

The Reorganized Debtors shall fund distributions under the Plan as follows:

1. Cash on Hand

All Cash necessary for the Reorganized Debtors to make payments required pursuant to the Plan will be funded with Cash on hand, including Cash from operations and the proceeds of

the DIP Facility. Cash payments to be made pursuant to the Plan will be made by the Reorganized Debtors. The Reorganized Debtors will be entitled to transfer funds between and among themselves as they determine to be necessary or appropriate to enable the Reorganized Debtors to satisfy their obligations under the Plan. Except as set forth herein, any changes in intercompany account balances resulting from such transfers will be accounted for and settled in accordance with the Debtors' historical intercompany account settlement practices and will not violate the terms of the Plan.

2. Issuance and Distribution of New Common Stock

On the Effective Date, Reorganized Taco Bueno shall be authorized to and shall issue the New Common Stock in accordance with the terms of the Plan without the need for any further corporate action. All of the New Common Stock, when so issued, shall be duly authorized, validly issued, fully paid, and non-assessable. Each distribution and issuance of the New Common Stock under the Plan shall be governed by the terms and conditions set forth in the Plan applicable to such distribution or issuance and by the terms and conditions of the instruments evidencing or relating to such distribution or issuance, which terms and conditions shall bind each Entity receiving such distribution or issuance.

D. *Continued Corporate Existence*

Except as otherwise provided in the Plan, the Plan Supplement (including the Description of the Transaction Steps), or any agreement, instrument, or other document incorporated in the Plan or the Plan Supplement, on the Effective Date, each Debtor shall continue to exist after the Effective Date as a separate corporation, limited liability company, partnership, or other form of entity, as the case may be, with all the powers of a corporation, limited liability company, partnership, or other form of entity, as the case may be, pursuant to the New Organizational Documents.

On or after the Effective Date, without prejudice to the rights of any party to a contract or other agreement with any Reorganized Debtor, each Reorganized Debtor may, in its sole discretion, take such action as permitted by applicable law and the New Organizational Documents, as such Reorganized Debtor may determine is reasonable and appropriate, including, without limitation, causing: (i) a Reorganized Debtor to be merged into another Reorganized Debtor or an affiliate of a Reorganized Debtor; (ii) a Reorganized Debtor to be dissolved; (iii) the legal name of a Reorganized Debtor to be changed; or (iv) the closure of a Reorganized Debtor's Chapter 11 Case on the Effective Date or any time thereafter, and such action and documents are deemed to require no further action or approval (other than any requisite filings required under the applicable state, provincial, and federal or foreign law).

E. *Vesting of Assets in the Reorganized Debtors*

Except as otherwise provided in the Plan, the Plan Supplement (including the Description of the Transaction Steps), or any agreement, instrument, or other document incorporated in the Plan or the Plan Supplement (including the Description of the Transaction Steps), on the Effective Date, all property in each Estate, including all Causes of Action, and any property acquired by any of the Debtors shall vest in each applicable Reorganized Debtor, free and clear of all Liens, Claims,

charges, or other encumbrances. On and after the Effective Date, except as otherwise provided in the Plan, each Reorganized Debtor may operate its business and may use, acquire, or dispose of property, and compromise or settle any Claims, Interests, or Causes of Action without supervision or approval by the Court and free of any restrictions of the Bankruptcy Code or Bankruptcy Rules.

Except as otherwise provided for in the Plan, any holder of a Secured Claim, or any agent for such holder that has filed or recorded publicly any Liens and/or security interests to secure such holder's Secured Claim, as soon as practicable on or after the Effective Date, such holder (or the agent for such holder) shall take any and all steps requested by the Debtors or the Reorganized Debtors that are necessary to cancel and/or extinguish such Liens and/or security interests. After the Effective Date, the Reorganized Debtors may present Court order(s) or assignment(s) suitable for filing in the records of every county or governmental agency where the property vested in accordance with the foregoing paragraph is or was located, which provide that such property is conveyed to and vested in the Reorganized Debtors. The Court order(s) or assignment(s) may designate all Liens, Claims, encumbrances, or other interests which appear of record and/or from which the property is being transferred, assigned and/or vested free and clear of. The Plan shall be conclusively deemed to be adequate notice that such Lien, Claim, encumbrance, or other interest is being extinguished and no notice, other than by this Plan, shall be given prior to the presentation of such Court order(s) or assignment(s). Any Person having a Lien, Claim, encumbrance, or other interest against any of the property vested in accordance with the foregoing paragraph shall be conclusively deemed to have consented to the transfer, assignment and vesting of such property to or in the Reorganized Debtors free and clear of all Liens, Claims, charges or other encumbrances by failing to object to confirmation of the Plan, except as otherwise provided in the Plan.

F. *Cancellation of Existing Securities and Agreements*

Except as otherwise provided in the Plan, on the Effective Date: (1) the obligations of the Debtors under the Prepetition Credit Agreement, all TB Holdings Interests, and each certificate, share, note, bond, indenture, purchase right, option, warrant, or other instrument, agreement, or document, directly or indirectly, evidencing or creating any indebtedness or obligation of or ownership interest in the Debtors or giving rise to any Claim or Interest shall be cancelled or extinguished and the Debtors and the Reorganized Debtors shall not have any continuing obligations thereunder; and (2) the obligations of the Debtors pursuant, relating, or pertaining to any agreements, indentures, certificates of designation, bylaws, or certificate or articles of incorporation or similar documents governing the shares, certificates, notes, bonds, purchase rights, options, warrants, or other instruments or documents evidencing or creating any indebtedness or obligation of the Debtors shall be released and discharged; *provided that* notwithstanding the releases set forth in Article VIII.F of the Plan, Confirmation or the occurrence of the Effective Date, any such agreement that governs the rights of the holder of a Claim or Interest shall continue in effect solely for purposes of enabling holders of Allowed Claims and Allowed Interests to receive distributions under the Plan as provided herein; *provided, further*, that nothing in this section shall effectuate a cancellation of any New Common Stock (if issued), Intercompany Interests, Intercompany Claims, or Indemnification Obligations.

Notwithstanding the foregoing, any provision in any document, instrument, lease, or other agreement that causes or effectuates, or purports to cause or effectuate, a default, termination, waiver, or other forfeiture of, or by, a Debtor or its interests, as a result of the cancellations,

terminations, satisfaction, releases, or discharges provided for in this Article IV.F shall be deemed null and void and shall be of no force and effect. Nothing contained herein shall be deemed to cancel, terminate, release, or discharge the obligation of a Debtor or any of its counterparties under any Executory Contract or Unexpired Lease to the extent such executory contract or unexpired lease has been assumed by such Debtor or Reorganized Debtor, as applicable, pursuant to the Plan or a Final Order of the Court.

G. *New Organizational Documents*

To the extent required under the Plan or applicable non-bankruptcy law, the Reorganized Debtors will, on or as soon as practicable after the Effective Date, file their respective New Organizational Documents, as applicable, with the applicable Secretaries of State and/or other applicable authorities in their respective states, provinces, or countries of incorporation or organization in accordance with the corporate laws of the respective states, provinces, or countries of incorporation or organization. Pursuant to section 1123(a)(6) of the Bankruptcy Code, the New Organizational Documents of the Reorganized Debtors will prohibit the issuance of non-voting equity securities and will comply with all other applicable provisions of section 1123(a)(6) of the Bankruptcy Code regarding the distribution of power among, and dividends to be paid to, different classes of voting securities. After the Effective Date, the Reorganized Debtors may amend and restate their respective New Organizational Documents and other constituent documents, as permitted by the laws of their respective states, provinces, or countries of incorporation and their respective New Organizational Documents. On the Effective Date, the New Organizational Documents, as expressly approved by Taco Supremo, substantially in the forms set forth in the Plan Supplement, shall be deemed to be valid, binding, and enforceable in accordance with their terms and provisions.

H. *Directors and Officers of the Reorganized Debtors*

As of the Effective Date, the term of the current members of the board of directors of the Debtors shall expire automatically, and the New Boards and the officers of each of the Reorganized Debtors shall be appointed in accordance with this Plan, the New Organizational Documents, and the other constituent documents of each Reorganized Debtor. Pursuant to section 1129(a)(5) of the Bankruptcy Code, the Debtors will, to the extent known, disclose in advance of the Confirmation Hearing the identity and affiliations of any Person proposed to serve on the initial New Board. To the extent any such director or officer is an "insider" as defined in section 101(31) of the Bankruptcy Code, the nature of any compensation to be paid to such director or officer will also be disclosed. Each such director and officer shall serve from and after the Effective Date pursuant to the terms of the New Organizational Documents and other constituent documents of the Reorganized Debtors.

I. *Effectuating Documents; Further Transactions*

On and after the Effective Date, the Reorganized Debtors, the Reorganized Debtors' officers, and the members of the New Boards, are authorized to and may issue, execute, deliver, file, or record such contracts, Securities, instruments, releases, and other agreements or documents and take such actions as may be necessary or appropriate to effectuate, implement, and further evidence the terms and conditions of the Plan and any Securities issued pursuant to the Plan,

including the New Common Stock, in the name of and on behalf of Reorganized Taco Bueno or the other Reorganized Debtors, without the need for any approvals, authorization, or consents except those expressly required pursuant to the Plan.

J. *Exemption from Certain Taxes and Fees*

Pursuant to, and to the fullest extent permitted by, section 1146(a) of the Bankruptcy Code, any issuance, transfer, or exchange of a Security (including, without limitation, of the New Common Stock) or transfer of property, in each case, pursuant to, in contemplation of, or in connection with, the Plan shall not be subject to any document recording tax, stamp tax, conveyance fee, intangibles or similar tax, mortgage tax, stamp act, real estate transfer tax, sale or use tax, mortgage recording tax, or other similar tax or governmental assessment, and upon entry of the Confirmation Order, the appropriate state or local governmental officials or agents shall forgo the collection of any such tax or governmental assessment and accept for filing and recordation any instruments of transfer or other relevant documents without the payment of any such tax, recordation fee, or governmental assessment.

K. *Exemption from Registration Requirements*

The offering, issuance, and distribution of the New Common Stock pursuant to the Plan shall be exempt, pursuant to section 1145 of the Bankruptcy Code, without any further act or action by any Entity, from registration under (a) the Securities Act and all rules and regulations promulgated thereunder and (b) any applicable U.S. state or local law requiring registration for the offer, issuance, or distribution of securities. Pursuant to section 1145 of the Bankruptcy Code, the New Common Stock issued under the Plan will be freely transferable by the recipients thereof, subject to: (a) the provisions of section 1145(b)(1) of the Bankruptcy Code relating to the definition of an underwriter in section 2(a)(11) of the Securities Act, and compliance with any applicable state or foreign securities laws, if any, and the rules and regulations of the United States Securities and Exchange Commission, if any, applicable at the time of any future transfer of such Securities or instruments; (b) the restrictions, if any, on the transferability of such securities or instruments, including, any restrictions on the transferability under the terms of the New Organizational Documents; and (c) any other applicable regulatory approval.

L. *Preservation of Causes of Action*

In accordance with section 1123(b) of the Bankruptcy Code, but subject in all respects to Article VIII, the Reorganized Debtors shall retain and may enforce all rights to commence and pursue, as appropriate, any and all Causes of Action, whether arising before or after the Petition Date, including any actions specifically enumerated in the List of Retained Causes of Action, and such rights to commence, prosecute, or settle such Causes of Action shall be preserved notwithstanding the occurrence of the Effective Date. The Reorganized Debtors may pursue such Causes of Action, as appropriate, in accordance with the best interests of the Reorganized Debtors. **No Entity may rely on the absence of a specific reference in the Plan, the Plan Supplement, or the Disclosure Statement to any Causes of Action against it as any indication that the Debtors or the Reorganized Debtors will not pursue any and all available Causes of Action against it. The Debtors or the Reorganized Debtors, as applicable, expressly reserve all rights to prosecute any and all Causes of Action against any Entity, except as otherwise**

expressly provided in the Plan. Unless any Causes of Action against an Entity are expressly waived, relinquished, exculpated, released, compromised, or settled in the Plan or a Court order, including, pursuant to Article VIII hereof, the Debtors or Reorganized Debtors, as applicable, expressly reserve all Causes of Action, for later adjudication, and, therefore, no preclusion doctrine, including the doctrines of res judicata, collateral estoppel, issue preclusion, claim preclusion, estoppel (judicial, equitable, or otherwise), or laches, shall apply to such Causes of Action upon, after, or as a consequence of the Confirmation or Consummation. For the avoidance of doubt, in no instance will any Cause of Action preserved pursuant to this Article IV.L include any claim or Cause of Action with respect to, or against, a Released Party.

In accordance with section 1123(b)(3) of the Bankruptcy Code, except as otherwise provided herein, any Causes of Action that a Debtor may hold against any Entity shall vest in the applicable Reorganized Debtor. The applicable Reorganized Debtors, through their authorized agents or representatives, shall retain and may exclusively enforce any and all such Causes of Action. The Reorganized Debtors shall have the exclusive right, authority, and discretion to determine and to initiate, file, prosecute, enforce, abandon, settle, compromise, release, withdraw, or litigate to judgment any such Causes of Action, and to decline to do any of the foregoing without the consent or approval of any third party or further notice to or action, order, or approval of the Court.

M. *Director and Officer Liability Insurance*

Notwithstanding anything in the Plan to the contrary, effective as of the Effective Date, the Reorganized Debtors shall be deemed to have assumed all D&O Liability Insurance Policies (including tail coverage liability insurance) pursuant to section 365(a) of the Bankruptcy Code to the extent such D&O Liability Insurance Policies are found to be Executory Contracts.[2] Entry of the Confirmation Order will constitute the Court's approval of the Reorganized Debtors' assumption of each such D&O Liability Insurance Policies, to the extent they are Executory Contracts. Notwithstanding anything to the contrary contained in the Plan, Confirmation of the Plan shall not discharge, impair, or otherwise modify any indemnity obligations assumed by the foregoing assumption of the D&O Liability Insurance Policies, and each such indemnity obligation will be deemed and treated as an Executory Contract that has been assumed by the Reorganized Debtors under the Plan as to which no Proof of Claim need be Filed, and shall survive the Effective Date.

N. *Retiree Benefits*

Pursuant to section 1129(a)(13) of the Bankruptcy Code, on and after the Effective Date, all retiree benefits (as that term is defined in section 1114 of the Bankruptcy Code), if any, shall continue to be paid in accordance with applicable law.

[2] The Debtors anticipate that the Reorganized Debtors shall have no premium or similar costs associated with such assumed policies because the premiums have been prepaid.

ARTICLE V.
TREATMENT OF EXECUTORY CONTRACTS AND UNEXPIRED LEASES

A. *Assumption and Rejection of Executory Contracts and Unexpired Leases*

On the Effective Date, except as otherwise provided herein or in any contract, instrument, release, or other agreement or document entered into in connection with the Plan, the Plan shall serve as a motion under sections 365 and 1123(b)(2) of the Bankruptcy Code to reject Executory Contracts and Unexpired Leases, and all Executory Contracts or Unexpired Leases shall be rejected by the Reorganized Debtors in accordance with the provisions and requirements of sections 365 and 1123 of the Bankruptcy Code without the need for any further notice to or action, order, or approval of the Court, other than: (1) those that are identified on the Schedule of Assumed Executory Contracts and Unexpired Leases; (2) those that have been previously rejected or assumed by a Final Order; (3) those that are the subject of a motion to assume Executory Contracts or Unexpired Leases that is pending on the Effective Date; or (4) those that are subject to a motion to assume an Executory Contract or Unexpired Lease pursuant to which the requested effective date of such assumption is after the Effective Date, in each case, subject to the consent of Taco Supremo.

Entry of the Confirmation Order shall constitute the Court's order approving the assumptions or rejections, as applicable, of Executory Contracts or Unexpired Leases as set forth in the Plan or the Schedule of Assumed Executory Contracts and Unexpired Leases, pursuant to sections 365(a) and 1123 of the Bankruptcy Code. Unless otherwise indicated, assumptions or rejections of Executory Contracts and Unexpired Leases pursuant to the Plan are effective as of the Effective Date. Each Executory Contract or Unexpired Lease assumed pursuant to the Plan but not assigned to a third party before the Effective Date shall re-vest in and be fully enforceable by the applicable Reorganized Debtor in accordance with its terms, except as such terms may have been modified by the provisions of the Plan or any order of the Court. Any motions to assume Executory Contracts or Unexpired Leases pending on the Effective Date shall be subject to approval by the Court on or after the Effective Date. Notwithstanding anything to the contrary in the Plan, the Debtors reserve the right to, with the consent of Taco Supremo, alter, amend, modify, or supplement the Schedule of Assumed Executory Contracts and Unexpired Leases at any time prior to the Effective Date on no less than three (3) days' notice to the applicable non-Debtor counterparties.

B. *Claims Based on Rejection of Executory Contracts or Unexpired Leases*

Proofs of Claim with respect to Claims arising from the rejection of Executory Contracts or Unexpired Leases, if any, must be Filed with the Court within 30 days after the date of entry of an order of the Court (including the Confirmation Order) approving such rejection. **Any Claims arising from the rejection of an Executory Contract or Unexpired Lease that are not Filed within such time will be automatically Disallowed, forever barred from assertion, and shall not be enforceable against, as applicable, the Debtors, the Reorganized Debtors, the Estates, or property of the foregoing parties, without the need for any objection by the Debtors or the Reorganized Debtors or further notice to, or action, order, or approval of the Court or any other Entity, and any Claim arising out of the rejection of the Executory Contract or Unexpired Lease shall be deemed fully satisfied, released, and discharged, notwithstanding**

anything in any Proof of Claim to the contrary. Claims arising from or related to the rejection of an Executory Contract or Unexpired Lease shall be classified as General Unsecured Claims and shall be treated in accordance with Article III of the Plan.

C. *Cure of Defaults and Objections for Assumed Executory Contracts and Unexpired Leases*

The Debtors or the Reorganized Debtors, as applicable, shall pay Cure Claims, if any, on the Effective Date or as soon as reasonably practicable thereafter. Unless otherwise agreed upon in writing by the parties to the applicable Executory Contract or Unexpired Lease, all requests for payment of Cure Claims that differ from the amounts paid or proposed to be paid by the Debtors or the Reorganized Debtors to a counterparty must be filed and served on the Reorganized Debtors on or before 30 days after the Effective Date. If such Cure Claim dispute is not resolved within 7 days of the Reorganized Debtors' receiving such Cure Claim dispute, the counterparty to the applicable assumed Executory Contract or Unexpired Lease shall timely file an objection with the Court within 7 days. **Any such request and/or objection that is not timely Filed shall be disallowed and forever barred, estopped, and enjoined from assertion, and shall not be enforceable against any Reorganized Debtor, without the need for any objection by the Reorganized Debtors or any other party in interest or any further notice to or action, order, or approval of the Court.** Any Cure Claim shall be deemed fully satisfied, released, and discharged upon payment by the Debtors or the Reorganized Debtors of the Cure Claim; *provided, however*, that nothing herein shall prevent the Reorganized Debtors from paying any Cure Claim despite the failure of the relevant counterparty to file such request for payment of such Cure Claim. The Reorganized Debtors also may settle any Cure Claim without any further notice to or action, order, or approval of the Court. In addition, any objection to the assumption of an Executory Contract or Unexpired Lease under the Plan must be Filed with the Court on or before 30 days after the Effective Date. Any such objection will be scheduled to be heard by the Court at the Debtors' or Reorganized Debtors', as applicable, first scheduled omnibus hearing for which such objection is timely filed. **Any counterparty to an Executory Contract or Unexpired Lease that fails to timely object to the proposed assumption of any Executory Contract or Unexpired Lease will be deemed to have consented to such assumption.**

If there is any dispute regarding any Cure Claim, the ability of the Reorganized Debtors or any assignee to provide "adequate assurance of future performance" within the meaning of section 365 of the Bankruptcy Code, or any other matter pertaining to assumption, then payment of the Cure Claim shall occur as soon as reasonably practicable after entry of a Final Order resolving such dispute, approving such assumption (and, if applicable, assignment), or as may be agreed upon by the Debtors or the Reorganized Debtors, as applicable, and the counterparty to the Executory Contract or Unexpired Lease.

Assumption of any Executory Contract or Unexpired Lease pursuant to the Plan or otherwise shall result in the full release and satisfaction of any Claims or defaults, whether monetary or nonmonetary, including defaults of provisions restricting the change in control or ownership interest composition or other bankruptcy or insolvency-related defaults, arising under any assumed Executory Contract or Unexpired Lease at any time before the date that the Debtors assume such Executory Contract or Unexpired Lease. Any Proofs of Claim Filed with respect to an Executory Contract or Unexpired Lease that has been assumed, including pursuant to the

Confirmation Order, shall be deemed Disallowed and expunged, without further notice to or action, order, or approval of the Court.

D. *Indemnification Obligations*

The Indemnification Obligations shall apply only following the prior exhaustion or unavailability of all D&O Liability Insurance Policies, including any Side A coverage thereunder. For purposes of such D&O Liability Insurance Policies, any claims or causes of action against the Debtors' directors and officers shall be deemed to be "Non-Indemnifiable Loss" until all limits, including any Side A excess limits, have been exhausted through payment by the insurers of such D&O Liability Insurance Policies. For the avoidance of doubt, any claims or causes of action against any of the Debtors' directors and/or officers shall not give rise to any Indemnification Obligations unless and until the limits under all Side A coverage of all D&O Liability Insurance Policies have been exhausted or are otherwise unavailable; *provided, however*, that to the extent such coverage under such D&O Liability Insurance Policies has been exhausted or is otherwise unavailable, such claims or causes of action shall constitute Indemnification Obligations, and the Indemnification Obligations shall not be discharged or impaired by Confirmation of the Plan, and, notwithstanding anything in the Plan to the contrary, the Indemnification Obligations shall be deemed and treated as Executory Contracts assumed by the Reorganized Debtors under the Plan effective as of the Effective Date and shall continue as obligations of the Reorganized Debtors. No assumption of an Indemnification Obligation shall in any way extend the scope or term of any Indemnification Obligation beyond that contemplated in the applicable agreement governing such Indemnification Obligation.

E. *Insurance Policies*

Notwithstanding anything in the Plan to the contrary, effective as of the Effective Date, all of the Debtors' insurance policies and any agreements, documents, or instruments relating thereto, shall be deemed to be assumed by the Reorganized Debtors under the Plan pursuant to section 365(a) of the Bankruptcy Code, to the extent such insurance policies are found to be Executory Contracts and entry of the Confirmation Order shall constitute approval of the Reorganized Debtors' assumption of each such insurance policy and any agreements, documents, or instruments relating thereto; *provided, however*, from and after the Effective Date, such insurance policies may be replaced or modified in Taco Supremo's discretion. For the avoidance of doubt, D&O Liability Insurance Policies are provided for in Article IV.M hereof.

F. *Modifications, Amendments, Supplements, Restatements, or Other Agreements*

Unless otherwise provided in the Plan, each Executory Contract or Unexpired Lease that is assumed shall include all modifications, amendments, supplements, restatements, or other agreements that in any manner affect such Executory Contract or Unexpired Lease, and Executory Contracts and Unexpired Leases related thereto, if any, including easements, licenses, permits, rights, privileges, immunities, options, rights of first refusal, and any other interests, unless any of the foregoing agreements has been previously rejected or repudiated or is rejected or repudiated under the Plan. Modifications, amendments, supplements, and restatements to prepetition Executory Contracts and Unexpired Leases that have been executed by the Debtors during the Chapter 11 Cases, with the consent of Taco Supremo, shall not be deemed to alter the prepetition

nature of the Executory Contract or Unexpired Lease, or the validity, priority, or amount of any Claims that may arise in connection therewith.

G. *Reservation of Rights*

Neither the exclusion nor inclusion of any Executory Contract or Unexpired Lease on the Schedule of Assumed Executory Contracts and Unexpired Leases, nor anything contained in the Plan, shall constitute an admission by the Debtors that any such contract or lease is in fact an Executory Contract or Unexpired Lease or that any Reorganized Debtor has any liability thereunder. If there is a dispute regarding whether a contract or lease is or was executory or unexpired at the time of assumption or rejection, the Debtors, or, after the Effective Date, the Reorganized Debtors shall have thirty days following entry of a Final Order resolving such dispute to alter their treatment of such contract or lease.

H. *Nonoccurrence of Effective Date*

In the event that the Effective Date does not occur, the Court shall retain jurisdiction with respect to any request to extend the deadline for assuming or rejecting Unexpired Leases pursuant to section 365(d)(4) of the Bankruptcy Code.

I. *Contracts and Leases Entered into After the Petition Date*

Contracts and leases entered into after the Petition Date by any Debtor will be performed by the applicable Debtor or Reorganized Debtor liable thereunder in the ordinary course of its business. Accordingly, such contracts and leases that have not been rejected as of the date of Confirmation will survive and remain unaffected by entry of the Confirmation Order.

ARTICLE VI.
PROVISIONS GOVERNING DISTRIBUTIONS

A. *Timing and Calculation of Amounts to Be Distributed*

Unless otherwise provided in the Plan, on the Effective Date or as soon as reasonably practicable thereafter (or, if a Claim is not an Allowed Claim on the Effective Date, on the date that such Claim becomes Allowed or as soon as reasonably practicable thereafter), each holder of an Allowed Claim, including any portion of a Claim that is an Allowed Claim notwithstanding that other portions of such Claim are a Disputed Claim, shall receive the full amount of the distributions that the Plan provides for Allowed Claims in each applicable Class; *provided, however*, that (1) Allowed Administrative Claims with respect to liabilities incurred by the Debtors in the ordinary course of business during the Chapter 11 Cases or assumed by the Debtors prior to the Effective Date shall be paid or performed in the ordinary course of business in accordance with the terms and conditions of any controlling agreements, course of dealing, course of business, or industry practice, and (2) Allowed Priority Tax Claims shall be paid in accordance with Article II.D of the Plan. To the extent any Allowed Priority Tax Claim is not due and owing on the Effective Date, such Claim shall be paid in full in Cash in accordance with the terms of any agreement between the Debtors and the holder of such Claim or as may be due and payable under applicable non-bankruptcy law or in the ordinary course of business.

In the event that any payment or act under the Plan is required to be made or performed on a date that is not a Business Day, then the making of such payment or the performance of such act may be completed on the next succeeding Business Day, but shall be deemed to have been completed as of the required date. If and to the extent that there are Disputed Claims, distributions on account of any such Disputed Claims shall be made pursuant to the provisions set forth in Article VII of the Plan. Except as otherwise provided in the Plan, holders of Claims shall not be entitled to interest, dividends, or accruals on the distributions provided for in the Plan, regardless of whether such distributions are delivered on or at any time after the Effective Date.

