



Vendor FAQ

General Information

1. What did Taco Bueno announce?

- Recently, an affiliate of Sun Holdings, Inc. purchased all of our outstanding bank debt, becoming our largest creditor.
- Taco Bueno has entered into an agreement with an affiliate of Sun Holdings, Inc. and certain of its other stakeholders on a financial restructuring plan that will position the Company for long-term health and success.
- Under the plan, Sun Holdings will become the owner of Taco Bueno, and they intend to invest in remodeling our restaurants, increasing brand initiatives and enhancing the customer experience.
- To implement this plan, Taco Bueno filed voluntary Chapter 11 petitions and a prepackaged plan of reorganization.
- During this process, we expect to continue operating restaurants across Texas, Oklahoma, Arkansas, Kansas, Louisiana and Missouri.
- We expect to complete our corporate restructuring quickly and efficiently.

2. Why did Taco Bueno have to take these actions?

- Over the past several months, our new management team has been taking action to reinvigorate Taco Bueno and strengthen our company for the future.
- We have done this by focusing on the guest experience, introducing new, delicious menu offerings and reinvesting in and remodeling our restaurants.
- While there is more work for us to do to address Taco Bueno's financial position, this announcement is a decisive step forward.
- Sun Holdings knows our business and our region, and has a deep understanding of the quick service space from operating such brands as Burger King, Popeyes, Arby's, Golden Corral and Krispy Kreme.
- We are confident that this financial restructuring is the best path forward for Taco Bueno, our employees and our many customers going forward into the future.

3. Is Taco Bueno going out of business?

- No. During this process, we expect to continue operating restaurants across Texas, Oklahoma, Arkansas, Kansas, Louisiana and Missouri.
- Guests can continue to expect freshly prepared meals made by real cooks, in real kitchens, using real ingredients.

4. Who is Sun Holdings?

- Sun Holdings is a multi-concept franchisee based in Dallas, Texas, with more than 800 locations across eight states.
- Currently ranked as one of the largest franchisees in the United States, Sun Holdings knows our business and our region, and has a deep understanding of the quick service space from operating such brands as Burger King, Popeyes, Arby's, Golden Corral and Krispy Kreme.
- You can read more on their website, www.sunholdings.net.



5. What is Chapter 11?

- Chapter 11 is a well-established legal process that many companies, including a number of restaurant chains, have used successfully to address their financial challenges while continuing to operate in the normal course.
- It is intended to facilitate a reorganization of the Company, not a liquidation or going out of business. We will remain open and operational.

6. When is Taco Bueno expected to emerge from Chapter 11?

- Thanks to the work we have done over the past several months, and the participation of Sun Holdings, we expect to complete our corporate restructuring quickly and efficiently.
- We will keep you informed of important milestones as we move forward.

7. Can you provide more detail on the Company's financing for this process and going forward?

- Prior to the filing, the Sun Holdings affiliate acquired all of Taco Bueno's outstanding bank debt and has provided a commitment for up to \$10 million in debtor-in-possession ("DIP") financing that, subject to court approval, will support the Company's operations during the financial restructuring process.
- Under the terms of the Company's prepackaged plan of reorganization, Sun Holdings would become the owner of Taco Bueno through a debt-for-equity swap.
- Our employees can expect to be paid and receive compensation, health and 401(k) benefits in the normal course of business throughout this process
- Our suppliers can expect to be paid in the normal course of business for goods and services delivered on or after November 6, 2018.

8. Will any restaurants close as a result of the Chapter 11 announcement?

- As usual, we will continue to evaluate our restaurant portfolio based on business demand and traffic patterns in order to better serve our guests.

Vendor Information

9. What is a Claims Agent? Who is Taco Bueno's Claims Agent?

- A Claims Agent is a professional firm appointed by the court to assist with administrative aspects of the Chapter 11 filing and collection of proofs of claim, among other responsibilities.
- Vendors with questions regarding goods and services delivered prior to November 6, 2018, can contact the hotline maintained by our claims agent, Prime Clerk, at 844-721-3891 (U.S. and Canada toll-free) and 347-338-6512 (International).
- Prime Clerk has also set up a website, which includes court documents and other information. You can visit the site at <https://cases.primeclerk.com/tacobueno>.

10. Will Taco Bueno pay my pre-petition invoice for goods and services provided prior to November 6, 2018?

- As is customary, pre-petition amounts are addressed through the Chapter 11 case.
- Taco Bueno cannot pay claims for goods and services delivered prior to our filing on November 6, 2018, without specific court approval.
- Vendors with questions regarding goods and services delivered prior to November 6, 2018, call the hotline maintained by our claims agent, Prime Clerk, at 844-721-3891 (U.S. and Canada toll-free) and 347-338-6512 (International).



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11. When will I be paid for goods and services delivered prior to Taco Bueno's filing? Is there anything I can do to expedite this process?

