

**JACK IN THE BOX INC. AND SUBSIDIARIES**  
**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS**

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

	2019	2018
Land	\$ 91,130	\$ 89,256
Buildings	817,400	824,964
Equipment	537	611
	909,067	914,831
Less accumulated depreciation	(632,197)	(607,900)
	<u>\$ 276,870</u>	<u>\$ 306,931</u>

**9. IMPAIRMENT AND OTHER CHARGES, NET**

Impairment and other charges, net, in the accompanying consolidated statements of earnings is comprised of the following in each fiscal year (*n thousands*):

	2019	2018	2017
Restructuring costs	\$ 8,455	\$ 10,647	\$ 3,631
Costs of closed restaurants and other	8,628	4,803	5,736
(Gains) losses on disposition of property and equipment, net	(6,244)	1,627	2,891
Accelerated depreciation	1,616	1,130	911
Operating restaurant impairment charges	—	211	—
	<u>\$ 12,455</u>	<u>\$ 18,418</u>	<u>\$ 13,169</u>

**Restructuring costs** — Restructuring charges include costs resulting from the exploration of strategic alternatives (the “Strategic Alternatives Evaluation”) in 2019, and a plan that management initiated to reduce our general and administrative costs. Restructuring charges in 2018 also include costs related to the evaluation of potential alternatives with respect to the Qdoba brand (the “Qdoba Evaluation”), which resulted in the Qdoba Sale. Refer to Note 10, *Discontinued Operations*, for information regarding the Qdoba Sale.

The following is a summary of the costs incurred in connection with these activities during each fiscal year (*n thousands*):

	2019	2018	2017
Employee severance and related costs	\$ 7,169	\$ 7,845	\$ 724
Strategic Alternatives Evaluation (1)	1,286	—	—
Qdoba Evaluation (2)	—	2,211	2,592
Other	—	591	315
	<u>\$ 8,455</u>	<u>\$ 10,647</u>	<u>\$ 3,631</u>

(1) Strategic Alternative Evaluation costs are primarily related to third party advisory services.

(2) Qdoba Evaluation consulting costs are primarily related to third party advisory services and retention compensation.

We currently expect to recognize severance and related costs of approximately \$1.3 million in fiscal 2020 related to positions that have been identified for elimination. At this time, we do not expect any additional charges to be incurred related to additional positions that may be identified for elimination or our other restructuring activities.

Total accrued severance costs related to our restructuring activities are included in “Accrued liabilities” and changed as follows during fiscal 2019 (*n thousands*):

Balance as of September 30, 2018	\$ 5,309
Costs incurred	7,731
Accruals released	(662)
Cash payments	(10,278)
Balance as of September 29, 2019	<u>\$ 2,100</u>