B. *Delivery of Distributions and Unclaimed Property*

1. Delivery of Distributions

a. Delivery of Distributions in General

Except as otherwise provided herein, distributions to holders of an Allowed Claim or Interest shall be made as follows: (1) at the address set forth in the Debtors' or Reorganized Debtors' books and records; (2) at the address set forth in any written notice of address changes delivered to the Reorganized Debtors after the Effective Date; or (3) to any counsel that has appeared in the Chapter 11 Cases on the holder's behalf. Subject to this Article VI, distributions under the Plan on account of Allowed Claims shall not be subject to levy, garnishment, attachment, or like legal process, so that each holder of an Allowed Claim shall have and receive the benefit of the distributions in the manner set forth in the Plan. The Debtors and the Reorganized Debtors shall not incur any liability whatsoever on account of any distributions under the Plan except for gross negligence or willful misconduct.

In the event that any distribution to any holder is returned as undeliverable, no further distributions shall be made to such holder unless and until the Debtors or the Reorganized Debtors, as applicable, are notified in writing of such holder's then-current address, at which time all currently-due, missed distributions shall be made to such holder as soon as reasonably practicable thereafter without interest. Nothing herein shall require the Debtors or the Reorganized Debtors to attempt to locate holders of undeliverable distributions.

b. Delivery of Distributions to Prepetition Lender

The Prepetition Agent shall be deemed to be the holder of all Prepetition Lender Secured Claims for purposes of distributions to be made under the Plan, and all distributions on account of the Prepetition Lender Secured Claims shall be made to the Prepetition Agent. As soon as practicable following compliance with the requirements set forth in Article VI of the Plan, the Prepetition Agent shall arrange to deliver or direct the delivery of such distributions to or on behalf of the holders of Allowed Prepetition Lender Secured Claims in accordance with the terms of the Prepetition Credit Agreement and the Plan. Notwithstanding anything in the Plan to the contrary, and without limiting the exculpation and release provisions of the Plan, the Prepetition Agent shall not have any liability to any Person with respect to distributions made or directed to be made by the Prepetition Agent.

c. Delivery of Distributions on DIP Facility Claims

The DIP Agent shall be deemed to be the holder of all DIP Facility Claims for purposes of distributions to be made under the Plan, and all distributions on account of such DIP Facility Claims shall be made to the DIP Agent. As soon as practicable following compliance with the requirements set forth in Article VI of the Plan, the DIP Agent shall arrange to deliver or direct the delivery of such distributions to or on behalf of the holders of DIP Facility Claims in accordance with the terms of the DIP Facility, subject to any modifications to such distributions in accordance with the terms of the Plan. Notwithstanding anything in the Plan to the contrary, and without limiting the exculpation and release provisions of the Plan, the DIP Agent shall not have any liability to any Person with respect to distributions made or directed to be made by the DIP Agent.

2. Minimum Distributions

No fractional shares of New Common Stock shall be distributed, and no Cash shall be distributed in lieu of such fractional shares. When any distribution pursuant to the Plan on account of an Allowed Claim would otherwise result in the issuance of a number of shares of New Common Stock that is not a whole number, the actual distribution of shares of New Common Stock shall be rounded as follows: (a) fractions of one-half or greater shall be rounded to the next higher whole number, and (b) fractions of less than one-half shall be rounded to the next lower whole number with no further payment therefor. The total number of authorized shares of New Common Stock to be distributed pursuant to the Plan shall be adjusted as necessary to account for the foregoing rounding.

Holders of Allowed Claims entitled to distributions of $50.00 or less shall not receive distributions, and each Claim to which this limitation applies shall be discharged pursuant to Article VIII and its holder shall be forever barred pursuant to Article VIII from asserting that Claim against the Reorganized Debtors or their property.

3. Unclaimed Property

In the event that any distribution is returned as undeliverable or is unclaimed, such distribution shall remain in the Debtors' possession until such time as a distribution becomes deliverable or such holder accepts distribution, or such distribution reverts back to the Debtors or Reorganized Debtors, as applicable, and shall not be supplemented with any interest, dividends, or other accruals of any kind. Such distributions shall be deemed unclaimed property under section 347(b) of the Bankruptcy Code at the expiration of 180 days from the date of attempted distribution. After such date all unclaimed property or interest in property shall revert to the Reorganized Debtors, and the Claim of any other holder to such property or interest in property shall be discharged and forever barred.

C. *Compliance with Tax Requirements*

In connection with the Plan, to the extent applicable, the Debtors or the Reorganized Debtors, as applicable, shall comply with all tax withholding and reporting requirements imposed on them by any Governmental Unit, and all distributions pursuant to the Plan shall be subject to such withholding and reporting requirements. Notwithstanding any provision in the Plan to the

contrary, the Debtors or the Reorganized Debtors, as applicable, shall be authorized to take all actions necessary or appropriate to comply with such withholding and reporting requirements, including liquidating a portion of the distribution to be made under the Plan to generate sufficient funds to pay applicable withholding taxes, withholding distributions pending receipt of information necessary to facilitate such distributions, or establishing any other mechanisms they believe are reasonable and appropriate. The Debtors or the Reorganized Debtors, as applicable, reserve the right to allocate all distributions made under the Plan in compliance with applicable wage garnishments, alimony, child support, and other spousal awards, liens, and encumbrances.

D. *Allocations*

The aggregate consideration to be distributed to each holder of an Allowed Claim will be allocated first to the principal amount of such Allowed Claim, with any excess allocated to unpaid interest that accrued on such Allowed Claims, if any. Certain legislative history indicates that an allocation of consideration as between principal and interest provided in a chapter 11 plan of reorganization is binding for U.S. federal income tax purposes.

E. *No Postpetition Interest on Claims*

Unless otherwise specifically provided for in an order of the Court, the Plan, or the Confirmation Order, or required by applicable bankruptcy law, postpetition interest shall not accrue or be paid on any Claims or Interests and no holder of a Claim or Interest shall be entitled to interest accruing on or after the Petition Date on any such Claim.

F. *Setoffs and Recoupment*

The Debtors or the Reorganized Debtors, as applicable, may, but shall not be required to, set off against, or recoup from, any Claim against a Debtor of any nature whatsoever that the applicable Debtor may have against the holder of such Claim, but neither the failure to do so nor the allowance of any Claim against a Debtor hereunder shall constitute a waiver or release by the applicable Debtor of any such Claim it may have against the holder of such Allowed Claim.

G. *Claims Paid or Payable by Third Parties*

1. Claims Paid by Third Parties

The Debtors or the Reorganized Debtors, as applicable, shall reduce in full an Allowed Claim, and such Claim shall be Disallowed without a Claim objection having to be Filed and without any further notice to or action, order, or approval of the Court, to the extent that the holder of such Claim receives payment in full on account of such Claim from a party that is not a Debtor or Reorganized Debtor; *provided that* the Debtors or the Reorganized Debtors, as applicable, shall provide 21 days' notice to the holder prior to any disallowance of such Claim during which period the holder may object to such disallowance, and if the parties cannot reach an agreed resolution, the matter shall be decided by the Court. Subject to the last sentence of this paragraph, to the extent a holder of a Claim receives a distribution on account of such Claim and thereafter receives payment from a party that is not a Debtor or a Reorganized Debtor on account of such Claim, such holder shall, within 14 days of receipt thereof, repay or return the distribution to Debtors or the Reorganized Debtors, as applicable, to the extent the holder's total recovery on account of such

Claim from the third party and under the Plan exceeds the amount of such Claim as of the Petition Date. The failure of such holder to timely repay or return such distribution shall result in the holder owing the Reorganized Debtors annualized interest at the Federal Judgment Rate on such amount owed for each Business Day after the 14-day grace period specified above until the amount is repaid.

2. Claims Payable by Insurers

No distributions under the Plan shall be made on account of an Allowed Claim that is payable pursuant to one of the Debtors' insurance policies until the holder of such Allowed Claim has exhausted all remedies with respect to such insurance policy. To the extent that one or more of the Debtors' insurers agrees to satisfy in full or in part a Claim (if and to the extent adjudicated by a court of competent jurisdiction), then immediately upon such insurers' agreement, the applicable portion of such Claim shall be expunged without a Claim objection having to be Filed and without any further notice to or action, order, or approval of the Court; *provided that* the Debtors or the Reorganized Debtors, as applicable, shall provide 21 days' notice to the holder of such Claim prior to any disallowance of such Claim during which period the holder may object to such disallowance, and if the parties cannot reach an agreed resolution, the matter shall be decided by the Court.

3. Applicability of Insurance Policies

Except as otherwise provided in the Plan, distributions to holders of Allowed Claims shall be in accordance with the provisions of any applicable insurance policy. Nothing contained in the Plan shall constitute or be deemed a waiver of any Cause of Action that the Debtors or any Entity may hold against any other Entity, including insurers under any policies of insurance, nor shall anything contained herein constitute or be deemed a waiver by such insurers of any defenses, including coverage defenses, held by such insurers.

ARTICLE VII.
PROCEDURES FOR RESOLVING CONTINGENT, UNLIQUIDATED, AND DISPUTED CLAIMS

A. *Allowance of Claims and Interests*

After the Effective Date, the Reorganized Debtors shall have and retain any and all rights and defenses the Debtors had with respect to any Claim or Interest immediately prior to the Effective Date, except with respect to any Claim deemed Allowed under the Plan. Except as expressly provided in the Plan or in any order entered in the Chapter 11 Cases prior to the Effective Date (including the Confirmation Order), no Claim shall become an Allowed Claim unless and until such Claim is deemed Allowed under the Plan or the Bankruptcy Code or the Court has entered a Final Order (including the Confirmation Order) in the Chapter 11 Cases allowing such Claim. All settled Claims approved prior to the Effective Date pursuant to a Final Order of the Court pursuant to Bankruptcy Rule 9019 or otherwise shall be binding on all parties.

B. *Claims and Interests Administration Responsibilities*

Except as otherwise specifically provided in the Plan and notwithstanding any requirements that may be imposed pursuant to Bankruptcy Rule 9019, after the Effective Date, the Debtors or Reorganized Debtors, as applicable, by order of the Court, shall together have the sole authority: (1) to File, withdraw, or litigate to judgment objections to Claims; (2) to settle or compromise any Disputed Claim without any further notice to or action, order, or approval by the Court; and (3) to administer and adjust the Claims Register to reflect any such settlements or compromises without any further notice to or action, order, or approval by the Court.

C. *Estimation of Claims*

Before or after the Effective Date, the Debtors or the Reorganized Debtors, as applicable, may (but are not required to) at any time request that the Court estimate any Disputed Claim pursuant to section 502(c) of the Bankruptcy Code, regardless of whether any party previously has objected to such Claim or whether the Court has ruled on any such objection, and the Court shall retain jurisdiction to estimate any such Claim, including during the litigation of any objection to any Claim or during any appeal relating to such objection. In the event that the Court estimates any Disputed Claim, that estimated amount shall constitute a maximum limitation on such Claim for all purposes under the Plan (including for purposes of distributions), and the Debtors may elect to pursue any supplemental proceedings to object to any ultimate distribution on such Claim. Notwithstanding section 502(j) of the Bankruptcy Code, in no event shall any holder of a Claim that has been estimated pursuant to section 502(c) of the Bankruptcy Code or otherwise be entitled to seek reconsideration of such estimation unless such holder has Filed a motion requesting the right to seek such reconsideration on or before 21 days after the date on which such Claim is estimated. All of the aforementioned Claims and objection, estimation, and resolution procedures are cumulative and not exclusive of one another. Claims may be estimated and subsequently compromised, settled, withdrawn, or resolved by any mechanism approved by the Court.

D. *Adjustment to Claims Without Objection*

Any duplicate Claim or Interest or any Claim or Interest that has been paid, satisfied, amended, or superseded may be adjusted or expunged on the Claims Register by the Reorganized Debtors without the Reorganized Debtors having to File an application, motion, complaint, objection, or any other legal proceeding seeking to object to such Claim or Interest and without any further notice to or action, order, or approval of the Court.

E. *Disallowance of Claims*

Any Claims held by Entities from which property is recoverable under section 542, 543, 550, or 553 of the Bankruptcy Code or that is a transferee of a transfer avoidable under section 522(f), 522(h), 544, 545, 547, 548, 549, or 724(a) of the Bankruptcy Code, shall be deemed Disallowed pursuant to section 502(d) of the Bankruptcy Code, and holders of such Claims may not receive any distributions on account of such Claims until such time as such Causes of Action against that Entity have been settled or a Court order with respect thereto has been entered and all sums due, if any, to the Debtors by that Entity have been turned over or paid to the Debtors or the Reorganized Debtors.

EXCEPT AS PROVIDED HEREIN, IN AN ORDER OF THE COURT, OR OTHERWISE AGREED, ANY AND ALL PROOFS OF CLAIM FILED AFTER THE APPLICABLE BAR DATE SHALL BE DEEMED DISALLOWED AND EXPUNGED AS OF THE EFFECTIVE DATE WITHOUT ANY FURTHER NOTICE TO OR ACTION, ORDER, OR APPROVAL OF THE COURT, AND HOLDERS OF SUCH CLAIMS MAY NOT RECEIVE ANY DISTRIBUTIONS ON ACCOUNT OF SUCH CLAIMS, UNLESS AT OR PRIOR TO THE CONFIRMATION HEARING SUCH LATE CLAIM HAS BEEN DEEMED TIMELY FILED BY A FINAL ORDER.

F. *No Distributions Pending Allowance*

No payment or distribution provided under the Plan shall be made to the extent that any Claim is a Disputed Claim, including if an objection to a Claim or portion thereof is Filed as set forth in Article VII, unless and until such Disputed Claim becomes an Allowed Claim; *provided that* any portion of a Claim that is an Allowed Claim shall receive the payment or distribution provided under the Plan thereon notwithstanding that any other portion of such Claim is a Disputed Claim.

G. *Distributions After Allowance*

To the extent that a Disputed Claim ultimately becomes an Allowed Claim, distributions (if any) shall be made to the holder of such Allowed Claim in accordance with the provisions of the Plan. As soon as reasonably practicable after the date that the order or judgment of the Court allowing any Disputed Claim becomes a Final Order, the distribution (if any) to which such holder is entitled under the Plan as of the Effective Date, without any interest, dividends, or accruals shall be paid to the holder of such Allowed Claim on account of such Allowed Claim unless required under applicable bankruptcy law or as otherwise provided herein.

H. *Single Satisfaction of Claims*

Holders of Allowed Claims may assert such Claims against each Debtor obligated with respect to such Claim, and such Claims shall be entitled to share in the recovery provided for the applicable Class of Claims against each obligated Debtor based upon the full Allowed amount of the Claim. Notwithstanding the foregoing, in no case shall the aggregate value of all property received or retained under the Plan on account of any Allowed Claim exceed 100% of such Allowed Claim plus applicable interest.

ARTICLE VIII.
SETTLEMENT, RELEASE, INJUNCTION, AND RELATED PROVISIONS

A. *Compromise and Settlement of Claims, Interests, and Controversies*

Pursuant to sections 363 and 1123 of the Bankruptcy Code and Bankruptcy Rule 9019 and in consideration for the distributions, releases, and other benefits provided pursuant to the Plan, which distributions, releases, and other benefits shall be irrevocable and not subject to challenge upon the Effective Date, the provisions of the Plan, and the distributions, releases, and other benefits provided hereunder, shall constitute a good-faith compromise and settlement of all Claims and Interests and controversies resolved pursuant to the Plan. The Plan shall be deemed a motion

to approve the good-faith compromise and settlement of all such Claims, Interests, and controversies pursuant to Bankruptcy Rule 9019, and the entry of the Confirmation Order shall constitute the Court's approval of the compromise and settlement of all such Claims, Interests, and controversies, as well as a finding by the Court that all such compromises and settlements are in the best interests of the Debtors, their Estates, and holders of Claims and Interests and are fair, equitable, and reasonable. In accordance with the provisions of the Plan, pursuant to Bankruptcy Rule 9019, without any further notice to or action, order, or approval of the Court, after the Effective Date, the Reorganized Debtors may compromise and settle Claims against, and Interests in, the Debtors and their Estates and Causes of Action against other Entities.

B. *Discharge of Claims and Termination of Interests*

Pursuant to section 1141(d) of the Bankruptcy Code, and except as otherwise specifically provided in the Plan and the Plan Supplement, or in any contract, instrument, or other agreement or document created pursuant to the Plan and the Plan Supplement, the distributions, rights, and treatment that are provided in the Plan shall be in complete satisfaction, discharge, and release, effective as of the Effective Date, of Claims (including any Intercompany Claims resolved or compromised after the Effective Date by the Reorganized Debtors), Interests, and Causes of Action of any nature whatsoever, including any interest accrued on Claims or Interests from and after the Petition Date, whether known or unknown, against, liabilities of, liens on, obligations of, rights against, and interests in, the Debtors or any of their assets or properties, regardless of whether any property shall have been distributed or retained pursuant to the Plan on account of such Claims and Interests, including demands, liabilities, and Causes of Action that arose before the Effective Date, any contingent or non-contingent liability on account of representations or warranties issued on or before the Effective Date, and all debts of the kind specified in sections 502(g), 502(h), or 502(i) of the Bankruptcy Code, in each case whether or not: (a) a Proof of Claim based upon such debt or right is Filed or deemed Filed pursuant to section 501 of the Bankruptcy Code; (b) a Claim or Interest based upon such debt, right, or Interest is Allowed pursuant to section 502 of the Bankruptcy Code; or (c) the holder of such a Claim or Interest has accepted the Plan. Any default or "event of default" by the Debtors or Affiliates with respect to any Claim or Interest that existed immediately before or on account of the Filing of the Chapter 11 Cases shall be deemed cured (and no longer continuing) as of the Effective Date. The Confirmation Order shall be a judicial determination of the discharge of all Claims and Interests subject to the Effective Date occurring.

C. *Term of Injunctions or Stays*

Unless otherwise provided herein or in a Final Order, all injunctions or stays arising under or entered during the Chapter 11 Cases under section 362 of the Bankruptcy Code or otherwise and in existence on the Confirmation Date, shall remain in full force and effect until the later of the Effective Date and the date set forth in the order providing for such injunction or stay.

D. *Release of Liens*

Except as otherwise specifically provided in the Plan, or in any other contract, instrument, agreement or document created pursuant to the Plan, on the Effective Date and concurrently with the applicable distributions or other treatment made pursuant to the Plan, all mortgages, deeds of trust, Liens, pledges, or other security interests against any property

of the Estates shall be fully released and discharged, and all of the right, title, and interest of any holder of such mortgages, deeds of trust, Liens, pledges, or other security interests shall revert to the Reorganized Debtors and their successors and assigns, in each case, without any further approval or order of the Court and without any action or Filing being required to be made by the Debtors or the Reorganized Debtors.

E. *Releases by the Debtors*

Pursuant to section 1123(b) of the Bankruptcy Code, for good and valuable consideration, including the service of the Released Parties to facilitate the expeditious reorganization of the Debtors and the implementation of the restructuring contemplated by the Plan, on and after the Effective Date, each Released Party is deemed released and discharged by the Debtors, their Estates, and the Reorganized Debtors from any and all Claims, Causes of Action, obligations, suits, judgments, damages, demands, losses, liabilities, and remedies whatsoever, whether known or unknown, foreseen or unforeseen, existing or hereinafter arising, in law, equity, or otherwise, including any derivative claims, asserted or that could be asserted on behalf of the Debtors, that the Debtors, their Estates, or the Reorganized Debtors would have been legally entitled to assert in their own right (whether individually or collectively) or on behalf of the holder of any Claim or Interest or other entity, based on or relating to, or in any manner arising from, in whole or in part, the Debtors (including the management, ownership, or operation thereof), the Debtors' in- or out-of-court restructuring efforts, the Debtors' intercompany transactions, the Prepetition Credit Agreement, any Avoidance Actions, the purchase, sale, or rescission of the purchase or sale of any Security of the Debtors or the Reorganized Debtors, the subject matter of, or the transactions or events giving rise to, any Claim or Interest that is treated in this Plan, the business or contractual arrangements between any Debtor and any Released Party, the formulation, preparation, dissemination, negotiation, or Filing of the Restructuring Support Agreement, the restructuring of any Claim or Interest before or during the Chapter 11 Cases, or any Restructuring Transaction, contract, instrument, document, release, or other agreement or document (including any legal opinion regarding any such transaction, contract, instrument, document, release, or other agreement or the reliance by any Released Party on the Plan or the Confirmation Order in lieu of such legal opinion) created or entered into in connection with the Restructuring Support Agreement, the Disclosure Statement, the Plan, the Plan Supplement, the related agreements, instruments, and other documents (including the Definitive Documentation), the Chapter 11 Cases, the filing of the Chapter 11 Cases, the pursuit of Confirmation, the pursuit of Consummation, the solicitation of votes with respect to the Plan, the administration and implementation of the Plan, including the issuance or distribution of Securities or other property pursuant to the Plan, the Definitive Documentation, or upon any other act or omission, transaction, agreement, event, or other occurrence taking place on or before the Effective Date related or relating to the foregoing. Notwithstanding anything to the contrary in the foregoing, (i) the releases set forth in this Article VIII.E do not release any post-Effective Date obligations of any party or Entity under the Plan, including under any of the Restructuring Transactions; and (ii) nothing in this Article VIII.E shall, nor shall it be deemed to, release any Released Party from any Claims or Causes of Action that are found, pursuant to a Final Order, to be the result of such Released Party's gross negligence, fraud, or willful misconduct.

Entry of the Confirmation Order shall constitute the Court's approval, pursuant to Bankruptcy Rule 9019, of the releases by the Debtors set forth in this Article VIII.E, which includes by reference each of the related provisions and definitions contained herein, and, further, shall constitute the Court's finding that such releases are: (1) in exchange for the good and valuable consideration provided by the Released Parties; (2) a good faith settlement and compromise of the Claims and Causes of Action released by such releases; (3) in the best interests of the Debtors and their Estates; (4) fair, equitable and reasonable; (5) given and made after due notice and opportunity for hearing; and (6) a bar to any of the Debtors or their Estates asserting any Claim or Cause of Action released pursuant to such releases.

F. *Releases by Holders of Claims and Interests*

As of the Effective Date, each Releasing Party is deemed to have released and discharged each Debtor, Estate, Reorganized Debtor, and Released Party from any and all Claims, Causes of Action, obligations, suits, judgments, damages, demands, losses, liabilities, and remedies whatsoever, whether known or unknown, foreseen or unforeseen, existing or hereinafter arising, in law, equity, or otherwise, that such Entity would have been legally entitled to assert (whether individually or collectively), based on or relating to, or in any manner arising from, in whole or in part, the Debtors (including the management, ownership or operation thereof), the Debtors' in- or out-of-court restructuring efforts, the Debtors' intercompany transactions, the Prepetition Credit Agreement, any Avoidance Actions, the purchase, sale, or rescission of the purchase or sale of any Security of the Debtors or the Reorganized Debtors, the subject matter of, or the transactions or events giving rise to, any Claim or Interest that is treated in this Plan, the business or contractual arrangements between any Debtor and any Released Party, the formulation, preparation, dissemination, negotiation, or Filing of the Restructuring Support Agreement, the restructuring of any Claim or Interest before or during the Chapter 11 Cases, or any Restructuring Transaction, contract, instrument, document, release, or other agreement or document (including any legal opinion regarding any such transaction, contract, instrument, document, release, or other agreement or the reliance by any Released Party on the Plan or the Confirmation Order in lieu of such legal opinion) created or entered into in connection with the Restructuring Support Agreement, the Disclosure Statement, the Plan, the Plan Supplement, the related agreements, instruments, and other documents (including the Definitive Documentation), the Chapter 11 Cases, the filing of the Chapter 11 Cases, the pursuit of Confirmation, the pursuit of Consummation, the solicitation of votes with respect to this Plan, the administration and implementation of the Plan, including the issuance or distribution of Securities or other property pursuant to the Plan, the Definitive Documentation, or upon any other act or omission, transaction, agreement, event, or other occurrence taking place on or before the Effective Date related or relating to the foregoing; *provided, however*, that except as expressly provided under the Plan, the foregoing releases shall not release obligations arising under agreements among the Releasing Parties and the Released Parties other than the Debtors. Notwithstanding anything to the contrary in the foregoing, (i) the releases set forth in this Article VIII.F do not release any post-Effective Date obligations of any party or Entity under the Plan, including under any of the Restructuring Transactions; and (ii) nothing in this Article VIII.F shall, nor shall it be deemed to, release any Released Party from any Claims or Causes of Action that are found,

pursuant to a Final Order, to be the result of such Released Party's gross negligence, fraud, or willful misconduct.

Entry of the Confirmation Order shall constitute the Court's approval, pursuant to Bankruptcy Rule 9019, of the releases by Holders of Claims and Interests set forth in this Article VIII.F, which includes by reference each of the related provisions and definitions contained herein, and, further, shall constitute the Court's finding that such releases are: (1) in exchange for the good and valuable consideration provided by the Released Parties; (2) a good faith settlement and compromise of the Claims and Causes of Action released by such releases; (3) in the best interests of the Debtors and their Estates; (4) fair, equitable and reasonable; (5) given and made after due notice and opportunity for hearing; (6) an essential component of the Plan and the Restructuring Transactions; and (7) a bar to any of the Releasing Parties asserting any Claim or Cause of Action released pursuant to such releases.

G. *Exculpation*

Except as otherwise specifically provided in the Plan, no Exculpated Party shall have or incur liability for, and each Exculpated Party is hereby released and exculpated from, any Claim, Cause of Action, obligation, suit, judgment, damage, demand, loss, liability, or remedy for any claim related to any act or omission in connection with, relating to, or arising out of, the Chapter 11 Cases, the formulation, preparation, dissemination, negotiation, Filing, or termination of the Restructuring Support Agreement and related prepetition transactions, the Disclosure Statement, the Plan, the Plan Supplement, the related agreements, instruments, and other documents (including the Definitive Documentation), the solicitation of votes with respect to this Plan, or any Restructuring Transaction, contract, instrument, release or other agreement or document (including providing any legal opinion requested by any Entity regarding any transaction, contract, instrument, document, or other agreement contemplated by the Plan or the reliance by any Exculpated Party on the Plan or the Confirmation Order in lieu of such legal opinion) created or entered into in connection with the Debtors' in- or out-of-court restructuring efforts, the Disclosure Statement, the Plan, the Restructuring Support Agreement, the related agreements, instruments, and other documents (including the Definitive Documentation), the Filing of the Chapter 11 Cases, the pursuit of Confirmation, the pursuit of Consummation, the administration and implementation of the Plan, including the issuance of Securities pursuant to the Plan, or the distribution of property under the Plan, the related agreements, instruments, and other documents (including the Definitive Documentation), or any other related agreement, except for claims related to any act or omission by such Exculpated Party that is determined in a Final Order to have constituted actual fraud, willful misconduct, or gross negligence, but in all respects such Entities shall be entitled to reasonably rely upon the advice of counsel with respect to their duties and responsibilities pursuant to the Plan. The Exculpated Parties (to the extent applicable) have, and upon completion of the Plan shall be deemed to have, participated in good faith and in compliance with the applicable laws with regard to the solicitation of, and distribution of, consideration pursuant to the Plan and, therefore, are not, and on account of such distributions shall not be, liable at any time for the violation of any applicable law, rule, or regulation governing the solicitation of acceptances or rejections of the Plan or such distributions made pursuant to the Plan.