- Taco Bueno cannot pay claims for goods and services delivered prior to our filing on November 6, 2018, without specific court approval.
- Payment for goods and services delivered prior to our filing will be address through the Chapter 11 process.

12. What assurances can you provide that my company will be paid for goods and services provided to Taco Bueno in the future?

- Taco Bueno expects to pay vendors in the normal course for all goods and services delivered on or after November 6, 2018.
- The Sun Holdings affiliate has provided a commitment for up to \$10 million in debtor-in-possession ("DIP") financing that, subject to court approval, will support the Company's operations during the financial restructuring process.

13. Will there be a critical vendor motion? How will I know if I am included in the motion?

- Yes. Taco Bueno has asked for authority to honor the pre-petition claims of certain critical vendors and expect to receive court approval for these requests.
- We will coordinate with vendors via normal channels to discuss critical vendor eligibility.

14. Why should I continue supplying Taco Bueno with goods and/or services?

- Taco Bueno expects to pay vendors in the normal course for all goods and services delivered on or after November 6, 2018.
- With the support of our partner Sun Holdings, the Company will be able to maintain normal operations during the financial restructuring process.
- The Sun Holdings affiliate has provided a commitment for up to \$10 million in debtor-in-possession ("DIP") financing that, subject to court approval, will support the Company's operations during the financial restructuring process.
- Our vendor relationships are extremely important to us, and we appreciate the support you have shown us to date.

15. What determines whether an invoice is a pre-petition or post-petition claim? What's the difference?

- Goods and services delivered prior to Taco Bueno's November 6, 2018, filing are considered pre-petition and will be address through the Chapter 11 process.
- Goods and services delivered on or after our filing date are considered post-petition and will be paid in the normal course.
- In making this distinction, the key factor is not the invoice date but when the goods and services were delivered and Taco Bueno became legally responsible for the payment.

16. My company issued an invoice after the filing date for goods or services provided prior to the filing. Is it pre-petition or post-petition?

- The key factor is not the invoice date but rather when the goods and services were delivered and Taco Bueno became legally responsible for payment.
- If this date is prior to our filing date, the claim will be considered pre-petition, regardless of the date of the invoice.



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17. Can my company re-issue an invoice to expedite payment?

- The determination of whether a claim is paid in the normal course or addressed through the Chapter 11 process is based on the date the goods or services were delivered, not on the date of the invoice.
- Accordingly, your claim cannot be expedited by reissuing the invoice.

18. Can vendors apply payments made after the filing to pre-petition invoices?

- No. Vendors must maintain a distinction between receivables for goods and services provided to Taco Bueno before the Chapter 11 filing and receivables for goods and services provided after the filing.

19. Will Taco Bueno continue to order goods and services from its vendors?

- Yes. We expect to continue operations as normal throughout this process and intend to pay vendors in full for goods and services provided on or after the filing date.

20. We have a contract with Taco Bueno. Are you going to be able to satisfy it?

- We intend to continue working with our vendors and intend to pay vendors in full for goods and services provided on or after the filing date of November 6, 2018.

21. Can I renegotiate my contract terms with Taco Bueno?

- It is important to understand that we expect to continue operating the business and providing authentic fresh and flavorful Tex-Mex cuisine and superior hospitality to guests in the normal course throughout this court-supervised financial restructuring process.
- Under the Bankruptcy Code, you are required to perform under your contracts with Taco Bueno.
- With the support of our partner Sun Holdings, the Company will be able to maintain normal operations during the financial restructuring process.
- Our vendor relationships are extremely important to us, and we appreciate the support you have shown us to date.

22. Are there any forms I need to complete or anything else I need to do now to file my claim?

- Taco Bueno's claims agent, Prime Clerk, will be providing the appropriate forms once a deadline for filing claims has been set. Proof of claims forms and other information about the claims process will be available at the following website: <https://cases.primeclerk.com/tacobueno>.
- Vendors with questions regarding goods and services delivered prior to November 6, 2018, can contact the hotline maintained by our claims agent, Prime Clerk, at 844-721-3891 (U.S. and Canada toll-free) and 347-338-6512 (International).
- Any questions you have about your specific situation would be most appropriately addressed by your own legal counsel.

Additional Information

23. How can I get a copy of the Chapter 11 petition?

- Our claims agent, Prime Clerk, has set up a website at <https://cases.primeclerk.com/tacobueno>, which includes court documents and other information.



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24. Where can vendors go if they have additional questions?

- If you have additional questions about the reorganization process, or about goods and services delivered after November 6, 2018, please do not hesitate to reach out to your usual contact at Taco Bueno.
- Vendors with questions regarding goods and services delivered prior to November 6, 2018, can contact the hotline maintained by our claims agent, Prime Clerk, at 844-721-3891 (U.S. and Canada toll-free) and 347-338-6512 (International).
- Prime Clerk has also set up a website, which includes court documents and other information. You can visit the site at <https://cases.primeclerk.com/tacobueno>.
- You can find additional information on our restructuring page at restructuring.tacobueno.com.