H. *Injunction*

Except as otherwise expressly provided in the Plan or for obligations issued or required to be paid pursuant to the Plan or Confirmation Order, all Entities who have held, hold, or may hold Claims or Interests that have been released, discharged, or exculpated pursuant to the Plan, are permanently enjoined, from and after the Effective Date, from taking any of the following actions against, as applicable, the Debtors, the Reorganized Debtors, the Released Parties, or the Exculpated Parties: (a) commencing or continuing in any manner any action or other proceeding of any kind on account of or in connection with or with respect to any such Claims or Interests; (b) enforcing, attaching, collecting, or recovering by any manner or means any judgment, award, decree, or order against such Entities on account of or in connection with or with respect to any such Claims or Interests; (c) creating, perfecting, or enforcing any Lien or encumbrance of any kind against such Entities or the property or the estates of such Entities on account of or in connection with or with respect to any such Claims or Interests; (d) asserting any right of setoff, subrogation, or recoupment of any kind against any obligation due from such Entities or against the property of such Entities on account of or in connection with or with respect to any such Claims or Interests; and (e) commencing or continuing in any manner any action or other proceeding of any kind on account of or in connection with or with respect to any such Claims or Interests released or settled pursuant to the Plan. Notwithstanding anything to the contrary in the foregoing, the injunction does not enjoin any party under the Plan or under any document, instrument, or agreement (including those attached to the Disclosure Statement or set forth in the Plan Supplement, to the extent finalized) executed to implement the Plan from bringing an action to enforce the terms of the Plan or such document, instrument, or agreement (including those attached to the Disclosure Statement or set forth in the Plan Supplement, to the extent finalized) executed to implement the Plan.

I. *Protection Against Discriminatory Treatment*

Consistent with section 525 of the Bankruptcy Code and the Supremacy Clause of the U.S. Constitution, all Entities, including Governmental Units, shall not discriminate against the Reorganized Debtors or deny, revoke, suspend, or refuse to renew a license, permit, charter, franchise, or other similar grant to, condition such a grant to, discriminate with respect to such a grant against, the Reorganized Debtors, or another Entity with whom the Reorganized Debtors have been associated, solely because each Debtor has been a debtor under chapter 11 of the Bankruptcy Code, has been insolvent before the commencement of the Chapter 11 Cases (or during the Chapter 11 Cases but before the Debtors are granted or denied a discharge), or has not paid a debt that is dischargeable in the Chapter 11 Cases.

J. *Recoupment*

In no event shall any holder of an Allowed Claim be entitled to recoup against any Claim, right, or Cause of Action of the Debtors or the Reorganized Debtors, as applicable, unless such holder actually has performed such recoupment and provided notice thereof in writing to the Debtors on or before the Confirmation Date, notwithstanding any indication in any Proof of Claim or otherwise that such holder asserts, has, or intends to preserve any right of recoupment.

K. *Subordination Rights*

Any distributions under the Plan shall be received and retained free from any obligations to hold or transfer the same to any other holder and shall not be subject to levy, garnishment, attachment, or other legal process by any holder by reason of claimed contractual subordination rights. Any such subordination rights shall be waived, and the Confirmation Order shall constitute an injunction enjoining any Entity from enforcing or attempting to enforce any contractual, legal, or equitable subordination rights to property distributed under the Plan, in each case other than as provided in the Plan.

L. *Reimbursement or Contribution*

If the Court disallows a Claim for reimbursement or contribution of an Entity pursuant to section 502(e)(1)(B) of the Bankruptcy Code, then to the extent that such Claim is contingent as of the time of disallowance, such Claim shall be forever disallowed and expunged notwithstanding section 502(j) of the Bankruptcy Code, unless prior to the Confirmation Date: (1) such Claim has been adjudicated as non-contingent; or (2) the relevant holder of a Claim has Filed a non-contingent Proof of Claim on account of such Claim and a Final Order has been entered prior to the Confirmation Date determining such Claim as no longer contingent.

ARTICLE IX.
CONDITIONS PRECEDENT TO CONFIRMATION AND CONSUMMATION OF THE PLAN

A. *Conditions Precedent to Confirmation*

It shall be a condition to Confirmation of the Plan that the following conditions shall have been satisfied (or waived pursuant to the provisions of Article IX.C hereof):

1. the Restructuring Support Agreement shall not have been breached or terminated and shall remain in full force and effect;

2. an order finding that the Disclosure Statement contains adequate information pursuant to section 1125 of the Bankruptcy Code shall have been entered by the Court;

3. the Confirmation Order shall have been entered by the Court in form and substance reasonably acceptable to the Debtors, Taco Supremo, and the Consenting Equity Holders (solely to the extent the Confirmation Order adversely impacts the Consenting Equity Holders' rights and treatment under the Plan); and

4. the Plan and the Plan Supplement, including any exhibits, schedules, amendments, modifications, or supplements thereto, shall have been Filed subject to the terms hereof.

B. *Conditions Precedent to the Effective Date*

It shall be a condition to Consummation of the Plan that the following conditions shall have been satisfied (or waived pursuant to the provisions of Article IX.C hereof):

1. the Confirmation Order shall have been entered and the Confirmation Order shall have become a Final Order that has not been stayed, modified, or vacated on appeal;

2. the Plan and the Plan Supplement, including any exhibits, schedules, amendments, modifications, or supplements thereto, and inclusive of any amendments, modifications, or supplements made after the Confirmation Date but prior to the Effective Date, shall be in form and substance reasonably acceptable to the Debtors, Taco Supremo, and the Consenting Equity Holders (solely to the extent such document adversely impacts the Consenting Equity Holders' rights and treatment under the Plan);

3. all other Definitive Documentation shall have been effected or executed in accordance with the terms hereof and in accordance with the Restructuring Support Agreement;

4. all conditions precedent to the issuance of the New Common Stock, other than any conditions related to the occurrence of the Effective Date, shall have occurred;

5. the New Organizational Documents shall have been duly filed with the applicable authorities in the relevant jurisdictions;

6. all required governmental and third-party approvals and consents, including Court approval, necessary in connection with the transactions provided for in the Plan shall have been obtained, shall not be subject to unfulfilled conditions, and shall be in full force and effect, and all applicable waiting periods shall have expired without any action having been taken by any competent authority that would restrain or prevent such transactions;

7. all documents and agreements necessary to implement the Plan shall have (a) been tendered for delivery and (b) been effected or executed by all Entities party thereto, and all conditions precedent to the effectiveness of such documents and agreements (other than any conditions related to the occurrence of the Effective Date) shall have been satisfied or waived pursuant to the terms of such documents or agreements;

8. the Store 3177 Adversary Proceeding shall have resulted in a Final Order declaring that the Store 3177 Lease was not terminated before the Petition Date, that any purported termination of the Store 3177 Lease was ineffective, and that Taco Bueno Restaurants, L.P.'s tenancy under the Store 3177 Lease became property of the Estate of Taco Bueno Restaurants, L.P. on the Petition Date; and

9. all Allowed Professional Fee Claims approved by the Court shall have been paid in full and the Professional Fee Escrow Account shall have been funded in the Professional Fee Reserve Amount.

C. *Waiver of Conditions*

The conditions precedent to Confirmation of the Plan and to the Effective Date of the Plan set forth in this Article IX may be waived only by the Debtors, with the consent of Taco Supremo (such consent not to be unreasonably withheld), without notice, leave, or order of the Court or any formal action other than proceedings to confirm or consummate the Plan.

D. *Substantial Consummation*

"Substantial Consummation" of the Plan, as defined in 11 U.S.C. § 1101(2), shall be deemed to occur on the Effective Date.

E. *Effect of Non-Occurrence of Conditions to the Confirmation Date or the Effective Date*

If the Confirmation Date and/or the Effective Date do(es) not occur, the Plan shall be null and void in all respects and nothing contained in the Plan or the Disclosure Statement shall: (1) constitute a waiver or release of any Claims by or Claims against or Interests in the Debtors; (2) prejudice in any manner the rights of the Debtors or any other Entity; (3) constitute an admission, acknowledgment, offer, or undertaking by the Debtors, any holders of Claims or Interests, or any other Entity in any respect; or (4) be used by the Debtors or any Entity as evidence (or in any other way) in any litigation, including with regard to the strengths or weaknesses of any of the parties' positions, arguments or claims.

ARTICLE X.
MODIFICATION, REVOCATION, OR WITHDRAWAL OF THE PLAN

A. *Modification and Amendments*

Subject to the limitations contained herein, the Debtors reserve the right to modify the Plan and seek Confirmation consistent with the Bankruptcy Code and, as appropriate, not resolicit votes on such modified Plan. Subject to certain restrictions and requirements set forth in section 1127 of the Bankruptcy Code and Bankruptcy Rule 3019, those restrictions on modifications set forth in the Plan, and the terms of the Restructuring Support Agreement, the Debtors expressly reserve their rights to alter, amend, or modify the Plan, one or more times, after Confirmation, and, to the extent necessary, initiate proceedings in the Court to so alter, amend, or modify the Plan, or remedy any defect or omission, or reconcile any inconsistencies in the Plan, the Disclosure Statement, or the Confirmation Order, in such manner as may be necessary to carry out the purposes and intent of the Plan.

B. *Effect of Confirmation on Modifications*

Entry of the Confirmation Order shall mean that all modifications or amendments to the Plan occurring after the solicitation thereof are approved pursuant to section 1127(a) of the Bankruptcy Code and do not require additional disclosure or resolicitation under Bankruptcy Rule 3019.

C. *Revocation or Withdrawal of the Plan*

The Debtors reserve the right to revoke or withdraw the Plan with respect to any or all Debtors prior to the Confirmation Date and to File subsequent plans of reorganization. If the Debtors revoke or withdraw the Plan, or if Confirmation and Consummation do not occur, then: (1) the Plan shall be null and void in all respects; (2) any settlement or compromise embodied in the Plan (including the fixing or limiting to an amount certain of any Claim or Interest or Class of Claims or Interests), assumption or rejection of Executory Contracts or Unexpired Leases effected by the Plan, and any document or agreement executed pursuant to the Plan, shall be deemed null

and void; and (3) nothing contained in the Plan shall: (i) constitute a waiver or release of any Claims or Interests; (ii) prejudice in any manner the rights of the Debtors or any other Entity, including the holders of Claims; (iii) constitute an admission, acknowledgement, offer, or undertaking of any sort by the Debtors or any other Entity; or (iv) be used by the Debtors or any other Entity as evidence (or in any other way) in any litigation, including with regard to the strengths or weaknesses of any of the parties' positions, arguments, or claims.

ARTICLE XI.
RETENTION OF JURISDICTION

Notwithstanding the entry of the Confirmation Order and the occurrence of the Effective Date, on and after the Effective Date, the Court shall retain jurisdiction over the Chapter 11 Cases and all matters, arising out of, or related to, the Chapter 11 Cases and the Plan, including jurisdiction to:

1. Allow, Disallow, determine, liquidate, classify, estimate, or establish the priority, Secured or Unsecured status, or amount of any Claim or Interest, including the resolution of any request for payment of any Administrative Claim and the resolution of any and all objections relating to any of the foregoing;

2. decide and resolve all matters related to the granting and denying, in whole or in part, any applications for allowance of compensation or reimbursement of expenses to Professionals;

3. resolve any matters related to: (a) the assumption, assignment, or rejection of any Executory Contract or Unexpired Lease and to hear, determine, and, if necessary, liquidate, any Claims arising therefrom, including Claims related to the rejection of an Executory Contract or Unexpired Lease, any Cure Claims, or any other matter related to such Executory Contract or Unexpired Lease; (b) the Debtors (with the consent of Taco Supremo) or the Reorganized Debtors, as applicable, amending, modifying, or supplementing, pursuant to Article V hereof, the Schedule of Assumed Executory Contracts and Unexpired Leases; and (c) any dispute regarding whether a contract or lease is or was executory or unexpired;

4. ensure that distributions to holders of Allowed Claims or Interests are accomplished pursuant to the provisions of the Plan;

5. adjudicate, decide, or resolve any motions, adversary proceedings, contested, or litigated matters, and grant or deny any applications involving a Debtor that may be pending on the Effective Date;

6. adjudicate, decide, or resolve any and all matters related to Causes of Action by or against a Debtor;

7. adjudicate, decide, or resolve any and all matters related to sections 1141, 1145, and 1146 of the Bankruptcy Code;

8. enter and implement such orders as may be necessary or appropriate to execute, implement, or consummate the provisions of the Plan and the Restructuring Support Agreement,

and all contracts, instruments, releases, indentures, and other agreements or documents created in connection with the Plan or the Restructuring Support Agreement;

9. enter and enforce any order for the sale of property pursuant to sections 363 or 1123 of the Bankruptcy Code;

10. resolve any cases, controversies, suits, disputes, or Causes of Action that may arise in connection with the Consummation, interpretation, or enforcement of the Plan or any Entity's obligations incurred in connection with the Plan or the Restructuring Support Agreement;

11. issue injunctions, enter and implement other orders, or take such other actions as may be necessary or appropriate to restrain interference by any Entity with Consummation or enforcement of the Plan;

12. resolve any cases, controversies, suits, disputes, or Causes of Action with respect to the settlements, compromises, discharges, releases, injunctions, exculpations, and other provisions contained in Article VIII hereof and enter such orders as may be necessary or appropriate to implement such releases, injunctions, and other provisions;

13. resolve any cases, controversies, suits, disputes, or Causes of Action with respect to the repayment or return of distributions and the recovery of additional amounts owed by the holder of a Claim or Interest for amounts not timely repaid pursuant to Article VI.I.1 hereof;

14. enter and implement such orders as are necessary or appropriate if the Confirmation Order is for any reason modified, stayed, reversed, revoked, or vacated;

15. determine any other matters that may arise in connection with or relate to the Restructuring Support Agreement, the Plan, the Disclosure Statement, the Confirmation Order, or the Plan Supplement;

16. adjudicate any and all disputes arising from or relating to distributions under the Plan or any transactions contemplated therein, including any Restructuring Transactions;

17. consider any modifications of the Plan, to cure any defect or omission, or to reconcile any inconsistency in any Court order, including the Confirmation Order;

18. determine requests for the payment of Claims entitled to priority pursuant to section 507 of the Bankruptcy Code;

19. hear and determine matters concerning state, local, and federal taxes in accordance with sections 346, 505, and 1146 of the Bankruptcy Code;

20. hear and determine all disputes involving the existence, nature, or scope of the release provisions set forth in the Plan, including any dispute relating to any liability arising out of the termination of employment or the termination of any employee or retiree benefit program, regardless of whether such termination occurred prior to or after the Effective Date;

21. enforce all orders previously entered by the Court;

22. hear any other matter not inconsistent with the Bankruptcy Code;

23. enter an order concluding or closing the Chapter 11 Cases; and

24. enforce the injunction, release, and exculpation provisions set forth in Article VIII hereof.

ARTICLE XII.
MISCELLANEOUS PROVISIONS

A. *Immediate Binding Effect*

Subject to Article IX.A hereof and notwithstanding Bankruptcy Rules 3020(e), 6004(h), or 7062 or otherwise, upon the occurrence of the Effective Date, the terms of the Plan, the final versions of the documents contained in the Plan Supplement, and the Confirmation Order shall be immediately effective and enforceable and deemed binding upon the Debtors or the Reorganized Debtors, as applicable, and any and all holders of Claims or Interests (regardless of whether the holders of such Claims or Interests are deemed to have accepted or rejected the Plan), all Entities that are parties to or are subject to the settlements, compromises, releases, and injunctions provided for in the Plan, each Entity acquiring property under the Plan or the Confirmation Order, and any and all non-Debtor parties to Executory Contracts and Unexpired Leases. All Claims and debts shall be fixed, adjusted, or compromised, as applicable, pursuant to the Plan regardless of whether any holder of a Claim or debt has voted on the Plan.

B. *Additional Documents*

On or before the Effective Date, the Debtors may File with the Court such agreements and other documents as may be necessary or appropriate to effectuate and further evidence the terms and conditions of the Plan and the Restructuring Support Agreement. The Debtors, and all holders of Claims or Interests receiving distributions pursuant to the Plan and all other parties in interest shall, from time to time, prepare, execute, and deliver any agreements or documents and take any other actions as may be necessary or advisable to effectuate the provisions and intent of the Plan.

C. *Reservation of Rights*

Except as expressly set forth herein, the Plan shall have no force or effect unless the Court enters the Confirmation Order, and the Confirmation Order shall have no force or effect unless the Effective Date occurs. Prior to the Effective Date, neither the Plan, any statement or provision contained in the Plan, nor any action taken or not taken by any Debtor with respect to the Plan, the Disclosure Statement, the Confirmation Order, or the Plan Supplement shall be or shall be deemed to be an admission or waiver of any rights of any Debtor with respect to the holders of Claims or Interests.

D. *Successors and Assigns*

The rights, benefits, and obligations of any Entity named or referred to in the Plan or the Confirmation Order shall be binding on, and shall inure to the benefit of any heir, executor, administrator, successor or assign, if any, of such Entity.

E. *Service of Documents*

Any pleading, notice, or other document required by the Plan to be served on or delivered to the Debtors or Reorganized Debtors shall be served on:

Debtors or Reorganized Debtors	**Taco Bueno Restaurants, Inc.** 300 East John Carpenter Freeway, Suite 800 Irving, Texas 75062 Attn: Philip Parsons
Proposed Counsel for the Debtors	**Vinson & Elkins LLP** 666 Fifth Avenue, 26th Floor New York, New York 10103-0040 Attn: David S. Meyer Jessica C. Peet -and- **Vinson & Elkins LLP** Trammell Crow Center 2001 Ross Avenue, Suite 3900 Dallas, Texas 75201 Attn: Paul E. Heath Garrick C. Smith
Counsel to Taco Supremo	**Scheef & Stone, L.L.P.** 500 N. Akard, Suite 2700 Dallas, Texas 75201 Attn: Peter C. Lewis -and- **Sun Holdings, Inc.** 4055 Valley View Ln, Suite 500 Dallas, Texas 75244 Attn: Tim Comer

F. *Term of Injunctions or Stays*

Unless otherwise provided in the Plan or in the Confirmation Order, all injunctions or stays in effect in the Chapter 11 Cases pursuant to sections 105 or 362 of the Bankruptcy Code or any order of the Court, and existing on the Confirmation Date (excluding any injunctions or stays contained in the Plan or the Confirmation Order) shall remain in full force and effect until the Effective Date. All injunctions or stays contained in the Plan or the Confirmation Order shall remain in full force and effect in accordance with their terms.

G. *Entire Agreement*

Except as otherwise indicated, on the Effective Date, the Plan and the Plan Supplement shall supersede all previous and contemporaneous negotiations, promises, covenants, agreements, understandings, and representations on such subjects, all of which have become merged and integrated into the Plan.

H. *Exhibits*

All exhibits and documents included in the Plan Supplement are incorporated into and are a part of the Plan as if set forth in full in the Plan. After the exhibits and documents are Filed, copies of such exhibits and documents shall be available upon written request to the Debtors' counsel at the address above or by downloading such exhibits and documents from the Debtors' restructuring website at http://Cases.primeclerk.com/tacobueno or the Court's website at www.txn.uscourts.gov. To the extent any exhibit or document is inconsistent with the terms of the Plan, unless otherwise ordered by the Court, the non-exhibit or non-document portion of the Plan shall control.

I. *Nonseverability of Plan Provisions*

If, prior to Confirmation, any term or provision of the Plan is held by the Court to be invalid, void, or unenforceable, the Court shall have the power to alter and interpret such term or provision to make it valid or enforceable to the maximum extent practicable, consistent with the original purpose of the term or provision held to be invalid, void, or unenforceable, and such terms or provision shall then be applicable as altered or interpreted, *provided that* any such alteration or interpretation shall be acceptable to the Debtors and Taco Supremo. The Confirmation Order shall constitute a judicial determination and shall provide that each term and provision of the Plan, as it may have been altered or interpreted in accordance with the foregoing, is: (1) valid and enforceable pursuant to its terms; (2) integral to the Plan and may not be deleted or modified without the Debtors' and Taco Supremo's consent; and (3) nonseverable and mutually dependent.

J. *Votes Solicited in Good Faith*

Upon entry of the Confirmation Order, the Debtors will be deemed to have solicited votes on the Plan in good faith and in compliance with the Bankruptcy Code, and pursuant to section 1125(e) of the Bankruptcy Code, the Debtors, the Prepetition Agent, and each of their respective Affiliates, agents, representatives, members, principals, shareholders, officers, directors, employees, advisors, and attorneys will be deemed to have participated in good faith and in compliance with the Bankruptcy Code in the offer, issuance, sale, and purchase of Securities offered and sold under the Plan and any previous plan, and, therefore, neither any of such parties or individuals or the Reorganized Debtors will have any liability for the violation of any applicable law, rule, or regulation governing the solicitation of votes on the Plan or the offer, issuance, sale, or purchase of the Securities offered and sold under the Plan and any previous plan.

K. *Dissolution of any Committee*

On the Effective Date, any Committee shall dissolve, and the members thereof shall be released and discharged from all rights and duties arising from, or related to, the Chapter 11 Cases.

The Reorganized Debtors shall no longer be responsible for paying any fees or expenses incurred by any Committee after the Effective Date.

L. *Closing of Chapter 11 Cases*

The Reorganized Debtors shall, promptly after the full administration of the Chapter 11 Cases, File with the Court all documents required by Bankruptcy Rule 3022 and any applicable order of the Court to close the Chapter 11 Cases.

M. *No Stay of Confirmation Order*

The Confirmation Order shall contain a waiver of any stay of enforcement otherwise applicable, including pursuant to Bankruptcy Rule 3020(e) and 7062.

N. *Waiver or Estoppel*

Except with respect to the Restructuring Support Agreement and the parties thereto, each holder of a Claim or an Interest shall be deemed to have waived any right to assert any argument, including the right to argue that its Claim or Interest should be Allowed in a certain amount, in a certain priority, Secured or not subordinated by virtue of an agreement made with the Debtors or their counsel, or any other Entity, if such agreement or the Debtors or Reorganized Debtors' right to enter into settlements was not disclosed in the Plan, the Disclosure Statement, or papers Filed with the Court or the Notice and Claims Agent prior to the Confirmation Date.

* * * *

Respectfully submitted, as of the date first set forth above,

Dated: November 6, 2018

Taco Bueno Restaurants, Inc.
on behalf of itself and all other Debtors

/s/

Haywood Miller
Chief Restructuring Officer
1800 M Street NW, Second Floor
Washington, D.C. 20036

Solicitation Version

EXHIBIT B

Corporate Structure Chart

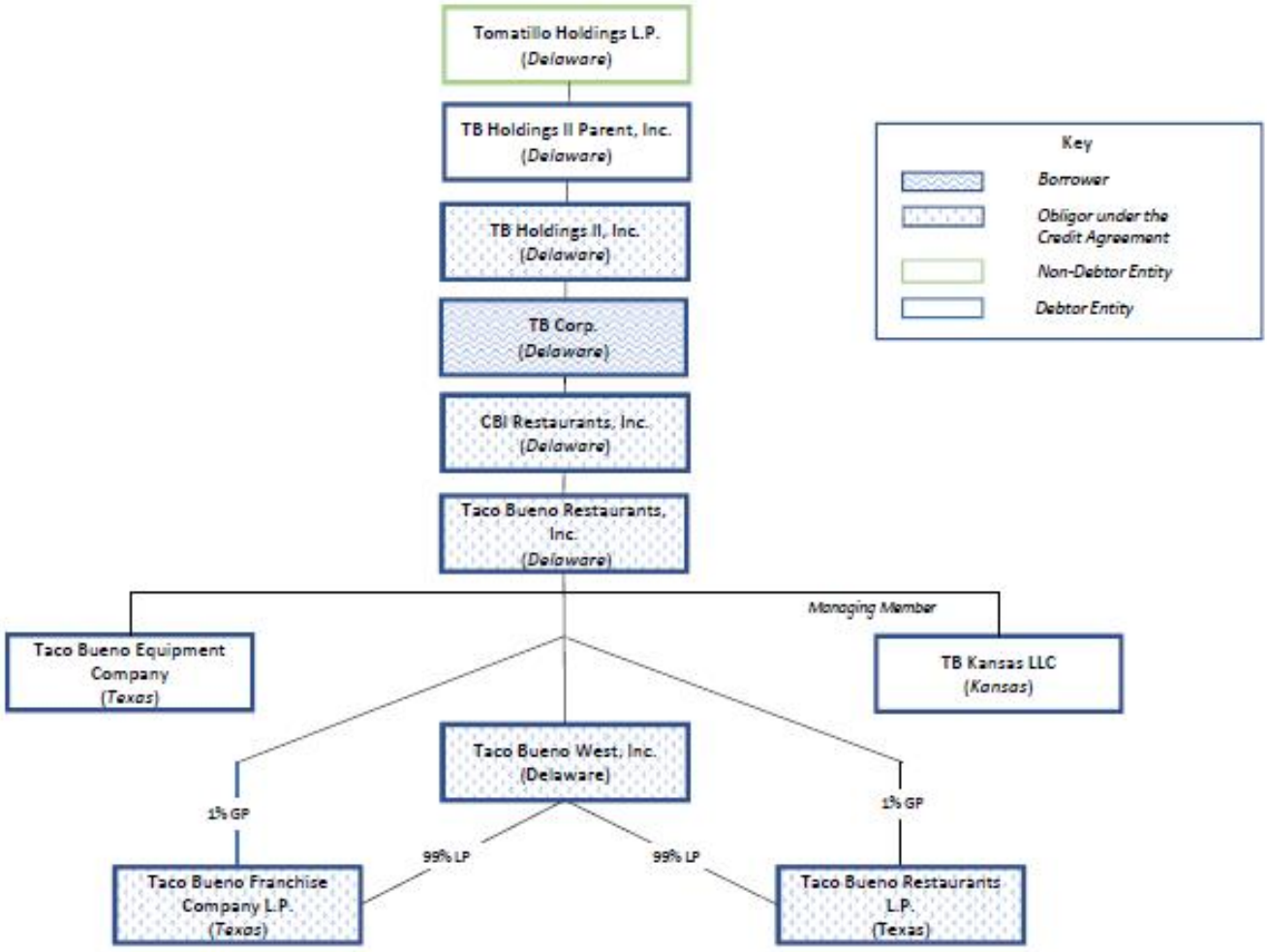

EXHIBIT C

Liquidation Analysis

Section 1129(a)(7) of the Bankruptcy Code requires that a bankruptcy court find, as a condition to confirmation, that a chapter 11 plan provides, with respect to each impaired class, that each holder of a claim or an equity interest in such impaired class either: (i) has accepted the plan; or (ii) will receive or retain under the plan property of a value that is not less than the amount that the non-accepting holder would receive or retain if the debtors liquidated under chapter 7. This requirement is often referred to as the "best interests test."

To demonstrate that the Plan satisfies the best interests test, the Debtors, with BRG's assistance, have prepared the following hypothetical Liquidation Analysis, which is based upon certain assumptions discussed in the Disclosure Statement and in the comments set forth herein.

Statement of Limitations:

The determination of the costs of, and proceeds from, the hypothetical liquidation of the Debtors' assets in a chapter 7 case is an uncertain process involving the extensive use of significant estimates and assumptions that, although considered reasonable by the Debtors based upon their business judgment and input from their advisors, are inherently subject to significant business, economic, and competitive uncertainties and contingencies beyond the control of the Debtors, their management, and their advisors. The underlying financial information in the Liquidation Analysis was not compiled or examined by independent accountants.

Inevitably, some assumptions in the Liquidation Analysis would likely not materialize in an actual chapter 7 liquidation, and unanticipated events and circumstances could materially affect the ultimate results in a chapter 7 liquidation. Actual results of liquidation could vary materially. The Debtors do not intend to and do not undertake any obligation to update or otherwise revise the Liquidation Analysis to reflect events or circumstances existing or arising after the date the Liquidation Analysis is initially filed or to reflect the occurrence of unanticipated events. Therefore, the Liquidation Analysis may not be relied upon as a guarantee or other assurance of the actual results that will occur. In deciding whether to vote to accept or reject the Plan, holders of Claims must make their own determinations as to the reasonableness of any assumptions underlying the Liquidation Analysis and the reliability of the Liquidation Analysis.

The Liquidation Analysis was prepared for the sole purpose of generating a reasonable, good-faith estimate of the proceeds that would be possibly generated if the Debtors' assets were liquidated in accordance with chapter 7 of the Bankruptcy Code. The Liquidation Analysis is not intended and should not be used for any other purpose.

In preparing the Liquidation Analysis, the Debtors estimated Allowed Claims based upon a review of Claims listed on the Debtors' financial statements. In addition, the Liquidation Analysis includes estimates for Claims not currently asserted in the Chapter 11 Cases, but which could be asserted and allowed in a chapter 7 liquidation, including fees for a chapter 7 trustee and wind-down professionals.

Methodology:

The Liquidation Analysis has been prepared assuming that the Chapter 11 Cases are converted to chapter 7 cases on or about December 18, 2018 (the "***Chapter 7 Conversion Date***"). Except as otherwise noted herein, the Liquidation Analysis is based upon the estimated consolidating balance sheets of the Debtors as of December 18, 2018, which in turn are based on the unaudited consolidating balance sheets of the Debtors as of October 5, 2018. It is assumed that, on the Chapter 7 Conversion Date, the Bankruptcy Court appoints a chapter 7 trustee (the "***Trustee***") who would sell all of the Debtors' major assets and distribute the cash proceeds, net of liquidation-related costs, to creditors in accordance with relevant law. There can be no assurance that the recoveries realized from the sale of the assets would, in fact, approximate the amounts reflected in this Liquidation Analysis. Under section 704 of the

Bankruptcy Code, a trustee must, among other duties, collect and convert the property of the estate as expeditiously as possible (generally at distressed prices), taking into account the best interests of stakeholders.

Value in liquidation is assumed to be driven by, among other things: (a) the accelerated time frame in which the assets are marketed and sold; (b) negative partner and vendor reaction; (c) the loss of key personnel; and (d) the general forced nature of the sale.

Chapter 11 Administrative Claim amounts and Priority Claim amounts, trustee fees and other such claims that may arise in a liquidation scenario would be paid in full from the liquidation proceeds before the balance of those proceeds will be made available to pay General Unsecured Claims. Under the absolute priority rule, no junior creditor would receive any distribution until all senior creditors are paid in full, and no equity holder would receive any distribution until all creditors are paid in full. The assumed distributions to creditors as reflected in the Liquidation Analysis are estimated in accordance with the absolute priority rule.

The Debtors' liquidation value would consist primarily of receivables (including an income tax receivable), along with proceeds resulting from the sale of the Debtors' assets and properties by a chapter 7 trustee. The net proceeds available for distribution would be reduced by satisfaction of tax claims, other potential priority claims, the costs and expenses of the chapter 7 liquidation, and any additional Administrative Claims that might arise as a result of the chapter 7 cases. Costs and expenses incurred as a result of the chapter 7 liquidation would further include, among other things, the fees payable to a trustee in bankruptcy and the fees payable to attorneys and other professionals engaged by such trustee.

In addition, the cessation of business in a liquidation is likely to trigger certain Claims that otherwise would not exist under a Plan absent a liquidation. These types of administrative and priority Claims have not been accounted for in the Liquidation Analysis, but it is important to note that they would need to be paid in full before any balance of liquidation proceeds would be available to pay General Unsecured Claims. Examples of these kinds of Claims include various potential employee Claims (for such items as severance and potential WARN Act liabilities), tax liabilities, Claims related to further rejection of unexpired leases and executory contracts, litigation claims, claims of the Prepetition Lender for diminution in value, superpriority Administrative Claims of the DIP Lender, and other potential Allowed Claims. These additional Claims could be significant; some may be Administrative Claims, and others may be entitled to priority in payment over General Unsecured Claims.

As noted in the Disclosure Statement, substantially all of the Debtors' assets are subject to valid and perfected Liens held by the Prepetition Lender, which require payment in full before other distributions can be made. In addition, pursuant to the Interim DIP Order, the Debtors would grant to the DIP Lender, among other things: (a) to secure the Postpetition Term Loans and other Postpetition Obligations, first-priority, valid, and automatically perfected priming liens and security interests on all of their assets and properties (now owned or after acquired) other than Avoidance Actions and proceeds thereof, subject and subordinate only to Permitted Prior Liens (as defined in the Interim DIP Order) and the Carve-Out (as defined in the Interim DIP Order); and (b) superpriority administrative claims, senior in right to all other administrative claims against the Debtors' estates, except for the Carve-Out. The proposed Interim DIP Order also would grant the Prepetition Lender adequate protection liens on all property of each Debtor that is an obligor under the Prepetition Credit Agreement, other than Avoidance Actions and their proceeds, to the extent of any Diminution in Value of the Prepetition Collateral (as such terms are defined in the Interim DIP Order). Moreover, through the Final DIP Order, the Court may allow the Debtors to grant liens, in favor of the DIP Lender and the Prepetition Lender, on the proceeds of Avoidance Actions. For the avoidance of doubt, however, the Debtors believe that the value of Avoidance Actions (if any), even if they were to remain unencumbered following entry of a final DIP Order, would not exceed the value of the Administrative Claims and Priority Claims, and accordingly that no value on account of Avoidance Actions would reach holders of General Unsecured Claims in a liquidation waterfall.

Taco Bueno
Hypothetical Liquidation Analysis
As of 12/18/2018 ($ in 000's)

Estimated Recovery Value

Assets

	Estimated Balance Sheet as of 12/18/18	Estimated Recovery Value	Estimated Recovery Rate	Comments
Cash	-	-	0.0%	Forecasted cash balance less payroll and sales tax, not less than zero
Receivables	1,687	1,585	94.0%	Pepsi rebates, credit card timing deposits, and franchise receivables
Inventories	1,047		0.0%	All inventory is likely spoilage and presumed worthless
Prepaid Expenses & Other Current Assets	2,546	255	10.0%	Prepaid insurance and maintenance
Income Tax Receivable	1,590	1,352	85.0%	Federal tax refund due to NOL carryback, tax return filed in October
Property & Equipment, Net	33,805	690	2.0%	Sale of owned store, at cost, store equipment package value less than stub rent
Capital Leases and Finance Costs, net	3,471		0.0%	
Goodwill and Intangibles, net	119,268	350	0.3%	25 bps on net sales of $140 million
Other Assets	1,918		0.0%	Mostly comprised of a $940K cash deposit with Sygma, deemed worthless
Subtotal as of 10/31/18	**165,334**	**4,231**		
Tax Claims		**685**		Sales and use tax claims
Other Potential Priority Claimns		**200**		Other potential priority claims
Ch. 7 Trustees and Wind Down Professionals		**291**		Trustee fee and wind down professionals on a percentage of recovery
Net Proceeds after potential priority claims and administrative costs		**3,056**		

Estimated Recovery to Creditors

	Estimated Allowed Claim	Estimated Amount Paid	Estimated Recovery Rate	
Net proceeds available for Senior Secured Lenders	**129,896**	**3,056**	**2.4%**	Bank debt and interest
Net proceeds available for Other Unsecured Creditors	**7,000**	**NONE**	**NONE**	

EXHIBIT D

Valuation Analysis

VALUATION
ANALYSIS
ASSUMED VALUATION OF THE REORGANIZED DEBTORS

1. Overview

Based upon the analyses described herein, Houlihan estimates that the Reorganized Debtors total enterprise value ("TEV") to be approximately $20 million to $30 million, with a midpoint estimate of approximately $25 million. The estimated valuation was based on both a discounted cash flow analysis and precedent transactions of distressed QSRs. The valuation analysis herein is based on information as of the date of the Disclosure Statement and is based on the financial projections for the projection period set forth below.

For purposes of this valuation, it has been assumed that no material changes that would affect value occur between the date of the Disclosure Statement and the assumed Effective Date. Accordingly, the equity value of the Reorganized Debtors immediately after the Effective Date is estimated to range from approximately $20 million to $30 million.

Houlihan assumed the projections were reasonably prepared in good faith and on a basis reflecting the Debtors' most accurate currently available estimates and judgements as to the future operating and financial performance of the Reorganized Debtors. The estimated Enterprise Value and Equity Value ranges assume the Reorganized Debtors will achieve their projections in all material respects, including revenue growth, EBITDA margins and cash flows as projected. If the business performs at levels below or above those set forth in the projections, such performance may have a materially negative or positive impact, respectively, on Enterprise Value or Equity Value.

2. Valuation Methodology

In preparation of this valuation, Houlihan Lokey performed a variety of financial analyses with a focus on (a) Precedent Transactions and (b) Discounted Cash Flow analysis ("DCF"). Houlihan considered a publicly traded comparable companies analysis, another commonly used valuation technique, but determined the size and distressed nature of the Debtors' business made this approach insufficient for inclusion in this analysis.

(a) *Precedent Transactions*: Houilhan analyzed a range of QSR and restaurant groups that have recently transacted under distressed scenarios. Houlihan utilized enterprise value as a multiple of Earnings before Interest, Taxes, Depreciation and Amortization ("EBITDA") which represents 2018 estimated EBITDA adjusted for bankruptcy related costs. The selection of the comparable companies was based on Houlihan's assessment and is a matter of judgement.

(b) *DCF*: The DCF measures the value of an asset or business through calculations of the present value of the expected future cash flows. Houlihan worked with management to forecast cash flows and fully accounts for estimated increases due to enhanced store remodels, refreshes, advertising spending and other value creation

initiatives. The cash flows are forecast on an unlevered basis and discounted at a WACC reflecting the size and risk characteristics of the business emerging from bankruptcy.

FINANCIAL PROJECTIONS OF THE REORGANIZED DEBTORS IN SUPPORT OF HOULIHAN'S VALUATION ANALYSIS

Taco Bueno - Financial Projections
($ in thousands)

	FY 2019	FY 2020	FY 2021
Net Sales	**$ 141,193**	**$ 149,418**	**$ 165,051**
Cost of Sales	(36,921)	(39,257)	(43,345)
Labor	(41,376)	(43,517)	(48,136)
Gross Margin	**$ 62,897**	**$ 66,645**	**$ 73,571**
Operating Expenses	$ (18,298)	$ (18,848)	$ (20,524)
Income Before Facilities	**$ 44,599**	**$ 47,796**	**$ 53,047**
Facility Costs	$ (16,402)	$ (16,900)	$ (18,402)
Other Expenses	(9,108)	(9,216)	(9,217)
Restaurant Cash Contribution	**$ 19,088**	**$ 21,680**	**$ 25,427**
Franchise Revenue	$ 1,740	$ 1,844	$ 1,862
General & Administrative	(11,943)	(12,186)	(12,199)
EBITDA	**$ 8,885**	**$ 11,338**	**$ 15,090**
Capital Expenditures	$ (5,600)	$ (10,670)	$ (4,024)
Property Tax	(2,000)	(2,200)	(2,420)
Texas Franchise Tax	(150)	(165)	(182)
Income Tax	(186)	(701)	(1,489)
Free Cash Flow	**$ 949**	**$ (2,398)**	**$ 6,976**

The above financial projections assume the existing open store base of 140 stores is unaltered and assumes existing rent levels for each of these stores. The analysis also assumes that the Company will no longer continue to pay rent on the currently 39 closed stores, even if these stores are part of a Primary Lease, which covers locations that remain open. The current franchise base of 29 stores is assumed to increase to 46 stores by 2021.

The increases in revenue and EBITDA shown in the above projections reflect Houlihan's assumption that the Company increases its annual advertising spend and invests in the existing store base through its forecasted remodel and refresh program to upgrade a majority of the Debtor's owned and operated restaurant locations to invigorate the brand and significantly aid the Company's reorganization and turnaround process.

EXHIBIT E

Restructuring Support Agreement

Execution Version

THIS RESTRUCTURING SUPPORT AGREEMENT IS NOT AN OFFER WITH RESPECT TO ANY SECURITIES OR A SOLICITATION OF ACCEPTANCES OF A CHAPTER 11 PLAN WITHIN THE MEANING OF SECTION 1125 OF THE BANKRUPTCY CODE. ANY SUCH OFFER OR SOLICITATION WILL COMPLY WITH ALL APPLICABLE SECURITIES LAWS AND/OR PROVISIONS OF THE BANKRUPTCY CODE. NOTHING CONTAINED IN THIS RESTRUCTURING SUPPORT AGREEMENT SHALL BE AN ADMISSION OF FACT OR LIABILITY OR, UNTIL THE OCCURRENCE OF THE RSA EFFECTIVE DATE ON THE TERMS DESCRIBED HEREIN, DEEMED BINDING ON ANY OF THE PARTIES HERETO.

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TB Holdings II Parent, Inc.

RESTRUCTURING SUPPORT AGREEMENT

November 6, 2018

This Restructuring Support Agreement (together with the exhibits and schedules attached hereto, which includes, without limitation, the Plan (as defined below) attached hereto as **Exhibit A**, as each may be amended, restated, supplemented, or otherwise modified from time to time in accordance with the terms hereof, this "***Agreement***"),[1] dated as of November 6, 2018, is entered into by and among:

(i) TB Holdings II Parent, Inc. ("***Holdings***"), TB Corp. ("***Borrower***"), and those certain additional subsidiaries thereof listed on **Exhibit C** (such subsidiaries, Holdings, and Borrower, each a "***Debtor***" and, collectively, the "***Debtors***")[2]; and

(ii) Taco Supremo, LLC ("***Taco Supremo***"), as lender party to that certain Credit Agreement, dated as of December 1, 2015, by and among Borrower, the Guarantors (as defined in the Credit Agreement), Taco Supremo, as administrative agent (in such capacity, the "***Agent***"), and the other parties from time to time party thereto (as amended, restated, supplemented or otherwise modified from time to time, the "***Credit Agreement***");

This Agreement refers to the Debtors, the Agent, and Taco Supremo collectively as the "***Parties***" and each individually as a "***Party***."

RECITALS

WHEREAS, the Parties have engaged in good faith, arm's-length negotiations regarding certain restructuring transactions (the "***Restructuring Transactions***") pursuant to the terms and conditions set forth in this Agreement, including a joint prepackaged plan of reorganization for the Debtors attached hereto as **Exhibit A** and incorporated herein by reference pursuant to Section 2

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[1] Unless otherwise noted, capitalized terms used but not immediately defined herein shall have the meanings ascribed to them at a later point in this Agreement or in the Plan, as applicable.

[2] Until the occurrence of the Termination Date, every entity that is a Debtor in the Chapter 11 Cases shall be a party to this Agreement.

hereof (as may be amended, restated, supplemented, or otherwise modified from time to time in accordance with this Agreement, the "***Plan***")[3];

WHEREAS, it is anticipated that the Restructuring Transactions will be implemented through jointly-administered voluntary cases commenced by the Debtors (the "***Chapter 11 Cases***") under chapter 11 of title 11 of the United States Code, 11 U.S.C. §§ 101–1532 (as amended, the "***Bankruptcy Code***"), in the United States Bankruptcy Court for the Northern District of Texas (the "***Bankruptcy Court***"), pursuant to the Plan, which will be filed by the Debtors in the Chapter 11 Cases;

WHEREAS, the Parties have engaged in good faith, arm's-length negotiations regarding the Plan and the Restructuring Transactions pursuant to the terms and upon the conditions set forth in this Agreement; and

WHEREAS, the Parties have agreed to take certain actions in support of the Restructuring Transactions on the terms and conditions set forth in this Agreement.

NOW, THEREFORE, in consideration of the promises, mutual covenants, and agreements set forth herein, and for other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, each of the Parties, intending to be legally bound, hereby agrees as follows:

AGREEMENT

1. **RSA Effective Date**. This Agreement shall become effective, and the obligations contained herein shall become binding upon the Parties, upon the first date (such date, the "***RSA Effective Date***") that this Agreement has been executed by: (i) each Debtor and (ii) Taco Supremo, holding all of the claims against the Debtors arising under the Credit Agreement (the "***Senior Lender Claims***").

2. **Exhibits and Schedules Incorporated by Reference**. Each of the exhibits attached hereto and any schedules to such exhibits (collectively, the "***Exhibits and Schedules***") is expressly incorporated herein and made a part of this Agreement, and all references to this Agreement shall include the Exhibits and Schedules. In the event of any inconsistency between this Agreement (without reference to the Exhibits and Schedules) and the Exhibits and Schedules, this Agreement (without reference to the Exhibits and Schedules) shall govern.

3. **Definitive Documentation**.

   (a) The definitive documents and agreements governing the Restructuring Transactions (collectively, the "***Definitive Documentation***") shall include:

      (i) the Plan (and all exhibits thereto), including any Plan supplement;

[3] The Plan shall be filed in accordance with the Milestones (as defined below) set forth in Section 4 of this Agreement.

(ii) the confirmation order with respect to the Plan (the "***Confirmation Orde***r");

(iii) the related disclosure statement (and all exhibits thereto) with respect to the Plan (the "***Disclosure Statement***");

(iv) the solicitation materials with respect to the Plan (collectively, the "***Solicitation Materials***");

(v) the Debtor-in-Possession Financing Amendment to the Credit Agreement attached as **Exhibit B** and incorporated herein by reference pursuant to Section 2 hereof (the "***DIP Financing Amendment***");

(vi) (A) the interim order authorizing debtor-in-possession financing and use of cash collateral (the "***Interim DIP Order***") and (B) the final order authorizing debtor-in-possession financing and use of cash collateral (the "***Final DIP Order***" and, together with the Interim DIP Order, the "***DIP Orders***");

(vii) the management employment agreements (the "***Management Employment Agreements***"), which will be included in the Plan supplement; and

(viii) the motions seeking Bankruptcy Court approval of each of the above.

(b) The Plan, the Disclosure Statement, the Solicitation Materials, the DIP Financing Amendment, the DIP Orders, and any motions seeking Bankruptcy Court approval of each of the preceding, shall, as of the RSA Effective Date, be in form and substance satisfactory to (i) the Debtors and (ii) Taco Supremo.

(c) Each and every document constituting the Definitive Documentation not referenced in Sub-Clause (b) will, after the RSA Effective Date, remain subject to negotiation and modification and shall, upon completion, contain terms, conditions, representations, warranties, and covenants consistent with the terms of this Agreement and be in form and substance reasonably satisfactory to (i) the Debtors and (ii) Taco Supremo.

4. **Bankruptcy Process; Milestones**. As provided in and subject to Section 7, the Debtors shall implement the Restructuring Transactions on the following timeline (each deadline, a "***Milestone***"):

(a) no later than the date of this Agreement, the Debtors shall commence a solicitation of Taco Supremo as the sole holder of the Senior Lender Claims seeking approval and acceptance of the Plan and distribute Solicitation Materials to all voting parties;

(b) no later than November 6, 2018, the Debtors shall commence the Chapter 11 Cases by filing bankruptcy petitions with the Bankruptcy Court (such filing date, the "***Petition Date***");

(c) on the Petition Date, the Debtors shall file with the Bankruptcy Court a motion seeking entry of the Interim DIP Order and the Final DIP Order;

(d) on the Petition Date, the Debtors shall file with the Bankruptcy Court: (i) the Plan; (ii) the Disclosure Statement; and (iii) a motion (the "***Scheduling Motion***") seeking to schedule a hearing to consider, among other things, (A) approval of the Disclosure Statement, (B) approval of the Solicitation Materials, which shall include procedures for soliciting, receiving, and tabulating votes on the Plan and for filing objections to the Plan, and (C) confirmation of the Plan (the "***Confirmation Hearing***");

(e) no later than November 9, 2018, the Bankruptcy Court shall have entered the Interim DIP Order;

(f) no later than November 20, 2018, the Debtors shall file with the Bankruptcy Court (i) schedules of assets and liabilities (ii) statements of financial affairs, (iii) schedules of current income and expenditures, and (iv) statements of executory contracts and unexpired leases;

(g) no later than December 5, 2018, the Bankruptcy Court shall have entered the Final DIP Order;

(h) no later than January 4, 2019, the Bankruptcy Court shall have entered the Confirmation Order; and

(i) no later than January 22, 2019, the Debtors shall consummate the transactions contemplated by the Plan (the date of such consummation, the "***Effective Date***").

The Debtors may extend a Milestone with the express prior written consent of Taco Supremo.

5. **Commitment of Taco Supremo.** Taco Supremo shall, solely as it remains the legal owner and/or beneficial owner with power and/or authority to bind any claims held by it, from the RSA Effective Date until the occurrence of a Termination Date (as defined in Section 12):

(a) support and cooperate with the Debtors to take all reasonable actions necessary to consummate the Restructuring Transactions in accordance with the Plan and the terms and conditions of this Agreement (but without limiting consent and approval rights provided in this Agreement and the Definitive Documentation), including: (i) voting all of its claims against, or interests in, as applicable, the Debtors now or hereafter owned by Taco Supremo to accept the Plan in accordance with the applicable procedures set forth in the Disclosure Statement and the Solicitation Materials; and

(ii) timely returning within two (2) business days a duly-executed ballot in connection therewith;

(b) not withdraw, amend, or revoke (or cause to be withdrawn, amended, or revoked) its tender, consent, or vote with respect to the Plan; provided, however, that nothing in this Agreement shall prevent Taco Supremo from withholding, amending, or revoking (or causing the same) its timely consent or vote with respect to the Plan if this Agreement is terminated;

(c) support and not object to, delay, impede, or take any other action to interfere with the Restructuring Transactions, or propose, file, support, or vote for any restructuring, workout, or chapter 11 plan for any of the Debtors other than the Restructuring Transactions and the Plan;

(d) not take any action (or encourage or instruct any other party to take any action) in respect of any potential, actual, or alleged occurrence of any "Default" or "Event of Default" under the Credit Agreement or that would be triggered as a result of the commencement of the Chapter 11 Cases or the undertaking of any Debtor hereunder to implement the Restructuring Transactions through the Chapter 11 Cases;

(e) support and not object to, delay, impede, or interfere, directly or indirectly, with the entry by the Bankruptcy Court of the Interim DIP Order or the Final DIP Order, or propose, file or support, any use of cash collateral other than as proposed in the Interim DIP Order and the Final DIP Order;

(f) fund the Postpetition Term Loans (as defined in the DIP Financing Amendment) on the terms set forth therein and in the DIP Orders, *provided, however*, that upon the closing of the DIP Financing Amendment, the DIP Financing Amendment and the DIP Orders shall govern the Postpetition Term Loans, funding under such Postpetition Term Loans, and any termination thereof;

(g) enter into the Management Employment Agreements and provide up to $750,000 to satisfy the obligations thereunder; and

(h) not take any other action that is materially inconsistent with its obligations under this Agreement;

6. [Reserved]

7. **Commitment of the Debtors**.

(a) Subject to Sub-Clause (b) below, each of the Debtors (i) agrees to (A) support and make reasonable best efforts to complete the Restructuring Transactions set forth in the Plan and this Agreement, (B) negotiate in good faith all Definitive Documentation and take any and all necessary and appropriate actions in furtherance of the Plan and this Agreement, and

(C) make reasonable best efforts to complete the Restructuring Transactions set forth in the Plan in accordance with each Milestone set forth in Section 4 of this Agreement, and (ii) shall not undertake any action materially inconsistent with the adoption and implementation of the Plan and the prompt confirmation thereof, including, without limitation, filing any motion to reject this Agreement.

(b) Notwithstanding anything to the contrary herein, nothing in this Agreement shall require the board of directors, board of managers, directors, managers, or officers or any other fiduciary of a Debtor to take any action, or to refrain from taking any action to the extent such board of directors, board of managers, or such similar governing body determines, based on advice of counsel, that taking such action, or refraining from taking such action, as applicable, may be required to comply with applicable law or its fiduciary obligations under applicable law.

8. **Taco Supremo Termination Events**. Taco Supremo shall have the right, but not the obligation, upon notice to the other Parties, to terminate its obligations under this Agreement upon the occurrence of any of the following events unless waived, in writing, by Taco Supremo on a prospective or retroactive basis (each, a "***Taco Supremo Termination Event***"):

(a) the failure to meet any of the Milestones in Section 4 unless such Milestone is extended in accordance with Section 4;

(b) the conversion of one or more of the Chapter 11 Cases to a case under chapter 7 of the Bankruptcy Code;

(c) the appointment of a trustee, receiver, or examiner with expanded powers beyond those set forth in section 1106(a)(3) and (4) of the Bankruptcy Code in one or more of the Chapter 11 Cases;

(d) any Debtor amends or modifies, or files a pleading seeking authority to amend or modify, the Definitive Documentation in a manner that is materially inconsistent with this Agreement;

(e) any Debtor files or announces that it will file or joins in or supports any plan of reorganization other than the Plan, or files any motion or application seeking authority to sell any of its material assets, without the prior written consent of Taco Supremo;

(f) the issuance by any governmental authority, including the Bankruptcy Court, any regulatory authority, or any other court of competent jurisdiction, of any ruling or order enjoining or otherwise making impractical the substantial consummation of the Restructuring Transactions on the terms and conditions set forth in the Plan; *provided*, *however*, that the Debtors shall have ten (10) business days after issuance of such ruling or order to obtain relief that would allow consummation of the Restructuring

Transactions in a manner that does not prevent or diminish in a material way compliance with the terms of the Plan and this Agreement.

(g) the Debtors file any motion authorizing the use of cash collateral, or seeking to incur postpetition debtor-in-possession financing that is not in the form of the Interim DIP Order or Final DIP Order or otherwise consented to by Taco Supremo;

(h) a breach by any Debtor of any representation, warranty, or covenant of such Debtor set forth in this Agreement that (to the extent curable) remains uncured for a period of seven (7) business days after the receipt by the Debtors of written notice of such breach;

(i) either (i) any Debtor files a motion, application, or adversary proceeding (or any Debtor supports in writing any such motion, application, or adversary proceeding filed or commenced by any third party) (A) challenging the validity, enforceability, perfection, or priority of, or seeking avoidance or subordination of, the Senior Lender Claims or the liens securing such claims, or (B) asserting any other cause of action against and/or with respect or relating to such claims or the prepetition liens securing such claims; or (ii) the Bankruptcy Court (or any court with competent jurisdiction over the Chapter 11 Cases) enters an order providing relief against the interests of Taco Supremo with respect to any of the foregoing causes of action or proceedings;

(j) any Debtor terminates its obligations under and in accordance with this Agreement;

(k) any board, officer, or manager (or party with authority to act) of a Debtor (or the Debtors themselves) takes any action in furtherance of the rights available to it (or them) under Section 7(b) of this Agreement that are inconsistent with the Restructuring Transactions as contemplated by the Plan;

(l) if the Bankruptcy Court enters an order in the Chapter 11 Cases terminating any of the Debtors' exclusive right to file a plan or plans of reorganization pursuant to section 1121 of the Bankruptcy Code;

(m) the failure of any documentation to be Definitive Documentation as defined in Section 3 of this Agreement or otherwise comply with Section 3; and

(n) the occurrence of any other material breach of this Agreement or the Plan not otherwise covered in this list by any Debtor or Taco Supremo that has not been cured (if susceptible to cure) within seven (7) business days after written notice to counsel to the Debtors of such breach.

9. [Reserved]

10. **Debtor Termination Events**. Each Debtor may, upon notice to Taco Supremo, terminate its obligations under this Agreement upon the occurrence of any of the following events (each a "***Company Termination Event***," and together with the Taco Supremo Termination Events, the "***Termination Events***"), in which case this Agreement shall terminate with respect to all Parties, subject to the rights of the Debtors to fully or conditionally waive in writing, on a prospective or retroactive basis, the occurrence of a Company Termination Event:

(a) a breach by Taco Supremo of any representation, warranty, or covenant of Taco Supremo set forth in this Agreement that could reasonably be expected to have a material adverse impact on the Restructuring Transactions or the consummation of the Restructuring Transactions that (to the extent curable) remains uncured for a period of seven (7) business days after the receipt by Taco Supremo of notice and description of such breach;

(b) the occurrence of a breach of this Agreement by Taco Supremo that has the effect of materially impairing any of the Debtors' ability to effectuate the Restructuring Transactions and has not been cured (if susceptible to cure) within seven (7) business days after notice to Taco Supremo of such breach and a description thereof;

(c) if the board of directors or managers, as applicable, of a Debtor determines, after receiving advice from counsel, that proceeding with the Restructuring Transactions (including, without limitation, the Plan or solicitation of the Plan) would be inconsistent with the exercise of its fiduciary duties;

(d) the issuance by any governmental authority, including the Bankruptcy Court, any regulatory authority, or any other court of competent jurisdiction, of any ruling or order enjoining the substantial consummation of the Restructuring Transactions on the terms and conditions set forth in the Plan; *provided*, *however*, that the Debtors have made commercially reasonable, good faith efforts to cure, vacate, or have overruled such ruling or order prior to terminating this Agreement;

(e) Taco Supremo terminates its obligations under and in accordance with Section 8 of this Agreement; or

(f) the failure to satisfy any requirement under Section 3 that the Plan, or any other agreement or document that is included in the Definitive Documentation, contain terms, conditions, representations, warranties, and covenants consistent with the terms of this Agreement and be reasonably acceptable to the Debtors.

11. **Mutual Termination; Automatic Termination**. This Agreement and the obligations of all Parties hereunder may be terminated by mutual written agreement by and among (i) each of the Debtors and (ii) Taco Supremo. Notwithstanding anything in this Agreement to the contrary, this Agreement shall terminate automatically upon the occurrence of the Effective Date or Termination Date.

12. **Effect of Termination**. The earliest date on which termination of this Agreement as to a Party is effective in accordance with Sections 8, 10, or 11 of this Agreement shall be referred to, with respect to such Party, as a "***Termination Date***." Upon the occurrence of a Termination Date, the terminating Party's and, solely in the case of a Termination Date in accordance with Section 11, all Parties' obligations under this Agreement shall be terminated effective immediately, and such Party or Parties hereto shall be released from all commitments, undertakings, and agreements hereunder; *provided*, *however*, that each of the following shall survive any such termination: (a) any claim for breach of this Agreement that occurs prior to such Termination Date, and all rights and remedies with respect to such claims shall not be prejudiced in any way; and (b) Sections 12, 16, 18, 19, 20, 21, 22, 23, 24, 25, 27, 29, 31, 32, and 33 hereof.

13. **Transfers of Claims and Interests**.

(a) Taco Supremo shall not (i) sell, transfer, assign, pledge, grant a participation interest in, or otherwise dispose of, directly or indirectly, its right, title, or interest in respect of any of Taco Supremo's claims against any Debtor, as applicable, in whole or in part, or (ii) deposit any of Taco Supremo's claims against any Debtor, as applicable, into a voting trust, or grant any proxies, or enter into a voting agreement with respect to any such claims or interests (the actions described in clauses (i) and (ii) are collectively referred to herein as a "***Transfer***" and the Party making such Transfer is referred to herein as the "***Transferor***"), unless the Debtors consent to such Transfer in writing, *provided*, *however*, that, subject to Sub-Clause (b), Taco Supremo may Transfer to an affiliate of Taco Supremo without the Debtors' consent.

(b) Before such Transfer becomes effective, the transferee must agree in writing to be bound by the terms of this Agreement by executing and delivering to the Debtors a Transferee Joinder substantially in the form attached hereto as **Exhibit D** (the "***Transferee Joinder***").

(c) With respect to claims against or interests in a Debtor held by the relevant transferee upon consummation of a Transfer in accordance herewith, such transferee is deemed to make all of the representations, warranties, and covenants of Taco Supremo, as applicable, set forth in this Agreement. Upon compliance with the foregoing, the Transferor shall be deemed to relinquish its rights (and be released from its obligations, except for any claim for breach of this Agreement that occurs prior to such Transfer) under this Agreement to the extent of such transferred rights and obligations.

(d) Any Transfer made in violation of this Sub-Clause (a) and (b) of this Section 13 shall be deemed null and void *ab initio* and of no force or effect, regardless of any prior notice provided to the Debtors and/or Taco Supremo, and shall not create any obligation or liability of any Debtor or Taco Supremo to the purported transferee.

14. [Reserved]

15. [Reserved]

16. **Consents and Acknowledgments**. Each Party irrevocably acknowledges and agrees that this Agreement is not and shall not be deemed to be a solicitation for consents to the Plan. The acceptance of the Plan by Taco Supremo will not be solicited until Taco Supremo received the Disclosure Statement and related ballots in accordance with applicable law, and will be subject to sections 1125, 1126 and 1127 of the Bankruptcy Code.

17. **Representations and Warranties**.

(a) Taco Supremo hereby represents and warrants that the following statements are true, correct, and, to the best of its actual knowledge, complete as of the date hereof:

(i) it has the requisite organizational power and authority to enter into this Agreement and to carry out the transactions contemplated by, and perform its respective obligations under, this Agreement;

(ii) the execution and delivery of this Agreement and the performance of its obligations hereunder have been duly authorized by all necessary corporate or other organizational action on its part;

(iii) the execution, delivery, and performance by it of this Agreement does not violate any provision of law, rule, or regulation applicable to it, or its certificate of incorporation, or bylaws, or other organizational documents;

(iv) subject to the provisions of sections 1125 and 1126 of the Bankruptcy Code, this Agreement is the legally valid and binding obligation of it, enforceable against it in accordance with its terms, except as enforcement may be limited by bankruptcy, insolvency, reorganization, moratorium, or other similar laws relating to or limiting creditors' rights generally, or by equitable principles relating to enforceability;

(v) it (A) is the sole owner of the claims and interests identified below its name on its signature page hereof and in the amounts set forth therein; or (B) does not directly or indirectly own any claims against any Debtor other than as identified below its name on its signature page hereof; and

(vi) it has sufficient knowledge and experience to evaluate properly the terms and conditions of the Plan and this Agreement, and has been afforded the opportunity to consult with its legal and financial advisors with respect to its decision to execute this Agreement, and it has made its own analysis and decision to enter into this Agreement and otherwise investigated this matter to its full satisfaction.

(b) [Reserved]

(c) Each Debtor hereby represents and warrants on a joint and several basis (and not any other person or entity other than the Debtors) that the following statements are true, correct, and complete as of the date hereof:

(i) it has the requisite corporate or other organizational power and authority to enter into this Agreement and to carry out the transactions contemplated by, and perform its respective obligations under, this Agreement;

(ii) the execution and delivery of this Agreement and the performance of its obligations hereunder have been duly authorized by all necessary corporate or other organizational action on its part, including approval of each of the independent director(s) or manager(s), as applicable, of each of the corporate entities that comprise the Debtors;

(iii) the execution and delivery by it of this Agreement does not (A) violate its certificates of incorporation, or bylaws, or other organizational documents, or those of any of its affiliates, or (B) result in a breach of, or constitute (with due notice or lapse of time or both) a default (other than, for the avoidance of doubt, a breach or default that would be triggered as a result of the Chapter 11 Cases or any Debtor's undertaking to implement the Restructuring Transactions through the Chapter 11 Cases) under any material contractual obligation to which it or any of its affiliates is a party;

(iv) the execution and delivery by it of this Agreement does not require any registration or filing with, the consent or approval of, notice to, or any other action with any federal, state, or other governmental authority or regulatory body, other than, for the avoidance of doubt, the actions with governmental authorities or regulatory bodies required in connection with implementation of the Restructuring Transactions;

(v) subject to the provisions of sections 1125 and 1126 of the Bankruptcy Code and, to the extent applicable, approval by the Bankruptcy Court, this Agreement is the legally valid and binding obligation of it, enforceable against it in accordance with its terms, except as enforcement may be limited by bankruptcy, insolvency, reorganization, moratorium, or other similar laws relating to or limiting creditors' rights generally, or by equitable principles relating to enforceability;

(vi) it has sufficient knowledge and experience to evaluate properly the terms and conditions of the Plan and this Agreement, and has been afforded the opportunity to consult with its legal and financial advisors with respect to its decision to execute this Agreement, and it has made its own analysis and decision to enter into this Agreement and otherwise investigated this matter to its full satisfaction; and

(vii) it does not have knowledge of any claims, existing or potential, which would (a) result in a claim being asserted against any Debtor's Directors and Officers liability policies or (b) trigger any Indemnification Obligations (as defined in the Plan) under the Plan.

18. **Survival of Agreement**. Each of the Parties acknowledges and agrees that this Agreement is being executed in connection with negotiations concerning a possible financial restructuring of the Debtors and in contemplation of possible chapter 11 filings by the Debtors and the rights granted in this Agreement are enforceable by each signatory hereto without approval of any court, including the Bankruptcy Court.

19. **Waiver**. If the transactions contemplated herein are not consummated, or following the occurrence of a Termination Date, if applicable, nothing herein shall be construed as a waiver by any Party of any or all of such Party's rights, other than as provided in Section 16, and the Parties expressly reserve any and all of their respective rights. The Parties acknowledge that this Agreement, the Plan, and all negotiations relating hereto are part of a proposed compromise and settlement of matters that could otherwise be the subject of litigation. Pursuant to Rule 408 of the Federal Rules of Evidence, any applicable state rules of evidence and any other applicable law, foreign or domestic, the Plan, this Agreement, any related documents, and all negotiations relating thereto shall not be admissible into evidence in any proceeding, or used by any party for any reason whatsoever, including in any proceeding, other than a proceeding to enforce its terms.

20. **Relationship Among Parties**. Notwithstanding anything herein to the contrary, no Party shall have any responsibility by virtue of this Agreement for any trading by any other entity. No prior course of dealing, history, pattern, or practice of sharing confidences among or between the Parties shall in any way affect or negate this Agreement.

21. **Specific Performance**. It is understood and agreed by the Parties that money damages may be an insufficient remedy for any breach of this Agreement by any Party and each non-breaching Party shall be entitled to seek specific performance and injunctive or other equitable relief as a remedy of any such breach of this Agreement, including, without limitation, an order of the Bankruptcy Court or other court of competent jurisdiction requiring any Party to comply promptly with any of its obligations hereunder.

22. **Governing Law & Jurisdiction**. This Agreement shall be governed by, and construed in accordance with, the laws of the State of Texas, without regard to such state's choice of law provisions which would require or permit the application of the law of any other jurisdiction. By its execution and delivery of this Agreement, each Party irrevocably and unconditionally agrees for itself that any legal action, suit, or proceeding against it with respect to any matter arising under

or arising out of or in connection with this Agreement or for recognition or enforcement of any judgment rendered in any such action, suit, or proceeding, may be brought in the United States District Court for the Northern District of Texas, and by executing and delivering this Agreement, each of the Parties irrevocably accepts and submits itself to the exclusive jurisdiction of such court, generally and unconditionally, with respect to any such action, suit or proceeding. Notwithstanding the foregoing consent to Texas jurisdiction, if the Chapter 11 Cases are commenced, each Party agrees that the Bankruptcy Court shall have exclusive jurisdiction of all matters arising out of or in connection with this Agreement. By executing and delivering this Agreement, and upon commencement of the Chapter 11 Cases, each of the Parties irrevocably and unconditionally submits to the personal jurisdiction of the Bankruptcy Court solely for purposes of any action, suit, proceeding, or other contested matter arising out of or relating to this Agreement, or for recognition or enforcement of any judgment rendered or order entered in any such action, suit, proceeding, or other contested matter.

23. **Waiver of Right to Trial by Jury**. Each of the Parties waives any right to have a jury participate in resolving any dispute, whether sounding in contract, tort or otherwise, between any of the Parties arising out of, connected with, relating to, or incidental to the relationship established between any of them in connection with this Agreement. Instead, any disputes resolved in court shall be resolved in a bench trial without a jury.

24. **Successors and Assigns**. Except as otherwise provided in this Agreement, this Agreement is intended to bind and inure to the benefit of each of the Parties and each of their respective permitted successors, assigns, heirs, executors, administrators, and representatives.

25. **No Third-Party Beneficiaries**. Unless expressly stated herein, this Agreement shall be solely for the benefit of the Parties and no other person or entity shall be a third-party beneficiary of this Agreement.

26. **Notices**. All notices (including, without limitation, any notice of termination or breach) and other communications from any Party hereunder shall be in writing and shall be deemed to have been duly given if personally delivered by courier service, messenger, email, or facsimile to the other Parties at the applicable addresses below, or such other addresses as may be furnished hereafter by notice in writing. Any notice of termination or breach shall be delivered to all other Parties.

(a) If to any Debtor:

TB Corp.
Attn: Omar Janjua
300 East John Carpenter Freeway, Suite 800
Irving, TX 75062
Tel: (972) 919-4800
Email: ojanjua@tacobueno.com

With a copy to:

Vinson & Elkins L.L.P.
Attn: Paul E. Heath and Garrick C. Smith
2001 Ross Avenue, Suite 3900
Dallas, TX 75201
Tel: (214) 220-7700
Fax: (214) 220-7716
Email: pheath@velaw.com; gsmith@velaw.com

and

Vinson & Elkins L.L.P.
Attn: David S. Meyer and Jessica C. Peet
666 Fifth Avenue, 26th Floor
New York, NY 10103-0040
Tel: (212) 237-0000
Fax: (212) 237-0100
Email: dmeyer@velaw.com; jpeet@velaw.com

(b) If to the Agent:

Scheef & Stone L.L.P.
Attn: Peter C. Lewis and Byron Henry
500 N. Akard Suite 2700
Dallas, TX 75201
Tel: (214) 706-4200
Fax: (214) 472-4242
Email: Peter.Lewis@solidcounsel.com; Byron.Henry@solidcounsel.com

and

Sun Holdings, Inc.
Attn: Tim Comer
4055 Valley View Ln, Suite 500
Dallas, TX 75244
Tel: (972) 620-2287 Ext. 303
Email: tcomer@sunholdings.net

27. **Entire Agreement**. This Agreement (including the Exhibits and Schedules) constitutes the entire agreement of the Parties with respect to the subject matter of this Agreement, and supersedes all prior negotiations, agreements, and understandings, whether written or oral, among the Parties with respect to the subject matter of this Agreement.

28. **Amendments**. Except as otherwise provided herein, this Agreement may not be modified, amended, or supplemented without the prior written consent of the Debtors and Taco Supremo.

29. **Reservation of Rights**.

(a) Except as expressly provided in this Agreement or the Plan, including Section 5(a) of this Agreement, nothing herein is intended to, or does, in any manner waive, limit, impair, or restrict the ability of any Party to protect and preserve its rights, remedies and interests, including without limitation, its claims against any of the other Parties.

(b) Without limiting Sub-Clause (a) of this Section 29 in any way, if the Plan is not consummated in the manner set forth, and on the timeline set forth, in this Agreement, or if this Agreement is terminated for any reason, nothing shall be construed herein as a waiver by any Party of any or all of such Party's rights, remedies, claims, and defenses and the Parties expressly reserve any and all of their respective rights, remedies, claims and defenses, subject to Section 18 of this Agreement. The Plan, this Agreement, and any related document shall in no event be construed as or be deemed to be evidence of an admission or concession on the part of any Party of any claim, fault, liability or damages whatsoever. Each of the Parties denies any and all wrongdoing or liability of any kind and does not concede any infirmity in the claims or defenses which it has asserted or could assert.

30. **Counterparts**. This Agreement may be executed in one or more counterparts, each of which, when so executed, shall constitute the same instrument, and the counterparts may be delivered by facsimile transmission or by electronic mail in portable document format (.pdf).

31. **Public Disclosure**. This Agreement, as well as its terms, its existence, and the existence of the negotiation of its terms are expressly subject to any existing confidentiality agreements executed by and among any of the Parties as of the date hereof; *provided*, *however*, that, after the Petition Date, the Parties may disclose the existence of, or the terms of, this Agreement or any other material term of the transaction contemplated herein without the express written consent of the other Parties.

32. **Headings**. The section headings of this Agreement are for convenience of reference only and shall not, for any purpose, be deemed a part of this Agreement.

33. **Interpretation**. This Agreement is the product of negotiations among the Parties, and the enforcement or interpretation hereof, is to be interpreted in a neutral manner, and any presumption with regard to interpretation for or against any Party by reason of that Party having drafted or caused to be drafted this Agreement or any portion hereof, shall not be effective in regard to the interpretation hereof.

[*Signatures and exhibits follow.*]

Exhibit A to the Restructuring Support Agreement

Plan

Exhibit B to the Restructuring Support Agreement

DIP Financing Amendment

DEBTOR IN POSSESSION FINANCING AMENDMENT TO CREDIT AGREEMENT

THIS DEBTOR IN POSSESSION FINANCING AMENDMENT TO CREDIT AGREEMENT (this "**DIP Financing Amendment**") is dated as of November __, 2018, and entered into among TB Corp., a Delaware corporation (the "**Borrower**"), TB Holdings II, Inc., a Delaware corporation ("**Holdings**") each Subsidiary of the Borrower identified on the signature pages hereto as a Guarantor (collectively, with Holdings, the "**Guarantors**" and each individually, a "**Guarantor**"), and Taco Supremo, LLC, a Delaware limited liability company ("**Taco Supremo**"), as (a) the sole Lender (as defined in the Credit Agreement defined below) and (b) the administrative agent and collateral agent under the Credit Agreement referred to below (in such capacities as referred to in this clause (b), the "**Administrative Agent**").

WITNESSETH:

WHEREAS, the Borrower, the L/C Issuer, the Lenders and the Administrative Agent are parties to that certain Credit Agreement dated as of December 1, 2015 (as amended, restated, supplemented or otherwise modified to date, the "**Credit Agreement**");

WHEREAS, pursuant to the terms of the Credit Agreement, the Lenders made loans and granted other financial accommodations to the Borrower, which loans are guaranteed by the Guarantors and are secured by a lien upon substantially all of the personal property of the Borrower and the Guarantors;

WHEREAS, each of the Borrower and the Guarantors filed a voluntary petition for relief under Chapter 11, Title 11, United States Code, on November [__], 2018, in the United States Bankruptcy Court for the Northern District of Texas, which Chapter 11 bankruptcy cases are captioned "In re: Taco Bueno Restaurants, Inc., et al." and jointly administered, Case No. [_____], including any adversary proceedings or other ancillary proceedings related thereto (the "**Cases**");

WHEREAS, the Borrower and the Guarantors have insufficient unencumbered cash or liquid assets with which to operate their respective businesses and to fund the administration of the Cases;

WHEREAS, the Borrower and the Guarantors are unable to obtain credit on an unsecured basis or as an administrative expense pursuant to 11 U.S.C. §§ 364(a) and (b), and 503(b)(1);

WHEREAS, an immediate need exists for the Borrower and the Guarantors to obtain funds to, *inter alia*, continue operation of their respective businesses and to fund the administration of the Cases;

WHEREAS, the Borrower and the Guarantors have requested that the Lenders extend additional credit to the Borrower and the Guarantors up to an amount not to exceed $10,000,000 (the "**DIP Facility**") for Budgeted Expenses (as defined below), professional fees, costs and

expenses, and costs of administration of the Cases from the DIP Financing Amendment Effective Date (as defined below) until the Postpetition Termination Date (as defined below);

WHEREAS, the Lenders have agreed to grant the request of the Borrower and the Guarantors to extend such additional credit, but only upon the terms and conditions set forth in this DIP Financing Amendment and the Financing Order (as defined below); and

WHEREAS, the Borrower and the Guarantors have agreed to secure their obligations to the Administrative Agent and the Lenders in connection with such additional credit with, among other things, a first priority priming perfected security interest in all of the Borrower's and the Guarantors' existing and future personal and real property subject and subordinate to the Carve-Out (as defined in the Financing Order), as set forth in the Financing Order.

NOW, THEREFORE, in consideration of the premises and the mutual covenants and agreements contained herein and for other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the parties hereto hereby agree as follows:

Section 1. **Definitions**. Capitalized terms used but not defined in this DIP Financing Amendment have the meanings specified in the Credit Agreement, as amended hereby.

Section 2. **Amendments to Credit Agreement**. Subject to the terms and conditions hereof, the provisions of the Credit Agreement enumerated below are amended as follows:

(a) Effective as of the date hereof, the following definitions set forth in Section 1.01 of the Credit Agreement are hereby amended and restated to read in full as follows:

> "**Agreement**" means this Credit Agreement, as amended, supplemented or otherwise modified by: (a) that certain Forbearance Agreement and First Amendment to Credit Agreement, dated as of May 4, 2018 (as amended, supplemented or otherwise modified by that certain letter agreement dated May 25, 2018), (b) that certain Second Forbearance Agreement and Second Amendment to Credit Agreement, dated as of July 16, 2018 (as amended, supplemented or otherwise modified by (i) that certain letter agreement dated September 14, 2018, (ii) that certain Amendment to Second Forbearance Agreement and Second Amendment to Credit Agreement, dated as of September 28, 2018) and (iii) the DIP Financing Amendment, the "**Second Forbearance Agreement**"), (c) that certain Consent and Acknowledgment, effective as of August 30, 2018, (d) that certain Loan Sale and Assignment Agreement, Limited Waiver and Amendment to Credit Agreement, dated as of October 24, 2018 and (e) the DIP Financing Amendment.
>
> "**Loans**" means an extension of credit under Article II by a Lender (a) to the Borrower in the form of a Term Loan, (b) to the Borrower in the form of a Revolving Credit Loan and (c) to Borrower in the form of Postpetition Term Loans.

(b) Effective as of the date hereof, the following definitions are hereby added to Section 1.01 of the Credit Agreement:

"**Bankruptcy Court**" means the United States Bankruptcy Court for the Northern District of Texas or any other court with competent jurisdiction over the Cases.

"**Budget**" has the meaning given to such term in the Financing Order.

"**Budgeted Expenses**" means expenses permitted to be paid by the Debtors in accordance with the Budget, subject to the Permitted Variances and the Carve-Out (as defined in the Financing Order).

"**Cash Collateral**" has the meaning given to such term in the Financing Order.

"**Collateral**" has the meaning given to such term in the Financing Order.

"**Debtors**" means the Borrower, each of the Guarantors, TB Holdings II Parent, Inc., TB Kansas LLC and Taco Bueno Equipment Company.

"**DIP Collateral**" has the meaning given to such term in the Financing Order.

"**DIP Financing Amendment**" means that certain Debtor in Possession Financing Amendment to Credit Agreement dated as of the DIP Financing Amendment Effective Date among the Loan Parties, the Administrative Agent and the Lenders party thereto.

"**DIP Financing Amendment Effective Date**" means November ___, 2018.

"**Financing Order**" means the one or more orders of the Bankruptcy Court authorizing and approving, on either an interim or final basis, the financing contemplated by the DIP Financing Amendment and use of Cash Collateral, each in form and substance reasonably satisfactory to the Administrative Agent, the Majority Postpetition Lenders and the Debtors (it being understood that (a) any Financing Order substantially in the form of the Interim Financing Order shall be deemed in form and substance reasonably satisfactory to the Administrative Agent, the Majority Postpetition Lenders and the Debtors and (b) the final Financing Order shall be substantially the same as the Interim Financing Order (subject to customary modifications) and shall be deemed in form and substance reasonably satisfactory to the Administrative Agent, the Majority Postpetition Lenders and the Debtors).

"**Guarantor**" means (a) each Person described in clause (b) of the definition of "Collateral and Guarantee Requirement" and (b) each other Person (which may be a Parent Entity or Restricted Subsidiary) that executes a joinder to the Guaranty; *provided* that such Person described in this clause (b) shall only guarantee the Postpetition Obligations (and any security interest granted in favor

of the Collateral Agent by such Person shall only secure the Postpetition Obligations).

"**Interim Financing Order**" has the meaning given to such term in the DIP Financing Amendment.

"**Majority Postpetition Lenders**" means, the Lenders holding greater than fifty percent (50%) of the outstanding aggregate principal amount of the Postpetition Term Loans.

"**Permitted Variance**" has the meaning given to such term in the Financing Order.

"**Postpetition Aggregate Commitments**" means $10,000,000, being the aggregate amount of the Postpetition Commitments of all Lenders.

"**Postpetition Commitment**" means the commitment of any Lender to make Postpetition Term Loans as set forth in Section 2.18(a) hereof up to the amount for such Lender set forth on Exhibit B to the DIP Financing Amendment.

"**Postpetition Term Loans**" means advances by the Lenders to the Borrower pursuant to the Postpetition Commitments in an aggregate amount not to exceed at any time the Postpetition Aggregate Commitments then in effect.

"**Postpetition Notice of Borrowing**" has the meaning given to such term in Section 2.18(b).

"**Postpetition Obligations**" means all present and future obligations, indebtedness and other liabilities of the Loan Parties or any of them arising with respect to any Financing Order or the Postpetition Term Loans, including without limitation the principal amount thereof, and any interest, fees, and charges related thereto or in connection therewith, and any and all renewals, extensions, rearrangements, and refundings of the foregoing.

"**Postpetition Termination Date**" means the earliest of (a) March 6, 2019* at 4:00 p.m. Central Time, (b) the date the Loan Parties repay all outstanding Postpetition Obligations (other than contingent indemnification obligations to the extent no claim giving rise thereto has been asserted) and terminate the commitment of the Lenders to make the Postpetition Term Loans, (c) the date the Administrative Agent accelerates the Postpetition Term Loans and terminates the commitment of the Lenders to make the Postpetition Term Loans upon the occurrence and during the continuation of a Termination Event and (d) the effective date of a confirmed plan of reorganization for the Debtors.

"**Prepetition Obligations**" means all Obligations other than the Postpetition Obligations.

* NTD: To be 4 months after the Petition Date.

"**Second Forbearance Agreement**" has the meaning set forth in the definition of "Agreement".

"**Termination Event**" has the meaning given to such term in the Financing Order.

(c) Effective as of the date hereof, the clause (a) of the definition of "Permitted Investments" in Section 1.01 of the Credit Agreement is hereby amended and restated as follows:

(a) any Investment by any Loan Party in any other Loan Party;

(d) Effective as of the date hereof, Article II of the Credit Agreement is amended to add thereto the following Section 2.18:

SECTION 2.18. Postpetition Term Loans.

(a) Commitment for Postpetition Term Loans. Subject to the terms and conditions contained in this Section 2.18, the Lenders agree to make Postpetition Term Loans to the Borrower from time to time from the DIP Financing Amendment Effective Date until the Postpetition Termination Date, in accordance with their Postpetition Commitments and in an aggregate amount not to exceed at any time outstanding the Postpetition Aggregate Commitments. Each Postpetition Term Loan may be prepaid at any time without premium or penalty, but once repaid may not be reborrowed.

(b) Borrowing Mechanics. Except as otherwise provided in the Financing Order, with respect to funding the Carve-Out Amount (as defined in the Financing Order), to request a Postpetition Term Loan, the chief financial officer or chief restructuring officer of the Borrower shall submit a notice substantially in the form of Exhibit A to the DIP Financing Amendment (a "**Postpetition Notice of Borrowing**") to the Administrative Agent not later than 11:00 a.m. Central Time two Business Days prior to the date of the proposed Borrowing (or such shorter period as may be acceptable to the Administrative Agent). Each Postpetition Notice of Borrowing shall be irrevocable and shall specify therein:

(i) the proposed funding date, which shall be a Business Day, and

(ii) the aggregate amount of the requested Borrowing (*provided* that each Borrowing shall be in a minimum amount of $1,000,000 unless otherwise agreed by the Administrative Agent).

(c) Conditions Precedent to Each Postpetition Term Loan. The obligation of the Lenders to make any Postpetition Term Loan (including the initial Postpetition Term Loan) shall be subject to the following conditions precedent: (i) the Borrower shall deliver to the Administrative Agent an

executed Postpetition Notice of Borrowing pursuant to Section 2.18(b), (ii) no event has occurred and is continuing which constitutes a Termination Event; (iii) the Borrower shall deliver to the Administrative Agent a certificate of the chief restructuring officer or chief financial officer of the Borrower certifying that (A) all representations and warranties made by each Loan Party in the DIP Financing Amendment or in any statement or certificate after the DIP Financing Amendment Effective Date by such Loan Party in writing pursuant to any Loan Document are true and correct in all material respects as of the date of such Borrowing (or to the extent relating to an earlier date, as of such earlier date) and (B) the Loan Parties are in compliance with the Budget subject to the Permitted Variances; (iv) the Financing Order shall be in full force and effect and shall not have been vacated, reversed, modified, or amended and, in the event that such order is the subject of any pending appeal, no performance of any obligation of any party hereto shall have been stayed pending appeal; and (v) after giving effect to the requested Borrowing, the total Postpetition Term Loans shall not exceed the Postpetition Aggregate Commitment. For the avoidance of doubt, Section 4.02 of this Agreement will not apply with respect to any Postpetition Term Loan and, from and after the DIP Financing Amendment Effective Date, in no event will any Loan Party be required to make, or be deemed to have made, any representation and warranty set forth in Section 5 of this Agreement.

(d) Repayment. The Loan Parties are jointly and severally liable for each Postpetition Term Loan, and the Loan Parties shall repay the entire unpaid principal amount of the Postpetition Term Loans, together with all accrued and unpaid interest thereon, on the Postpetition Termination Date. The Postpetition Term Loans are not subject to any scheduled amortization payments or any mandatory prepayments other than as set forth in Section 2.18(g).

(e) Interest. The Loan Parties shall pay interest on the unpaid principal amount of each Postpetition Term Loan from the date made until the principal amount thereof shall have been paid in full at a rate per annum equal at all times to 7.00%, in each case, payable in arrears on the Postpetition Termination Date; *provided* however that all principal outstanding on account of Postpetition Term Loans after the occurrence of a Termination Event shall bear interest, from the date of such Termination Event until the date on which such amount is paid in full or such Termination Event is waived or cured, payable on demand, at the rate set forth above plus two percent (2%) per annum; *provided* further that no rate of interest payable pursuant to this Section 2.18(e) shall exceed the maximum nonusorious interest rate, if any, that at any time or from time to time may be contracted for, taken, reserved, charged or received on the Loans or on other Obligations under laws applicable to the Lenders which

are presently in effect or, to the extent allowed by law, under such laws from time to time in effect.

(f) Grant of Security Interest. As security for the prompt payment and performance when due (whether at stated maturity, by acceleration or otherwise) of all the Postpetition Obligations and to induce the Lenders to make the Postpetition Term Loans in accordance with the terms hereof, each Loan Party shall, pursuant to the Financing Order, and does hereby, assign, convey, mortgage, pledge, hypothecate and grant to the Administrative Agent, for the benefit of the Lenders, a first priority priming perfected security interest in the DIP Collateral, in each case subject and subordinate to Permitted Prior Liens and the Carve-Out (as such terms are defined in the Financing Order).

(g) Application of Sale Proceeds and Collections. Notwithstanding anything to the contrary contained in this Agreement, from and after the DIP Financing Amendment Effective Date and so long as no Termination Event has occurred and is continuing, all net proceeds received from the sale, disposition, collection or other realization upon the DIP Collateral, other than inventory sold in the ordinary course of business, and any casualty or condemnation proceeds shall be applied, subject to Permitted Prior Liens and the Carve-Out (each as defined in the Financing Order) (i) first, to payment of all fees, including attorneys' fees and consultant fees, and expenses incurred by the Administrative Agent and the Lenders under the DIP Financing Amendment, (ii) second, to payment of the Postpetition Obligations plus any fees and accrued interest thereon, and (iii) third, to payment of the Prepetition Obligations plus any accrued interest thereon, each as determined by the Administrative Agent in its sole and absolute discretion, until such time as all Obligations of the Loan Parties to the Administrative Agent and the Lenders are satisfied in full, and (iv) fourth to the Borrower; *provided* that any amounts applied to the Prepetition Obligations may be recovered from the Lenders and reapplied to the Postpetition Obligations in the event that, on the Postpetition Termination Date, the Postpetition Obligations (other than contingent indemnification claims for which no claim has arisen) are not paid in full.

(h) Termination Event. Upon the occurrence and during the continuance of any Termination Event, the Administrative Agent (at the request of the Majority Postpetition Lenders) may, by five (5) Business Days' prior written notice to the Loan Parties, declare all or any portion of the Postpetition Obligations to be, and the same shall forthwith become, due and payable for all purposes, rights and remedies, together with accrued interest thereon, and the obligation of the Lenders to make any further Postpetition Term Loans shall thereupon terminate, except as provided in the Financing Order with respect to the payment in full of the Professional Fees Amount (as defined in the Financing Order). After the occurrence and during the continuance of any Termination Event and subject in all

respects to Permitted Prior Liens and the Carve-Out, all net proceeds received from the sale, disposition, collection or other realization upon the Collateral or the DIP Collateral shall be applied in accordance with Section 2.18(g).

(e) Effective as of the date hereof, Section 6.01(a) of the Credit Agreement is hereby amended and restated as follows:

(a) within one-hundred and twenty (120) days after the end of each Fiscal Year of Holdings (or, if earlier, two (2) Business Days of the date required for filing with the SEC), a consolidated balance sheet of Holdings and its Subsidiaries as of the end of each Fiscal Year, and the related consolidated statements of income or operations, changes in parent's equity and cash flows for such Fiscal Year, together with management's discussion and analysis in a form consistent with the historical practices of Holdings, setting forth in each case in comparative form the figures for the previous Fiscal Year, all in reasonable detail and certified by a Responsible Officer of the Borrower as fairly presenting in all material respects the financial position, results of operations and cash flows of Holdings and its Subsidiaries in accordance with GAAP, subject to normal year-end adjustments and the absence of footnotes;

(f) Effective as of the date hereof, Section 7.14 of the Credit Agreement is hereby amended and restated as follows:

SECTION 7.14. [Reserved].

(g) Effective as of the date hereof, Section 7.06(b)(vi) of the Credit Agreement is hereby amended and restated as follows:

(vi) Restricted Payments made by any Loan Party to any other Loan Party;

(h) Effective as of the date hereof, the second paragraph of Section 10.01 of the Credit Agreement is hereby amended to add thereto a new clause (f):

(f) any amendment, waiver or consent that solely effects the Postpetition Loans or Postpetition Obligations may be effected by agreement of the Majority Postpetition Lenders.

Section 3. Conditions Precedent. This DIP Financing Amendment shall not be effective until all corporate actions of the Debtors taken in connection herewith and the transactions contemplated hereby shall be reasonably satisfactory in form and substance to Administrative Agent and the Majority Postpetition Lenders, and each of the following conditions precedent shall have been satisfied:

(a) The Administrative Agent and each Lender shall have received, in form and substance reasonably satisfactory to the Administrative Agent and the Majority Postpetition Lenders, a certificate of the chief restructuring officer or chief financial officer of the Borrower

certifying that (i) all representations and warranties in the DIP Financing Amendment are true and correct in all material respects and (ii) there exists no Termination Event before and after giving effect to this DIP Financing Amendment and the borrowings contemplated hereby.

(b) The Administrative Agent shall have received a counterpart of this DIP Financing Amendment duly executed and delivered by a duly authorized officer of each Loan Party.

(c) All governmental and third party approvals necessary in connection with the financing contemplated hereby and the continuing operations of the Loan Parties shall have been obtained on satisfactory terms and shall be in full force and effect.

(d) The Bankruptcy Court shall have entered an interim Financing Order in substantially the form attached as Exhibit D (the "Interim Financing Order").

(e) The Lenders shall have received the initial Budget which shall be in form and substance reasonably satisfactory to the Administrative Agent and the Majority Postpetition Lenders (it being agreed and understood that the initial Budget attached to the initial Financing Order satisfies this clause (e)).

(f) The Debtors shall have filed a prepackaged plan of reorganization and a disclosure statement relating thereto, in each case, reasonably acceptable to the Majority Postpetition Lenders.

(g) Each Debtor that is not a Loan Party immediately prior to effectiveness of this DIP Financing Amendment shall become party to the Security Agreement by executing and delivering a Joinder Agreement (as defined in the Security Agreement) as provided therein.

Section 4. Representations and Warranties; Ratifications. Each Loan Party represents and warrants to the Administrative Agent and the Lenders that (a) this DIP Financing Amendment constitutes its legal, valid, and binding obligations, enforceable in accordance with the terms hereof (subject as to enforcement of remedies to any applicable bankruptcy, reorganization, moratorium, or other laws or principles of equity affecting the enforcement of creditors' rights generally), (b) the Credit Agreement, as amended hereby, and the other Loan Documents remain in full force and effect, and (c) other than as disclosed on Exhibit C, there exists no Default or Event of Default under the Credit Agreement after giving effect to this DIP Financing Amendment. Except as expressly modified by this DIP Financing Amendment, the terms and provisions of the Credit Agreement and the other Loan Documents are ratified and confirmed and shall continue in full force and effect. Except as provided herein, this DIP Financing Amendment shall not constitute an amendment or waiver of any terms and provisions of the Credit Agreement and other Loan Documents nor a waiver of the rights of the Administrative Agent and the Lenders to insist upon compliance with each term, covenant, condition, or provision of the Credit Agreement and other Loan Documents (*provided*, however, it is agreed and understood that the Defaults and Events of Default disclosed on Exhibit C shall not be Defaults or Events of Default under the Credit Agreement, this DIP Financing Amendment or any other Loan Document from the date hereof until the Postpetition Termination Date; *provided, however*, that, notwithstanding such agreement as to the Defaults and Events of

Default disclosed on Exhibit C, the Revolving Credit Commitments of the Lenders shall automatically terminate upon the occurrence of the filing of the Cases in accordance with Section 8.02 of the Credit Agreement).

Section 5. Counterparts. This DIP Financing Amendment and the other Loan Documents may be executed in any number of counterparts, all of which taken together shall constitute one and the same instrument; in making proof of any such agreement, it shall not be necessary to produce or account for any counterpart other than one signed by the party against which enforcement is sought. Signatures delivered by fax and other electronic means (e.g., pdf) shall be binding and effective as originals.

Section 6. Expenses. Each Loan Party agrees on a joint and several basis to pay all reasonable and documented out-of-pocket costs and expenses of the Administrative Agent and the Lenders including, without limitation, those contemplated under Section 12.03 of the Credit Agreement and any other Loan Document, and expressly including reasonable and documented fees, charges and expenses of Scheef & Stone L.L.P. in connection with the preparation, negotiation, execution, delivery and administration of this DIP Financing Amendment and all other instruments or documents provided for herein or delivered or to be delivered hereunder or in connection herewith (all such costs and expenses, the "**Administrative Agent's and Lenders' Expenses**"). In addition, each Loan Party agrees to save and hold harmless the Administrative Agent and the Lenders from all liability for the Administrative Agent's and Lenders' Expenses. All of the Administrative Agent's and Lenders' Expenses constitute Postpetition Obligations under the Loan Documents. The Administrative Agent is authorized by each Loan Party and the Lenders, from time to time in the Administrative Agent's sole discretion, to make further Postpetition Term Loans to the Loan Parties, on behalf of all Lenders, which the Administrative Agent deems necessary or desirable to pay any amount chargeable to or required to be paid by any Loan Party pursuant to the terms of the Credit Agreement and other Loan Documents, including payments of the Administrative Agent's and Lenders' Expenses and all amounts needed to fully fund the Carve-Out Account (as used herein as defined in the Financing Order) (any of such Loans are herein collectively referred to as "**Protective Advances**"); *provided* that the Administrative Agent and the Lenders shall have no obligation to make any Protective Advances, and the aggregate amount of outstanding Protective Advances plus, without duplication, the aggregate Postpetition Term Loans shall not exceed the Postpetition Aggregate Commitments. Protective Advances may be made and to the extent requested to fund the Carve-Out Amount, must be made even if the conditions precedent set forth in Section 2.18(c) of the Credit Agreement have not been satisfied. All obligations provided in this Section 6 shall survive any termination of this DIP Financing Amendment and the other Loan Documents. Each Loan Party agrees and intends that each transfer to or for the benefit of the Administrative Agent and the Lenders made or to be made under this Section 6 are (a) made according to ordinary business terms between such Loan Party, the Administrative Agent and the Lenders taking into account the Loan Parties' business and financial affairs and (b) intended by such Loan Party, the Administrative Agent and the Lenders to be a contemporaneous exchange for new value given to such Loan Party by the Administrative Agent and the Lenders as set forth herein.

Section 7. Waiver. Subject to the terms and conditions hereof, effective as of the date hereof, Taco Supremo (exercising its vote as a Lender constituting the Required Lenders) and the Administrative Agent hereby agree to waive all Defaults and Events of Default under the

Loan Documents that have occurred as of and prior to the effectiveness of this Agreement, with the effect that any such Default or Event of Default shall be deemed never to have occurred.

Section 8. Amendment to Forbearance Agreement. Subject to the terms and conditions hereof, effective as of the date hereof, the Second Forbearance Agreement is hereby amended by (a) amending and restating Section 10 thereof in full as "[Reserved]." and (b) amending and restated Section 11 thereof in full as "[Reserved]."

Section 9. Indemnification. Each Loan Party, on a joint and several basis, hereby agrees to indemnify the Administrative Agent and the Lenders and each of their Related Parties from and against any and all liabilities, obligations, losses, damages, penalties, actions, judgments, suits, costs, expenses, or disbursements of any kind or nature whatsoever which may be imposed on, incurred by or asserted against the Administrative Agent or any Lender or any of their Related Parties in any way relating to or arising out of or any action taken or omitted by the Administrative Agent or any Lender or any of their Related Parties under this DIP Financing Amendment or in any way relating to the Postpetition Term Loans; provided that no Loan Party shall be liable for any portion of such liabilities, obligations, losses, damages, penalties, actions, judgments, suits, costs, expenses, or disbursements resulting from the Administrative Agent's or any Lender's or any of their Related Party's gross negligence or willful misconduct or willful and material breach of this DIP Financing Amendment or the other Loan Documents.

Section 10. **WAIVER OF JURY TRIAL. TO THE MAXIMUM EXTENT PERMITTED BY LAW, EACH PARTY HERETO HEREBY IRREVOCABLY WAIVES ANY RIGHT THAT IT MAY HAVE TO A TRIAL BY JURY IN ANY LEGAL PROCEEDING DIRECTLY OR INDIRECTLY ARISING OUT OF OR RELATING TO THIS DIP FINANCING AMENDMENT OR THE TRANSACTIONS CONTEMPLATED HEREBY (WHETHER BASED ON CONTRACT, TORT OR ANY OTHER THEORY).**

Section 11. **GOVERNING LAW. THIS DIP FINANCING AMENDMENT SHALL BE GOVERNED BY, AND CONSTRUED IN ACCORDANCE WITH, THE LAW OF THE STATE OF NEW YORK.**

Section 12. Binding Agreement. This DIP Financing Amendment shall be binding on the parties hereto and their respective successors and assigns as permitted under the Credit Agreement.

Section 13. Incorporation by Reference. Sections 10.16 and 10.21 are incorporated herein *mutatis mutandis*; provided that without excluding any other jurisdiction, each Loan Party agrees that both the Bankruptcy Court and the Courts of New York will have jurisdiction over proceedings in connection herewith.

Section 14. Headings. The section headings hereof are inserted for convenience of reference only and shall in no way alter, amend, define or be used in the construction or interpretation of the text of such section.

Section 15. Loan Document. This DIP Financing Amendment is and shall constitute a Loan Document in all respects and for all purposes.

Section 16. **ENTIRE AGREEMENT. THIS DIP FINANCING AMENDMENT AND THE OTHER LOAN DOCUMENTS COLLECTIVELY REPRESENT THE FINAL AGREEMENT AMONG THE PARTIES AND MAY NOT BE CONTRADICTED BY EVIDENCE OF PRIOR, CONTEMPORANEOUS, OR SUBSEQUENT ORAL AGREEMENTS OF THE PARTIES. THERE ARE NO UNWRITTEN ORAL AGREEMENTS AMONG THE PARTIES.**

[Remainder of page left intentionally blank. Signature pages follow.]

EXHIBIT A

FORM OF POSTPETITION NOTICE OF BORROWING

Date: _____

Taco Supremo, LLC, as Administrative Agent
4055 Valley View Lane, Suite 500
Dallas, Texas 75244

Re: Request for Postpetition Term Loan

This Request for Postpetition Term Loan has been prepared and is being delivered to the Administrative Agent pursuant to Section 2.18(b) of that certain Credit Agreement dated as of December 1, 2015 by and among TB Corp. (the "**Borrower**"), TB Holdings II, Inc. ("**Holdings**"), the Lenders and Issuing Banks from time to time party thereto and Taco Supremo, LLC, as administrative agent ("**Administrative Agent**") (as amended, supplemented or otherwise modified to date, the "**Credit Agreement**"). Capitalized terms in this document shall have the meanings assigned to them in the Credit Agreement unless otherwise provided herein or the context hereof otherwise requires.

The Borrower hereby requests that Lenders make a Postpetition Term Loan as follows:

(i) Date of requested Borrowing is [_____], 20___.

(ii) Aggregate principal amount of requested Borrowing is $[_____].

(iii) Funds are to be disbursed pursuant to the following wire instructions:

[BANK NAME]:
ABA #:
Account #:
Ref:

The undersigned (in his or her representative capacity and not in his or her individual capacity) hereby (a) represents and warrants, to the best of his or her knowledge, to the Administrative Agent and the Lenders that all of the representations and warranties contained in Section 4 of the DIP Financing Amendment are true and correct in all material respects as of the date hereof, with the same force and effect as if made on the date hereof and (b) certifies that the Loan Parties are in compliance with the Budget subject to the Permitted Variances.

TB CORP.

By:_____
Name:_____
Title:_____

EXHIBIT B

POSTPETITION COMMITMENTS

Lender	Postpetition Commitment	Postpetition Percentage
Taco Supremo, LLC	$10,000,000.00	100.00%
TOTAL	$10,000,000.00	100.00%

EXHIBIT C

DEFAULTS EXISTING ON PETITION DATE

1. Any Event of Default arising as a result of the filing of the Cases.

EXHIBIT D

INTERIM FINANCING ORDER

[Attached]

IN THE UNITED STATES BANKRUPTCY COURT
FOR THE NORTHERN DISTRICT OF TEXAS
DALLAS DIVISION

In re:	§	**Case No. [•]**
	§	
TACO BUENO RESTAURANTS, INC., *et al*.,	§	**(Chapter 11)**
	§	
	§	**(Joint Administration Pending)**
Debtors.[1]	§	

INTERIM ORDER AUTHORIZING DEBTORS TO UTILIZE CASH COLLATERAL, OBTAIN POSTPETITION CREDIT SECURED BY SENIOR LIENS, GRANTING ADEQUATE PROTECTION TO PREPETITION SECURED PARTIES, SCHEDULING A FINAL HEARING, AND GRANTING RELATED RELIEF

THIS MATTER having come before the Court upon the motion (the "***Motion***")[2] of the Debtors in the above-captioned chapter 11 cases (the "***Cases***"), pursuant to Bankruptcy Code sections 105, 361, 362, 363, 364, 503, and 507, Bankruptcy Rules 2002, 4001, 6003, 6004 and 9014, and Rule 4001-1 and 9013-1 of the Local Rules of Bankruptcy Practice and Procedure of

[1] The Debtors in these chapter 11 cases, along with the last four digits of each Debtor's federal tax identification number, are as follows: CBI Restaurants, Inc. (3490); Taco Bueno Equipment Company (0677); Taco Bueno Franchise Company L.P. (2397); Taco Bueno Restaurants, Inc. (8214); Taco Bueno Restaurants L.P. (6189); Taco Bueno West, Inc. (6200); TB Corp. (8535); TB Holdings II, Inc. (7703); TB Holdings II Parent, Inc. (3347); and TB Kansas LLC (6158). The location of the Debtors' corporate headquarters and the Debtors' service address is: 300 East John Carpenter Freeway, Suite 800, Irving, Texas 75062.

[2] Capitalized terms used but not otherwise defined herein shall have the meaning set forth in the Motion.

the United States Bankruptcy Court for the Northern District of Texas (the "***Local Rules***"), seeking entry of an interim order (this "***Interim Order***") and a final order (the "***Final Order***") *inter alia*:

(i) authorizing the Debtors to obtain postpetition term loans (the "***DIP Facility***") from Taco Supremo LLC, a Delaware limited liability company (in its capacity as administrative and collateral agent under the DIP Amendment (as defined herein), the "***DIP Agent***," and, in its capacity as the lender under the DIP Amendment, along with each other person that is from time to time a lender thereunder, collectively, the "***DIP Lender***," and together with the DIP Agent, the "***DIP Secured Parties***") in an amount not to exceed $10,000,000 (the "***DIP Commitment***"), in accordance with the terms and conditions set forth herein and in the attached "***Credit Agreement***";[3]

(ii) authorizing the Debtors to execute, deliver, and perform under the Debtor in Possession Financing Amendment to Credit Agreement (the "***DIP Amendment***"), which, among other things, amends the Prepetition Credit Agreement (as defined herein) to add the DIP Facility as a separate postpetition term loan facility thereunder, and all other related agreements and documents creating, evidencing, or securing indebtedness or obligations of any of the Debtors to the DIP Secured Parties on account of the DIP Facility or granting or perfecting postpetition liens or security interests by any of the Debtors in favor of and for the benefit of the DIP Agent, for itself and on behalf of the DIP Lender on account of the DIP Facility, as same now exists or may hereafter be amended, modified, or supplemented, and any and all of the agreements and documents currently executed or to be executed in connection therewith or related thereto, by and among any of the Debtors, the DIP Agent, and the DIP Lender, the terms of which are fully incorporated herein by this reference (collectively, the "***DIP Facility Documents***");

[3] A copy of the Credit Agreement is attached hereto as **Exhibit 1** and incorporated herein as if set forth in *haec verba*. The Credit Agreement shall mean the Prepetition Credit Agreement (as defined herein) as amended by that certain DIP Amendment (as defined herein).

(iii) approving the terms and conditions of the DIP Facility and the DIP Facility Documents;

(iv) authorizing the Debtors to use, among other things, solely in accordance with the Budget (subject to the Permitted Variance), any cash collateral (as that term is defined in section 363(a) of the Bankruptcy Code, the "***Cash Collateral***") in which the Prepetition Secured Parties (as defined herein) may have an interest and the granting of adequate protection to the Prepetition Secured Parties with respect to any postpetition diminution in value of their interests in the Prepetition Collateral (as defined herein) arising from, *inter alia*, the Debtors' sale, use, or lease of the Prepetition Collateral (including the Cash Collateral);

(v) modifying the automatic stay imposed by section 362 of the Bankruptcy Code to the limited extent necessary to implement and effectuate the terms and provisions of this Interim Order, and as later applicable, the Final Order;

(vi) subject to entry of the Final Order, and except to the extent of the Carve-Out (as defined herein), authorizing the Debtors' waiver of their right to assert (a) any claims to surcharge against the Prepetition Collateral or Postpetition Collateral (as defined herein) pursuant to section 506(c) of the Bankruptcy Code and (b) any "equities of the case" claims under section 552(b) of the Bankruptcy Code;

(vii) waiving any applicable stay (including under Rules 6003 and 6004 of the Bankruptcy Rules) and providing for the immediate effectiveness of this Interim Order, and as later applicable, the Final Order;

(viii) pursuant to Bankruptcy Rule 4001, requesting that an interim hearing (the "***Interim Hearing***") on the Motion be held before this Court to consider entry of this Interim Order to authorize the Debtors' to obtain postpetition term loans and other extensions of credit in the

amount of $3,000,000 of the DIP Commitment and to use Cash Collateral and grant the liens, priority claims and adequate protection described herein; and

(ix) scheduling a final hearing (the "***Final Hearing***") to consider entry of the Final Order granting the relief requested in the Motion on a final basis, and approving the Debtors' notice procedures with respect thereto.

The Court having considered the Motion, the exhibits attached thereto, the terms of the Credit Agreement and the DIP Facility Documents, and the evidence submitted or adduced and the arguments of counsel made at the Interim Hearing held on the Motion on November __, 2018; and due and proper notice of the Motion and the Interim Hearing having been given in accordance with Bankruptcy Rules 2002, 4001(b), (c) and (d), 9014, and Local Rule 4001-1; and the Interim Hearing to consider the interim relief requested in the Motion having been held and concluded; and all objections, if any, to the relief requested in the Motion having been withdrawn, resolved or overruled by the Court; and it appearing to the Court that granting the interim relief requested is necessary to avoid immediate and irreparable harm to the Debtors and their estates, and otherwise is fair and reasonable and in the best interests of the Debtors, their estates, and their creditors and equity holders, and is essential for the continued operation of the Debtors' business and the administration of these Cases; and after due deliberation and consideration, and good and sufficient cause appearing therefor.

BASED UPON THE RECORD ESTABLISHED AT THE INTERIM HEARING BY THE DEBTORS, INCLUDING THE SUBMISSIONS OF DECLARATIONS AND THE REPRESENTATIONS OF COUNSEL, THE COURT HEREBY MAKES THE FOLLOWING FINDINGS OF FACT AND CONCLUSIONS OF LAW:

A. *Petition Date*. On November [5], 2018 (the "***Petition Date***"), each of the Debtors filed a voluntary petition for relief under chapter 11 of the Bankruptcy Code in the United States Bankruptcy Court for the Northern District of Texas (the "***Court***") commencing the Cases.

B. *Debtor in Possession*. The Debtors are continuing to manage and operate their businesses and properties as debtors in possession pursuant to sections 1107 and 1108 of the Bankruptcy Code. No trustee or examiner has been appointed in the Cases.

C. *Jurisdiction and Venue*. The Court has jurisdiction, pursuant to 28 U.S.C. §§ 157(b) and 1334, over these proceedings, and over the persons and property affected hereby. Consideration of the Motion constitutes a core proceeding under 28 U.S.C. § 157(b)(2). Venue for the Cases and proceedings on the Motion is proper in this district pursuant to 28 U.S.C. §§ 1408 and 1409. The statutory bases for the relief sought herein are sections 105, 361, 362, 363, 364, 503, and 507 of the Bankruptcy Code, Bankruptcy Rules 2002, 4001, 6003, 6004, and 9014, and the applicable Local Rules.

D. *Committee Formation*. As of the date hereof, the Office of the United States Trustee (the **"*U.S. Trustee*"**) has not appointed any creditors' committee (a **"*Creditors' Committee*"**) in the Cases.

E. *Prepetition Loan Documents*. For purposes of the Motion and the Interim Hearing only, and subject to the entry of a Final Order and without prejudice to the rights (if any) of any other party (but subject to the limitations described in paragraph 8), the Debtors stipulate that:

(i) *Prepetition Loan Documents.* Prior to the Petition Date, certain of the Debtors entered into that certain Credit Agreement, dated December 1, 2015, with Bank of America, N.A., Bank of Montreal, BOKF d/b/a Bank of Texas, Fifth Third Bank, Regions Bank, Texas Capital Bank, N.A., and Trustmark National Bank (collectively the "***Initial Lender Group***"), and Bank of America, N.A., in its capacities (among others) as administrative agent and collateral agent (the "***Initial Agent***", and together with the Initial Lender Group, the "***Initial Secured Parties***") for the Initial Lender Group (such credit agreement has been amended, waived,

supplemented, or modified from time to time prior to the Petition Date, the "***Prepetition Credit Agreement***" and together with all related documents, guaranties, and agreements, as the same has been amended, waived, supplemented or modified from time to time prior to the Petition Date, the **"*Prepetition Loan Documents*"**). Pursuant to the Prepetition Loan Documents, the Initial Lender Group provided a revolving credit facility (including a sub-facility for letters of credit) and a term loan facility to the Borrower (as defined in the Prepetition Credit Agreement) prior to the Petition Date.

(ii) *Sale of Prepetition Obligations.* On October 25, 2018, the Initial Secured Parties sold 100% of the Prepetition Obligations (as defined herein) to Taco Supremo LLC, a Delaware limited liability company (in such capacity, the "***Prepetition Lender***," and in its capacity as successor administrative agent, the "***Prepetition Agent***," and together with the Prepetition Lender, the "***Prepetition Secured Parties***").

(iii) *Prepetition Obligations.* As of the Petition Date, the Debtors that are obligors under the Prepetition Loan Documents owed not less than $130 million in aggregate principal amount, comprised of a term loan, revolving credit obligations, and letter of credit obligations thereunder (together with any other obligations owed to the Prepetition Lender incurred prior to the Petition Date and comprising "Obligations" (as defined in the Prepetition Loan Documents), the **"*Prepetition Obligations*"**).

(iv) *Prepetition Collateral and Prepetition Liens.* As more fully set forth in the Prepetition Loan Documents, prior to the Petition Date, the Debtors that are obligors under the Prepetition Loan Documents granted first-priority security interests and liens (collectively, the **"*Prepetition Liens*"**), to the Prepetition Agent to secure repayment of the Prepetition Obligations, on substantially all property of such Debtors, tangible and intangible, including

without limitation, such Debtors' accounts, inventory, machinery and equipment, general intangibles, contracts, lease agreements, books and records, intellectual property, licenses, deposit accounts, negotiable instruments, securities, and all proceeds and products of the foregoing (the **"*Prepetition Collateral*"**) subject to certain permitted liens to the extent provided in the Prepetition Loan Documents.

(v) *Cash Collateral.* All of the Debtors' cash, including the cash in their deposit accounts, wherever located, whether as original collateral or proceeds of other Prepetition Collateral, constitutes Cash Collateral and is Prepetition Collateral of the Prepetition Secured Parties.

F. *Budget*. The Debtors have represented that the Budget (as defined herein) includes all reasonable and necessary expenses that are reasonably projected to be incurred in the ordinary course of the Debtors' business for the periods set forth in the Budget. The Prepetition Secured Parties and the DIP Secured Parties are relying upon the Debtors' compliance with the Budget (subject to the Permitted Variance) in accordance with this Interim Order in determining to consent to the use of Cash Collateral.

G. *Findings Regarding the Use of Cash Collateral and Need for Postpetition Financing*.

(i) *Good cause.* Good cause has been shown for the entry of this Interim Order.

(ii) *Request for Use of Cash Collateral*. The Debtors seek authority to use Cash Collateral on the terms described herein, and in accordance with the Budget (subject to the Permitted Variance), to, *inter alia*: administer the Cases, fund their operations, preserve the value of their estates, and pay the fees and expenses of the DIP Secured Parties.

(iii) *Need for Use of Cash Collateral and Postpetition Financing*. The Debtors' need to use Cash Collateral and obtain funding through the DIP Facility is immediate and critical in order to enable the Debtors to continue operations, to administer their Cases, and to preserve the value of their estates. The ability of the Debtors to maintain business relationships, pay employees, protect the value of their assets and otherwise fund their operations requires the availability of working capital from the use of Cash Collateral and the DIP Facility, the absence of which would immediately and irreparably harm the Debtors, their estates, creditors and equity holders, and the possibility for maximizing the value of their business. The Debtors do not have sufficient available sources of working capital and financing to operate their business, administer the Cases, or to maintain their properties in the ordinary course of business without the continued use of Cash Collateral and obtaining postpetition financing through the DIP Facility. The DIP Lender is willing to provide the DIP Facility to the Debtors only in accordance with the terms of the Credit Agreement and this Interim Order. Accordingly, the use of the Prepetition Collateral, including without limitation, the Cash Collateral, and entry into the DIP Facility pursuant to the terms of this Interim Order is actual and necessary to preserving the Debtors' estates, and the relief hereunder is necessary to avoid immediate and irreparable harm to, and is in the best interests of, the Debtors' estates.

(iv) *Good Faith Use of Cash Collateral*. The Debtors' use of Cash Collateral and entry into the DIP Facility has been negotiated in good faith and at arms' length among the Debtors and the Prepetition Lender and DIP Lender, as applicable, and the consent of the Prepetition Secured Parties and the DIP Secured Parties to the Debtors' use of Cash Collateral shall be deemed to have been made in "good faith."

(v) *DIP Facility Obtained in Good Faith.* The terms of the DIP Facility and this Interim Order are fair, just, and reasonable under the circumstances, are ordinary and appropriate for secured financing to debtors in possession, reflect the Debtors' exercise of their prudent business judgment consistent with their fiduciary duties, and are supported by reasonably equivalent value and fair consideration. Any credit extended under the terms of this Interim Order and the DIP Facility shall be deemed to have been extended in good faith by the DIP Lender, as the term "good faith" is used in Bankruptcy Code § 364(e).

(vi) *No Financing Available on More Favorable Terms.* The Debtors have sought to obtain financing from other sources and are unable to obtain credit allowable under Bankruptcy Code § 503(b)(1), or pursuant to Bankruptcy Code §§ 364(a) and (b), on terms more favorable to the Debtors than the terms of the DIP Facility.

(vii) *Final Hearing.* At the Final Hearing, the Debtors will seek final approval of the use of Cash Collateral and entry into the DIP Facility pursuant to the Final Order. Notice of the Final Hearing and Final Order will be provided in accordance with this Interim Order and no further notice, except as provided by this Interim Order, shall be required.

(viii) *Immediate Entry.* The Debtors have requested immediate entry of this Interim Order pursuant to Bankruptcy Rules 4001(b)(2) and (c)(2). The authorization granted herein on an interim basis to use the Prepetition Collateral, including without limitation, the Cash Collateral, and to enter into and obtain funding under the DIP Facility is necessary to avoid immediate and irreparable harm to the Debtors and their estates during the period beginning on the Petition Date through and including the earliest to occur of (x) the date of the entry of the Final Order by this Court and (y) that date (the "***Termination Date***") that is five Business Days (as defined in the Credit Agreement) (any such five-Business-Day period of time,

the "***Default Notice Period***") following the delivery of a written notice (any such notice, a "***Default Notice***") by the Prepetition Agent and the DIP Agent (collectively, the "***Agent***") to the Debtors, Vinson & Elkins LLP, the U.S. Trustee, and counsel to the Creditors' Committee, if any, of the occurrence of a Termination Event (as defined herein) unless such Termination Event is cured by the Debtors prior to the expiration of the Default Notice Period or such occurrence is waived by the Agent in its sole discretion. This Court concludes that the entry of this Interim Order is in the best interests of the Debtors and their estates and creditors because it will, among other things, allow the Debtors to maximize the value of their assets.

(ix) *Notice.* Notice of the Interim Hearing and the emergency relief requested in the Motion has been provided by the Debtors, whether by facsimile, email, overnight courier or hand delivery, to certain parties in interest, including: (a) the Office of the United States Trustee for the Northern District of Texas; (b) the Debtors' 30 largest unsecured creditors (on a consolidated basis); (c) those persons who have formally appeared in these chapter 11 cases and requested service pursuant to Bankruptcy Rule 2002; (d) the Internal Revenue Service; (e) all other applicable government agencies to the extent required by the Bankruptcy Rules or the Local Rules; (f) the Agent; (g) Scheef & Stone, L.L.P., as counsel to the Agent; and (h) all parties who are known, after reasonable inquiry, to have asserted a lien, encumbrance, or claim against the Prepetition Collateral. Under the circumstances, the notice given by the Debtors of the Motion, the relief requested therein, and the Interim Hearing constitutes appropriate notice thereof and complies with Bankruptcy Rules 2002, 4001(b), (c), and (d), and the applicable Local Rules, and no further notice of the interim relief granted herein is necessary or required.

BASED UPON THE STIPULATED TERMS SET FORTH HEREIN, THE RECORD OF THE INTERIM HEARING, THE FIRST DAY DECLARATION, AND THE FINDINGS OF FACT AND CONCLUSIONS OF LAW, IT IS HEREBY ORDERED, ADJUDGED, AND DECREED:

1. Motion Granted. The Motion is GRANTED to the extent provided herein on an interim basis. Any objection to the interim relief requested in the Motion to the extent not withdrawn or resolved is hereby overruled.

2. Authorization to Obtain Credit.

(a) The Debtors are authorized to obtain Postpetition Term Loans (as defined in the Credit Agreement) in an aggregate amount not to exceed $3,000,000 (on an interim basis), only in accordance with, and pursuant to the terms of, the Credit Agreement, the DIP Facility, this Interim Order, and the Budget, and solely to be used in accordance with the Budget .

(b) The DIP Facility Documents and the terms therein are approved in their entirety. The Debtors are authorized to execute, deliver, and perform under the DIP Facility Documents.

3. Superpriority Liens and Administrative Claims.

(a) Effective as of the Petition Date, the DIP Agent and the DIP Lender are entitled to and are hereby granted first-priority, priming liens and security interests pursuant to Bankruptcy Code §§ 364(c)(2), 364(c)(3), and 364 (d) (the "***DIP Liens***") to secure the DIP Facility, senior to all other liens and security interests, including the Adequate Protection Liens (as defined herein) granted pursuant to the terms of this Interim DIP Order, which DIP Liens shall secure all Postpetition Term Loans advanced under the DIP Facility (including, without limitation, principal and any other extensions of credit, interest, fees, and expenses) and other Postpetition Obligations (as defined in the Credit Agreement), but subject and subordinate only to Permitted Prior Liens (as defined herein, if any) and the Carve-Out.

(b) The DIP Liens granted hereby are effective as of the Petition Date and are valid and automatically perfected liens and security interests in and upon, and are hereby granted

in and attach to, any and all assets and properties of the Debtors and the Debtors' bankruptcy estates, now owned or hereafter acquired, real and personal, and the proceeds and products thereof (other than Avoidance Actions (as defined herein) or the proceeds thereof) (collectively, the "***DIP Collateral***," and together with the Prepetition Collateral and the Cash Collateral, the "***Collateral***"); *provided, however,* that the DIP Collateral may include a lien on the proceeds of Avoidance Actions to the extent allowed by the Court in accordance with the Final Order.

(c) Additionally, on account of the DIP Facility, the DIP Agent and the DIP Lender are hereby granted superpriority administrative claims (the "***DIP Superpriority Claim***") and all other benefits and protections allowable under Bankruptcy Code §§ 364(c)(1), 507(b) and 503(b)(1), senior in right to all other administrative claims against the Debtors' estates, except for the Carve-Out, to secure the Postpetition Term Loans and other Postpetition Obligations, provided that such superpriority administrative claims do not include Avoidance Actions or the proceeds thereof.

4. Authorization to Use Cash Collateral. The Debtors are authorized to use the Cash Collateral pursuant to the terms and conditions provided herein and in accordance with the Budget.

5. Budget.

(a) Except as otherwise provided herein, the Debtors may use Cash Collateral (including the advances under the DIP Facility) to pay up to: (i) the amounts set forth in the budget attached hereto as **Exhibit A** (as may be extended, amended, modified, or supplemented with the consent of the Agent and the Debtors or by further order of the Court, the "***Budget***"), subject to the Permitted Variance (as defined herein), or (ii) such additional amounts as may be expressly approved in writing by the Agent or by further order of the Court. As used herein, "***Permitted Variance***" shall mean the amount by which the actual aggregate disbursements in the Budget on a

weekly basis exceed the projected aggregate disbursements in the Budget for the same period by no more than ten percent (10%); *provided, however*, for purposes of calculating any Permitted Variance, the actual disbursements shall be exclusive of actual disbursements for (x) company-funded employee and participant medical premiums and costs ("***Medical Costs***") and (y) any Professional Fees of Debtors' Counsel (as defined herein). For avoidance of doubt, (x) there shall be no testing or Termination Event relating to projected receipts under the Budget, (y) the Budget shall not serve as a cap or limitation on the payment or amount of Medical Costs, and (z) the Professional Fees of Debtors' Counsel will be tested separately as described below. This authorization shall continue until the occurrence of the Termination Date, or, if sooner, until further order of the Court; *provided, however*, the occurrence of the Termination Date shall not prevent or prohibit the payment of any accrued but unpaid costs and expenses authorized in subsection (i) or (ii) of this paragraph to the extent such costs and expenses accrued prior to the Termination Date (such accrued costs and expenses, the "***Accrued Termination Date Claims***") or the Carve-Out.

(b) In the event that an expense budgeted in any line item in the Budget for payment during any particular week exceeds that amount actually paid in respect to such line item during such week (the difference between the budgeted amount and the amount actually paid, the "***Line Item Carry Forward Amount***"), the Debtors shall be authorized to use the Line Item Carry Forward Amount toward expenses in the same line item during any subsequent week within a four-week budgeted period thereafter (but solely to the extent that the amount actually paid during such subsequent week exceeds the amount budgeted for such week).

(c) As used herein, "***Termination Event***" shall mean the occurrence and continuance of any of the following:

1. the Debtors shall fail to comply with the disbursements under the Budget (subject to any Permitted Variance or other disbursements ordered or approved by the Court) or to perform in any material respect any of their obligations as provided in this Interim Order (subsequent to notice to and a five (5) Business Day cure right in favor of the Debtors);

2. the Debtors shall fail to pay any principal of the Postpetition Term Loans when the same become due and payable;

3. the Debtors shall fail to pay any interest on the Postpetition Term Loans or any fee or other amount due with respect to the Postpetition Obligations when such interest, fee, or other amount becomes due and payable, and such failure continues uncured for five (5) Business Days thereafter;

4. any representation or warranty made by any Debtor in the DIP Amendment or in any statement or certificate given after the effectiveness of the DIP Amendment by any Debtor in writing pursuant to any DIP Facility Document or in connection with any DIP Facility Document shall be false in any material respect on the date as of which made;

5. any of the Cases shall be dismissed or converted to a case under chapter 7 of the Bankruptcy Code; or a chapter 11 trustee or an examiner with expanded power (beyond those set forth in sections 1106(a)(3) and (4) of the Bankruptcy Code) under 1106(b) of the Bankruptcy Code shall be appointed in any of the Cases without the express prior written consent of the Agent;

6. (i) the Debtors shall not have filed with the Court, on the Petition Date, (A) a plan of reorganization (the "***Plan***"), (B) a disclosure statement relating to the Plan (the "***Disclosure Statement***"), and (C) a motion seeking to schedule a hearing to consider, among other things, (1) approval of the Disclosure Statement, (2) approval of the solicitation materials, which shall include procedures for soliciting, receiving, and tabulating votes on the Plan and for filing objections to the Plan, and (3) confirmation of the Plan, (ii) the Court shall not have entered, by November 30, 2018, the Final Order, (iii) the Court shall not have entered, by January 4, 2019, the Confirmation Order (as defined in the Plan), and (iv) the Debtors shall not have consummated the transactions contemplated by the Plan by January 22, 2019 unless such deadlines are extended by the DIP Lender;

7. any security interest, lien, or encumbrance, excluding Permitted Prior Liens and the Carve-Out, shall be granted in any of the DIP Collateral which is pari passu with or senior to the claims of the DIP Lender, without the express prior written consent of the Agent;

8. any provision of the DIP Facility Documents relating to the Postpetition Term Loans shall cease to be valid and binding on any Debtor, or any Debtor shall so assert in any pleading filed in any court;

9. any of the Debtors shall institute any proceeding or investigation, or support the same by any other Person who seeks to challenge the status, validity, priority, or unavoidability of the liens or security interests of the Prepetition Secured Parties securing the Prepetition Obligations; or

10. any "Event of Default" under Section 8.01(b) or Section 8.01(c) of the Credit Agreement occurs.

Upon the occurrence of the Termination Date (and save and except for the payment of Accrued Termination Date Claims and amounts payable under the Carve-Out), the authorization of the Debtors to use Cash Collateral and to obtain further advances under the DIP Facility shall automatically terminate absent further agreement of the Agent or further order of the Court and (a) Agent may file a motion and request an emergency hearing upon three (3) Business Days' written notice to obtain Court relief from the automatic stay of section 362(a) of the Bankruptcy Code in order to exercise any remedies with respect to the Collateral, and (b) the Debtors may file a motion and request an emergency hearing upon three (3) Business Days' written notice contesting whether a Termination Event or the Termination Date has occurred and seeking Court authority for the further use of Cash Collateral or other relief with respect to use of Cash Collateral or the DIP Facility. Notice in the preceding sentence shall be provided to counsel the Agent, the Debtors, any Committee and the office of the United States Trustee and shall specify the alleged Termination Event upon which the Termination Date is based.

(d) No less frequently than every four (4) weeks, commencing on December 3, 2018, the Debtors shall deliver to the Agent an updated proposed budget for the following 4-week period, which shall include the reasonably projected costs and expenses of administering the Cases (including payment of the allowed fees and expenses of professionals retained by the Debtors' estates and the Creditors' Committee, each, a "***Proposed Budget***"). The Proposed Budget shall become the Budget at such time as the Debtors have received a written response from the Agent agreeing to the Proposed Budget, provided further that within three (3) Business Days of the Agent's receipt of the Proposed Budget, the Agent shall provide a written response to Debtors or their counsel, detailing any objections it has to such Proposed Budget. Each successive Proposed Budget shall be of no force and effect unless and until it is approved by the Agent and until such

approval is given, the prior approved Budget shall remain in effect, subject to the Debtors' right to seek Court approval of the Proposed Budget by further order of the Court.

(e) Commencing on the first Wednesday following the entry of this Interim Order, and continuing every week thereafter, the Debtors shall be required to deliver to the Agent, a weekly variance report from the previous week comparing the actual receipts and disbursements of the Debtors with the projected receipts and disbursements in the Budget. Additionally, commencing on December 10, 2018 and continuing on the second Monday of each calendar month thereafter, Vinson & Elkins LLP ("***Debtors' Counsel***") shall provide Agent with a summary of fees and expenses accrued by Debtors' Counsel for the prior calendar month (excluding fees and expenses accrued prior the Petition Date) and for which Debtors' Counsel intends to submit for compensation and reimbursement. In the event such accrued fees and expenses for such calendar month exceed the amount set forth in the Budget for the applicable period (the "***Monthly Estimate***"), the Agent may declare a Termination Event in accordance with the terms and procedures set forth in this Interim Order; *provided, however*, that prior to declaring such Termination Event, the Agent and the Debtors shall meet and confer to discuss a good faith modification to the Budget and the Monthly Estimate regarding the fees and expenses of Debtors' Counsel. For the avoidance of doubt, the testing provided for the preceding sentence shall not serve as a cap or limitation on the allowance, payment or amount of the fees and expenses of Debtors' Counsel or the Carve-Out; *provided, however*, that such testing will not preclude Agent from declaring a Termination Event due to the amount of the fees and expenses of Debtors' Counsel. To the extent the amount of the actual fees and expenses of Debtors' Counsel for any calendar month is less the Monthly Estimate for such month, such amount may be rolled forward to increase the amount of the Monthly Estimate in any subsequent calendar month.

(f) The Debtors shall also provide the Agent with all reporting and other information, when and as required to be provided to the Agent under the Credit Agreement. In addition to, and without limiting whatever rights to access the Prepetition Lender has under the Prepetition Loan Documents, upon reasonable notice, at reasonable times during normal business hours, the Debtors shall permit representatives, agents, and employees of the Prepetition Lender and the DIP Lender to: (i) have access to and inspect the Debtors' assets; (ii) examine the Debtors' books and records, and (iii) to discuss the Debtors' affairs, finances, and/or condition with the Debtors' officers, financial advisors and/or the CRO.

(g) Except as otherwise set forth in this Interim Order or the Budget (subject to the Permitted Variance), and unless otherwise authorized by order of the Court, the Debtors shall not use Cash Collateral or advances made under the DIP Facility for (i) payment of any prepetition indebtedness or obligations of, or prepetition claims against, the Debtors or (ii) to object to or challenge in any way (x) the amount or validity of the Prepetition Obligations or (y) the claims, liens, or interests held by or on behalf of the Prepetition Secured Parties; *provided, however*, if a Creditors' Committee is appointed, not more than $25,000 in the aggregate of any Cash Collateral or any proceeds of the DIP Facility may be used by such Creditors' Committee for purposes of investigating such claims, liens, or interests of the Prepetition Secured Parties.

6. Insurance. At all times the Debtors shall maintain casualty and loss insurance coverage for the Collateral on substantially the same basis as maintained prior to the Petition Date.

7. Adequate Protection.

(a) Adequate Protection Liens. Pursuant to sections 361 and 363(e) of the Bankruptcy Code, and in consideration of the stipulations and consents set forth herein, as adequate protection for any postpetition diminution in value of the Prepetition Lender's interest in

the Prepetition Collateral (including the Cash Collateral) (any "***Diminution in Value***"), the Prepetition Agent, for the benefit of itself and the Prepetition Lender, is hereby granted, to the extent of any Diminution in Value of the Prepetition Collateral, additional and replacement valid, binding, enforceable, non-avoidable, and automatically perfected postpetition security interests in and liens upon (the "***Adequate Protection Liens***"), without the necessity of the execution by the Debtors (or recordation or other filing) of security agreements, control agreements, pledge agreements, financing statements, mortgages, or other similar documents, all property, whether now owned or hereafter acquired or existing and wherever located, of each Debtor that is an obligor under the Prepetition Credit Agreement and each such Debtor's "estate" (as created pursuant to section 541(a) of the Bankruptcy Code), of any kind or nature whatsoever, real or personal, tangible or intangible, and now existing or hereafter acquired or created (other than Avoidance Actions and proceeds of Avoidance Actions), and all products and proceeds of the foregoing, whether in existence on the Petition Date or thereafter created, acquired, or arising and wherever located (collectively, the "***Postpetition Collateral***"), such Adequate Protection Liens having the priority set forth in Paragraph 7(b) below; *provided*, *however*, the Adequate Protection Liens may include a lien on the proceeds of Avoidance Actions to the extent allowed by the Court in accordance with the Final Order. ("***Avoidance Actions***" means any causes of action under sections 502(d), 544, 545, 547, 548, 549, 550, 551 or 553 of the Bankruptcy Code and any other avoidance actions under the Bankruptcy Code or any similar statutes under any applicable state or federal law.)

(b) Priority of Adequate Protection Liens. Subject to the terms of this Interim Order, the Adequate Protection Liens shall be junior and subordinate only to: (A) the Carve-Out; (B) the DIP Liens; (C) the Prepetition Liens of the Prepetition Agent; and (D) other (i) valid,

properly perfected and unavoidable liens in favor of third parties that were in existence immediately prior to the Petition Date and (ii) valid and unavoidable permitted liens in favor of third parties that were in existence immediately prior to the Petition Date that were properly perfected subsequent to the Petition Date as permitted by section 546(b) of the Bankruptcy Code ((i) and (ii) together, the "***Permitted Prior Liens***"). Except as described to the contrary in the immediately preceding sentence, the Adequate Protection Liens shall otherwise be senior to all other security interests in, liens on, or claims against any of the Prepetition Collateral and Postpetition Collateral and any other property of the Debtors that are obligors under the Prepetition Credit Agreement.

(c) Carve-Out. For purposes hereof, the "**Carve-Out**" shall mean an amount equal to the sum of the following: (i) all fees required to be paid to the Clerk of the Bankruptcy Court and to the U.S. Trustee under section 1930(a) of title 28 of the United States Code (and, with respect to the U.S. Trustee, in such amount as is agreed to by the U.S. Trustee or determined by the Court) plus interest at the statutory rate (without regard to the Carve-Out Trigger Notice (as defined herein)); plus (ii) reasonable fees and expenses incurred by a trustee under section 726(b) of the Bankruptcy Code in an amount not to exceed $25,000 (without regard to the notice set forth in (iv) below); plus (iii) all accrued but unpaid costs, fees, and expenses (the "***Professional Fees***") incurred by persons or firms retained by either the Debtors pursuant to sections 327, 328, or 363 of the Bankruptcy Code (collectively, the "***Debtor Professionals***") or retained by any official committee appointed in these Cases pursuant to section 1103 of the Bankruptcy Code, including the Creditors' Committee (the "***Committee Professionals***" and the Debtor Professionals, collectively, the "***Professional Persons***") at any time before or on the first Business Day following delivery by the Agent of a Carve-Out Trigger Notice, whether allowed by the Court prior to or

after delivery of a Carve-Out Trigger Notice (x) in the case of the Debtor Professionals, to the extent allowed at any time whether allowed by interim order, final order, or procedural order and (y) in the case of the Committee Professionals, in an aggregate amount not to exceed $ 50,000 per month, whether allowed by interim order, final order, or procedural order (the amounts set forth in the foregoing clauses (x) and (y) are collectively referred to as the "***Pre-Termination Amount***"); and (iv) after the first Business Day following delivery by the Agent of the Carve-Out Trigger Notice, to the extent allowed at any time, whether by interim order, final order, or procedural order, the payment of Professional Fees of Professional Persons in an aggregate amount not to exceed $50,000 (the "***Post-Termination Amount***," and together with the Pre-Termination Amount, the "***Professional Fees Amount***"); *provided,* that nothing herein shall be construed to impair the ability of any party to object to the retention of any Professional Person and/or any fees, expenses, reimbursement, or compensation described in preceding clauses (iii) and (iv). Notwithstanding the foregoing, so long as a Carve-Out Trigger Notice has not been issued, the Debtors shall be permitted to pay fees to Debtor Professionals and reimburse expenses incurred by Debtor Professionals that are allowed by the Court (and payable under sections 328, 330, and 331 of the Bankruptcy Code and compensation procedures approved by the Court) as set forth in this Interim Order. For purposes of the foregoing, "***Carve-Out Trigger Notice***" shall mean a written notice delivered by the Agent to the Debtors and their counsel, the U.S. Trustee, and counsel to the Creditors' Committee, if any, providing notice that the Termination Date has occurred. For the avoidance of doubt, and notwithstanding anything to the contrary herein, in the DIP Facility Documents, or in the Prepetition Loan Documents, the Carve-Out shall be senior to any and all liens on, claims against, or obligations secured by any of the Debtors' assets or property, including Cash Collateral, all liens, claims, and/or obligations arising under, related to, and/or securing the

Prepetition Loan Documents, the Prepetition Obligations, the Adequate Protection Liens, the Adequate Protection Superpriority Claim, the DIP Facility, the DIP Facility Documents, the Postpetition Obligations, the DIP Superpriority Claim, and any and all other forms of adequate protection, liens, or claims securing obligations arising under the DIP Facility or the Prepetition Obligations.

(d) Carve-Out Account. Immediately upon delivery of a Carve-Out Trigger Notice, and prior to the payment to (i) the Prepetition Secured Parties on account of the Adequate Protection Liens, Adequate Protection Superpriority Claim, Prepetition Liens, Prepetition Obligations, or otherwise, or (ii) the DIP Secured Parties on account of the DIP Liens, DIP Superpriority Claim, Postpetition Obligations, or otherwise, the Debtors shall be required to deposit, in a segregated account not subject to the control of the Prepetition Secured Parties or the DIP Secured Parties (the "***Carve-Out Account***"), an amount equal to the Professional Fees Amount. The funds on deposit in the Carve-Out Account shall be available only to satisfy obligations benefiting from the Carve-Out, and the Prepetition Secured Parties and the DIP Secured Parties (x) shall not sweep or foreclose on cash of the Debtors necessary to fund the Carve-Out Account and (y) shall not have a security interest upon any residual interest in the Carve-Out Account available following satisfaction in cash in full of all obligations benefiting from the Carve-Out. To the extent cash on hand and availability and/or proceeds of any other postpetition financing facility are not sufficient to fully fund the Carve-Out Account, the Carve-Out Trigger Notice shall be deemed to constitute a draw request and notice of borrowing by the Debtors for advances under the DIP Facility to fully fund the Carve-Out Account. On the first Business Day after delivery of the Carve-Out Trigger Notice, notwithstanding anything in the DIP Facility Documents to the contrary, including with respect to the existence of a Default or Event of Default

(each as defined in the Credit Agreement) or a Termination Event hereunder, the failure of the Debtors to satisfy any or all of the conditions precedent for advances under the DIP Facility, any termination of the commitments thereunder or hereunder following an Event of Default or a Termination Event, the DIP Lender shall advance and fund as an additional loan or a Protective Advance (as defined in the Credit Agreement) under the DIP Facility the amount required to fully fund the Carve-Out Account.

(e) Adequate Protection Superpriority Claims. Subject and subordinate to the Carve-Out in all respects, as further adequate protection, and to the extent provided by sections 503(b) and 507(b) of the Bankruptcy Code, the Prepetition Agent is hereby granted, for the benefit of itself and the Prepetition Lender, an allowed administrative expense claim in the Cases of the Debtors who are obligors under the Prepetition Credit Agreement ahead of and senior to any and all other administrative expense claims in such Cases (other than the DIP Superpriority Claim) to the extent of any postpetition Diminution in Value (the "***Adequate Protection Superpriority Claim***").

8. Reservation of Certain Third Party Rights and Bar of Challenge and Claims. The Debtors' admissions contained in paragraph E of this Interim Order: (i) shall be binding upon the Debtors for all purposes; and (ii) shall be binding upon all other parties in interest for all purposes unless (1) a party (subject in all respects to any agreement or applicable law which may limit or affect such entities' right or ability to do so) has properly filed an adversary proceeding or contested matter on or before the earlier of (a) the date of the hearing scheduled to consider confirmation of a chapter 11 plan in any of the Cases and (b) December 31, 2018 (the earlier of such date, the "***Challenge Deadline***") (x) challenging the amount, validity, enforceability, priority, or extent of the Prepetition Obligations or the Prepetition Secured Parties' security interests in and

liens upon the Prepetition Collateral, or (y) otherwise asserting any claims or causes of action against the Prepetition Secured Parties on behalf of the Debtors' estates, and (2) the Court rules in favor of the plaintiff in any such timely and properly filed adversary proceeding or contested matter. If no such adversary proceeding or contested matter is properly filed as of such date or the Court does not rule in favor of the plaintiff in any such proceeding (which ruling on standing, if appealed, shall not stay or otherwise delay the Cases or confirmation of any plan of reorganization), then: (a) the Debtors' admissions contained in paragraph E of this Interim Order shall be binding on all parties in interest; (b) the Prepetition Obligations shall constitute allowed claims for all purposes in the Cases; (c) the Prepetition Secured Parties' security interests in and liens upon the Prepetition Collateral shall be deemed to have been, as of the Petition Date, legal, valid, binding, and perfected security interests and liens; and (d) the Prepetition Obligations and the Prepetition Secured Parties' security interests in and liens upon the Prepetition Collateral shall not be subject to any other or further challenge by any party in interest seeking to exercise the rights of the Debtors' estates, including, without limitation, any successor thereto. Nothing contained in this Interim Order shall be deemed to grant standing to any party to commence any such adversary proceeding or contested matter.

9. Reversal, Modification, Vacatur, or Stay. Any reversal, modification, vacatur, or stay of any or all of the provisions of this Interim Order (other than in accordance with the Final Order) shall not affect the validity or enforceability of any DIP Lien, DIP Superpriority Claim, Adequate Protection Lien, Adequate Protection Superpriority Claim, or any claim, lien, security interest, or priority authorized or created hereby with respect to any DIP Lien or Adequate Protection Lien, incurred prior to the effective date of such reversal, modification, vacatur, or stay. Notwithstanding any reversal, modification, vacatur, or stay (other than in accordance with the

Final Order), (a) this Interim Order shall govern, in all respects, any (i) use of Cash Collateral, (ii) financing under the DIP Facility, (iii) DIP Lien, (iv) DIP Superpriority Claim, (v) Adequate Protection Lien, or (vi) Adequate Protection Superpriority Claim incurred by the Debtors prior to the effective date of such reversal, modification, vacatur, or stay, and (b) the Prepetition Secured Parties and the DIP Secured Parties shall be entitled to all the benefits and protections granted by this Interim Order with respect to such relief.

10. Reservation of Rights. Except as otherwise expressly set forth herein, the entry of this Interim Order is without prejudice to, and does not constitute a waiver of, expressly or implicitly, or otherwise impair: (a) the Prepetition Agent's or Prepetition Lender's rights to seek any other or supplemental relief including the right to seek additional adequate protection at the Final Hearing; (b) any of the rights of the Prepetition Agent or Prepetition Lender under the Bankruptcy Code or under non-bankruptcy law, including, without limitation, the right of the Prepetition Agent or Prepetition Lender to (i) request modification of the automatic stay of section 362 of the Bankruptcy Code, (ii) request dismissal of any of the Cases, conversion of any of the Cases to cases under chapter 7, or appointment of a chapter 11 trustee or examiner with expanded powers in any of the Cases, (iii) seek to propose, subject to the provisions of section 1121 of the Bankruptcy Code, a chapter 11 plan or plans; or (c) any other rights, claims, or privileges (whether legal, equitable, or otherwise) of the Prepetition Agent or Prepetition Lender. The Debtors reserve all rights with respect to any actions provided for in the preceding sentence. Except to the extent otherwise expressly provided in this Interim Order, neither the commencement of these Cases nor entry of this Order shall limit or otherwise modify the rights and remedies of the Prepetition Agent or Prepetition Lender with respect to non-Debtor entities or their respective assets, whether such rights and remedies arise under the Prepetition Loan Documents, applicable law, or equity. The

entry of the Interim Order is without prejudice to, and does not constitute a waiver of, expressly or implicitly, or otherwise impair the Debtors' right to seek further use of Cash Collateral after the occurrence of the Termination Date or if the Agent fails to timely consent to a Proposed Budget.

11. Findings of Fact and Conclusions of Law. This Interim Order shall constitute findings of fact and conclusions of law and shall take effect and be fully enforceable *nunc pro tunc* to the Petition Date immediately upon the entry thereof. To the extent that any findings of fact are determined to be conclusions of law, such findings of fact shall be adopted as such; and to the extent that any conclusions of law are determined to be findings of fact, such conclusions of law shall be adopted as such Final Hearing.

12. No Waiver for Failure to Seek Relief. The failure or delay of the Agent to seek relief or otherwise exercise any of its rights and remedies under this Interim Order, the Prepetition Loan Documents, the DIP Facility Documents, or applicable law, as the case may be, shall not constitute a waiver of any rights hereunder, thereunder, or otherwise, by the Agent.

13. Section 507(b) Reservation. Subject to the Carve-Out, nothing herein shall impair or modify the application of section 507(b) of the Bankruptcy Code in the event that the adequate protection provided to the Prepetition Secured Parties hereunder is insufficient to compensate for any Diminution in Value of their interests in the Prepetition Collateral during the Cases. Nothing contained herein shall be deemed a finding by the Court, or an acknowledgment by any of the Prepetition Secured Parties, that the adequate protection granted herein does in fact adequately

protect the Prepetition Secured Parties against any diminution in value of their respective interests in the Prepetition Collateral (including the Cash Collateral).

14. Section 552(b) Waiver. In the Final Order, the Debtors will request that the Agent (except to the extent of the Carve-Out) be entitled to all of the rights and benefits of Bankruptcy Code section 552(b) and the "equities of the case" exception shall not apply.

15. Section 506(c) Waiver. In the Final Order, the Debtors will request, in consideration of the treatment and priority afforded the Carve-Out hereunder, that neither the Prepetition Collateral, nor the Collateral, nor the Prepetition Lender shall be subject to any surcharge, pursuant to sections 506(c) or 105(a) of the Bankruptcy Code or otherwise, of the Debtors or any other party in interest without the prior written consent of the Prepetition Agent, except to the extent of the Carve-Out.

16. No Marshalling/Application of Proceeds. In the Final Order, the Debtors will request that the Prepetition Agent (except to the extent of the Carve-Out) be entitled to apply the payments or proceeds of the Prepetition Collateral and the Postpetition Collateral in accordance with the provisions of the Prepetition Loan Documents, and, subject to entry of the Final Order, in no event shall the Prepetition Secured Parties be subject to the equitable doctrine of "marshalling" or any other similar doctrine with respect to any of the Prepetition Collateral or the Postpetition Collateral.

17. Final Hearing. The final hearing on the Motion shall be held on November [__], 2018, at __:__ _.m., prevailing Central Time. Any objections or responses to entry of a final order on the Motion shall be filed on or before 4:00 p.m., prevailing Central Time, on November [__], 2018, and shall be served on: (a) the Debtors; (b) proposed counsel to the Debtors, Vinson & Elkins LLP, at (i) Trammell Crow Center, 2001 Ross Avenue, Suite 3900, Dallas, Texas 75201

Attn: Paul E. Heath and Garrick C. Smith, and (ii) 666 Fifth Avenue, 26th Floor, New York, New York 10103 Attn: David S. Meyer and Jessica C. Peet; (c) the Office of the United States Trustee for the Northern District of Texas; (d) the official committee of unsecured creditors (if any) appointed in these chapter 11 cases and their counsel; (e) the Agent, at 4055 Valley View Ln, Suite 500, Dallas, Texas 75244 Attn: Tim Comer; and (f) counsel to the Agent, Scheef & Stone, L.L.P., at 500 N. Akard, Suite 2700, Dallas, Texas 75201 Attn: Peter Lewis and Scheef & Stone, L.L.P., at 2600 Network Blvd., Suite 400, Frisco, Texas 75034 Attn: Byron Henry. Any responses or objections to the Motion shall be made in writing, conform to the applicable Bankruptcy Rules and Local Rules, be filed with the Bankruptcy Court, set forth the name of the objecting party, the basis for the objection, and the specific grounds therefor.

18. Service. Within three (3) Business Days after entry of this Interim Order, the Debtors shall serve, or cause to be served, by first class mail or other appropriate method of service, a copy of the Motion (to the extent the Motion was not previously served on a party) and this Interim Order on (i) the Notice Parties (as defined in the Motion), and (ii) counsel to any Creditors' Committee.

19. Order Effective Upon Entry. Notwithstanding any applicability of any Bankruptcy Rules (including, without limitation, Bankruptcy Rules 4001(a)(3), 6003(a), and 6004(h)), the terms and conditions of this Interim Order shall be immediately effective and enforceable upon its entry.

20. Retention of Jurisdiction. The Court has and will retain jurisdiction to enforce this Interim Order in accordance with its terms and to adjudicate any and all matters arising from or related to the interpretation or implementation of this Interim Order.

END OF ORDER # #

Submitted by:

VINSON & ELKINS LLP

/s/ [-]
Paul E. Heath (TX 09355050)
Garrick C. Smith (TX 24088435)
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Tel: 214.220.7700
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pheath@velaw.com; gsmith@velaw.com;

- and -

David S. Meyer (*pro hac vice* pending)
Jessica C. Peet (*pro hac vice* pending)
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dmeyer@velaw.com; jpeet@velaw.com

PROPOSED COUNSEL FOR THE DEBTORS

Exhibit A

TB Holdings II, Inc. and Subsidiaries
Proposed 60 Day DIP Cash Flow Forecast
$ in 000s

	Post	Post	Post	Post	Post	Post	Post	Post	Post	11/5/18 - 12/31/18	Post	11/5/18 - 12/31/18 Plus Terminal
Week Ended	Forecast 11/5/2018	Forecast 11/12/2018	Forecast 11/19/2018	Forecast 11/26/2018	Forecast 12/3/2018	Forecast 12/10/2018	Forecast 12/17/2018	Forecast 12/24/2018	Forecast 12/31/2018	Total	Forecast Terminal	Total
Forecast Week	1	2	3	4	5	6	7	8	9			
Operating Cash Flow												
Receipts												
Operating Receipts	$ 2,504	$ 2,252	$ 2,252	$ 2,252	$ 2,252	$ 2,132	$ 2,132	$ 2,132	$ 2,132	$ 20,037	$ -	$ 20,037
Miscellaneous Receipts	18	18	263	18	18	18	195	18	1,590	2,156	-	2,156
Total Receipts	**$ 2,522**	**$ 2,270**	**$ 2,515**	**$ 2,270**	**$ 2,270**	**$ 2,150**	**$ 2,326**	**$ 2,150**	**$ 3,722**	**$ 22,193**	**$ -**	**$ 22,193**
Disbursements												
Employee Payroll and Payroll Taxes	$ (399)	$ (1,336)	$ (399)	$ (1,323)	$ (395)	$ (1,323)	$ (395)	$ (1,369)	$ (409)	$ (7,349)	$ -	$ (7,349)
Employee Benefits	(61)	(56)	(125)	(56)	(61)	(56)	(125)	(56)	(61)	(660)	-	(660)
Food Cost (Sygma)	(711)	(629)	(629)	(629)	(629)	(596)	(596)	(596)	(596)	(5,611)	-	(5,611)
Income, Property, Sales Taxes	-	-	(965)	(19)	-	-	-	(952)	(455)	(2,390)	-	(2,390)
Rent	-	-	-	-	(991)	-	-	-	-	(991)	-	(991)
Insurance	(174)	(25)	(25)	(50)	(124)	(25)	(25)	(50)	(124)	(622)	-	(622)
CapEx and R&M	(66)	(46)	(96)	(46)	(66)	(46)	(46)	(46)	(66)	(523)	-	(523)
Marketing / Advertising	(1,088)	-	-	-	(408)	-	-	-	-	(1,495)	-	(1,495)
Utilities	(85)	(85)	(85)	(85)	(85)	(85)	(85)	(85)	(85)	(765)	-	(765)
Other Operating Disbursements	(94)	(233)	(380)	(200)	(200)	(207)	(237)	(207)	(207)	(1,965)	-	(1,965)
Total Operating Disbursements	**$ (2,678)**	**$ (2,410)**	**$ (2,704)**	**$ (2,409)**	**$ (2,959)**	**$ (2,338)**	**$ (1,509)**	**$ (3,361)**	**$ (2,003)**	**$ (22,370)**	**$ -**	**$ (22,370)**
Operating Cash Flow (Including Tax Refund)	**$ (156)**	**$ (140)**	**$ (189)**	**$ (139)**	**$ (690)**	**$ (188)**	**$ 818**	**$ (1,211)**	**$ 1,719**	**$ (177)**	**$ -**	**$ (177)**
Restructuring Costs												
Restructuring Professional Fees	$ -	$ -	$ -	$ -	$ (1,275)	$ -	$ -	$ -	$ (1,585)	$ (2,860)	$ (1,950)	$ (4,810)
DIP Loan Interest and Fees	(106)	-	-	-	(25)	-	-	-	(35)	(167)	(43)	(209)
Critical Vendors (Priority Liens, PACA, & 503(b)(9), etc.)	(100)	(100)	(100)	-	-	-	-	-	-	(300)	-	(300)
Stub Rent	-	-	-	-	-	-	-	-	-	-	-	-
Rent Cure	-	-	-	-	-	-	-	-	-	-	(1,579)	(1,579)
Management Compensation	(85)	-	-	-	-	-	-	-	(85)	(170)	(580)	(750)
Utility Adequate Assurance	-	-	(229)	-	-	-	-	-	-	(229)	-	(229)
Wind Down Expenses	-	-	-	-	-	-	-	-	-	-	(250)	(250)
Total Restructuring Costs	**$ (291)**	**$ (100)**	**$ (329)**	**$ -**	**$ (1,300)**	**$ -**	**$ -**	**$ -**	**$ (1,705)**	**$ (3,726)**	**$ (4,402)**	**$ (8,128)**
Total Disbursements	**$ (2,969)**	**$ (2,510)**	**$ (3,033)**	**$ (2,409)**	**$ (4,260)**	**$ (2,338)**	**$ (1,509)**	**$ (3,361)**	**$ (3,708)**	**$ (26,096)**	**$ (4,402)**	**$ (30,497)**
Net Cash Flow	**$ (448)**	**$ (240)**	**$ (519)**	**$ (139)**	**$ (1,990)**	**$ (188)**	**$ 818**	**$ (1,211)**	**$ 14**	**$ (3,903)**	**$ (4,402)**	**$ (8,304)**
Beginning Cash Balance	$ 450	$ 3,002	$ 2,762	$ 2,244	$ 2,105	$ 2,115	$ 1,926	$ 3,744	$ 2,533	$ 450	$ 5,047	$ 450
Net Transfers	-	-	-	-	-	-	-	-	-	-	-	-
Net Cash Flow	(448)	(240)	(519)	(139)	(1,990)	(188)	818	(1,211)	14	(3,903)	(4,402)	(8,304)
DIP Draw	3,000	-	-	-	2,000	-	1,000	-	2,500	8,500	-	8,500
Ending Cash Balance	**$ 3,002**	**$ 2,762**	**$ 2,244**	**$ 2,105**	**$ 2,115**	**$ 1,926**	**$ 3,744**	**$ 2,533**	**$ 5,047**	**$ 5,047**	**$ 646**	**$ 646**
DIP Loan Balance												
Opening DIP Balance	$ -	$ 3,000	$ 3,000	$ 3,000	$ 3,000	$ 5,000	$ 5,000	$ 6,000	$ 6,000	$ -	$ -	$ -
DIP Draw / (Paydown)	3,000	-	-	-	2,000	-	1,000	-	2,500	8,500	-	8,500
Ending DIP Loan Balance	**$ 3,000**	**$ 3,000**	**$ 3,000**	**$ 3,000**	**$ 5,000**	**$ 5,000**	**$ 6,000**	**$ 6,000**	**$ 8,500**	**$ 8,500**	**$ -**	**$ 8,500**
DIP Loan Availability	**$ 5,500**	**$ 5,500**	**$ 5,500**	**$ 5,500**	**$ 3,500**	**$ 3,500**	**$ 2,500**	**$ 2,500**	**$ -**			

Exhibit C to the Restructuring Support Agreement

Subsidiaries

DEBTORS

1. CBI Restaurants, Inc.
2. Taco Bueno Equipment Company
3. Taco Bueno Franchise Company L.P.
4. Taco Bueno Restaurants, Inc.
5. Taco Bueno Restaurants L.P.
6. Taco Bueno West, Inc.
7. TB Corp.
8. TB Holdings II, Inc.
9. TB Holdings II Parent, Inc.
10. TB Kansas LLC

Exhibit D to the Restructuring Support Agreement

Form of Transferee Joinder

Form of Transferee Joinder

This joinder (this "***Joinder***") to the Restructuring Support Agreement (the "***Agreement***"),[4] dated as of **[__]**, 2017, by and among (i) TB Holdings II Parent, Inc. ("***Holdings***"), TB Corp. (the "***Borrower***"), and those certain additional subsidiaries thereof listed on **Exhibit C** to the Agreement (such subsidiaries, Holdings, and Borrower, each a "***Debtor***" and, collectively, the "***Debtors***") and (ii) Taco Supremo, is executed and delivered by [_____] (the "***Joining Party***") as of [_____].

1. Agreement to be Bound. The Joining Party hereby agrees to be bound by all of the terms of the Agreement, a copy of which is attached to this Joinder as Annex 1 (as the same has been or may be hereafter amended, restated, or otherwise modified from time to time in accordance with the provisions thereof). The Joining Party shall hereafter be deemed to be a Party for all purposes under the Agreement.

2. Representations and Warranties. The Joining Party hereby represents and warrants to each other Party to the Agreement that, as of the date hereof, such Joining Party (a) is the legal or beneficial holder of, and has all necessary authority (including authority to bind any other legal or beneficial holder) with respect to, the claims and interests identified below its name on the signature page hereof, and (b) makes, as of the date hereof, the representations and warranties set forth in Section 17 of the Agreement to each other Party.

3. Governing Law. This Joinder shall be governed by and construed in accordance with the internal laws of the State of Texas, without regard to any conflicts of law provisions which would require or permit the application of the law of any other jurisdiction.

4. Notice. All notices and other communications given or made pursuant to the Agreement shall be sent to:

To the Joining Party at:

[JOINING PARTY]
[ADDRESS]
Attn:
Facsimile: [FAX]
EMAIL:

IN WITNESS WHEREOF, the Joining Party has caused this Joinder to be executed as of the date first written above.

[4] Each capitalized term used herein but not otherwise defined shall have the meaning ascribed to it in the Agreement.

[JOINING PARTY]

By:

Name:

Title:

Holdings: $_____ of principal amount of Senior Lender Claims under the Credit Agreement

Annex 1 to the Form of Transferee Joinder