

SITE APPROVAL CHECKLIST

AD / DDM MARKET: DDM - Baton Rouge
REAL ESTATE CONTACT: Mann, Joseph
STORE #: 10557
FRANCHISEE: Peraino, Jill
PROJECT/STORE NAME: Northgate Development
STORE ADDRESS: State Street Baton Rouge, LA 70802
STORE TYPE: Trad Shopping Center

FRANCHISE AGREEMENT EXECUTED

Amount Paid: \$20,000.00 Date: 02/10/2006

SITE EVENTS

Site Package Received:	By: <u>Wagner, Dina</u>	Date: <u>04/17/2006</u>
LOI Received:	By: _____	Date: _____
Maps and Demos Received:	By: <u>Wagner, Dina</u>	Date: <u>04/17/2006</u>
A&R:	By: <u>Wagner, Dina</u>	Date: <u>04/17/2006</u>
AD Evaluation:	By: <u>Wagner, Dina</u>	Date: <u>04/17/2006</u>
FO Evaluation:	By: <u>Wagner, Dina</u>	Date: <u>04/17/2006</u>
Lead Sheet:	By: <u>Wagner, Dina</u>	Date: <u>04/17/2006</u>
Quizno's Shell:	By: _____	Date: _____
Site Plans (Exhibit A):	By: <u>Meakim, Jasmine</u>	Date: <u>04/26/2006</u>
Site Approved:	By: <u>Meakim, Jasmine</u>	Date: <u>04/26/2006</u>

LEASE EVENTS


Lease Received:	By: _____	Date: _____
Lease Paid:	By: _____	Date: _____
Equipment Deposit Received:	By: _____	Date: _____
Lease Letter Sent:	By: _____	Date: _____
Lease Letter / Green:	By: _____	Date: _____
Cursory App. Letter Mailed:	By: _____	Date: _____
Addendum:	By: _____	Date: _____

APPROVAL REQUIRED

- | | | | |
|--|--|------------------------------------|--|
| <input type="checkbox"/> Proximity (w/i 1.5 miles) | <input type="checkbox"/> Project Costs (>250K) | <input type="checkbox"/> Low Demos | <input type="checkbox"/> Rent/Debt (>550K) |
| <input checked="" type="checkbox"/> Multi Unit | <input type="checkbox"/> Ops | <input type="checkbox"/> D&C | <input checked="" type="checkbox"/> Zone Signature |
| <input type="checkbox"/> Concentric Circle | | | |

Mgmt. Approval: _____ Date: _____

AUDIT STEPS

Greenfield Verification: _____ Date: _____
Scoring Sheet Updated in Access: By:  Date: 4/26/06
 This is a replacement site for one which is now dead.
 This is a reopen of prior store. Prior store number: _____
 This site was previously approved as store number: _____
Associated Stores: 06553, 10361

Comments: _____

SITE EVALUATION FOR TRADITIONAL SITES

STORE #: 10557 FA Effective Date: 2/10/2006 Date Prepared: 3/22/2006
 FRANCHISEE NAME: Jill Periamo COMPANY: Toasty Enterprises, LLC
 PHONE #'s OFFICE: 504 416-0326 FAX: 0 HOME: 504 416-0326
 HOME ADDRESS: 8001 Jefferson Hwy Apt. 155 DDM ZONE: Zone 3 - East
 FRANCHISEE EMAIL: veggiea@aol.com DDM REGION: Southeast
 QUIZNOS' BROKER: John Moss DDM MARKET: Baton Rouge
 BROKER PHONE #: 504 523-4481 DDM PHONE #: 504 957-1363
 BROKER FAX #: 504 523-4475 PREPARED BY: Joe Mann

LOCATION:

<u>State St.</u>	<u>Baton Rouge, LA</u>	<u>E Baton Rouge</u>	<u>Highland</u>
<small>Street Address</small>	<small>Suite</small>	<small>City, State Zip</small>	<small>County</small>
<small>Street Address</small>	<small>Suite</small>	<small>City, State Zip</small>	<small>Cross Street</small>

<u>Northgate LLC</u>	<u>0</u>	<u>0</u>	<u>0</u>
<small>Landlord/Developer</small>	<small>Contact Name</small>	<small>Phone</small>	<small>Email Address</small>

<u>Nothgate Development</u>	<u>0</u>	<u>0</u>	<u>0</u>
<small>Project/Site Name</small>	<small>Construction Contact Name</small>	<small>Phone</small>	<small>Email Address</small>

TRADE AREA TYPE: <u>Suburban</u>	CURRENTLY VACANT: <u>Yes</u>
SITE TYPE: <u>Shopping Center</u>	FACILITY TYPE: <u>End Cap</u>
CURRENT/PRIOR USE: _____	New Construction
DAYS OF OPERATION: <u>7</u>	PATIO AVAILABLE: <u>No</u>
GREEN SITE: <u>Yes</u>	HOW MANY SEATS? _____

SIZE:

Dimensions of premises: _____ ft. of frontage x _____ ft. of depth = 1,950 Total SF
 Total GLA of Center: 100,000 100% Percent leased

SIGNAGE:

STANDARD Q SIGN	<u>Yes</u>	_____ Dimensions	_____ of frontage
PYLON/MONUMENT	<u>No</u>	_____ Dimensions	_____ How high?
DIRECTORY SIGN	<u>No</u>	_____ Dimensions	
WINDOW NEONS	<u>Yes</u>		
STANDARD AWNING	<u>No</u>	_____ Dimensions (3 dimensions)	

ZONING/PERMITS:

CURRENT ZONING: commercial
 SPECIAL USE/VARIANCE: Required How long for Building Dept. approval? 14 days
 If required, describe _____

PROPOSED LEASE SUMMARY:

Landlord Turnover Date:	<u>6/1/2007</u>	Base Rent - Yr. 1	\$ 4,468.75 per month
Rent Commencement Date:	<u>90 days from Delivery</u>	Base Rent - Yr. 2	\$ 4,468.75 per month
Projected Opening Date:	<u>9/1/2007</u>	Base Rent - Yr. 3	\$ 4,468.75 per month
Radius Clause:	<u>No</u>	Base Rent - Yr. 4	\$ 4,468.75 per month
Exclusive Use:	<u>No</u>	Base Rent - Yr. 5	\$ 4,468.75 per month
Approved Signage Attached:	<u>Yes</u>	CAM - Yr. 1 Est.	\$ 243.75 per month
Quiznos Addendum Attached:	<u>Yes</u>	Taxes - Yr. 1 Est.	\$ 121.88 per month
Tenant takes space "As-Is"	<u>Yes</u>	Insurance Est.	\$ 121.88 per month
Landlord TI Allowance:	<u>\$0.00</u>		
Rent Abatement:	<u>\$0.00</u>	Describe	_____

i.e. half rent for 12 months

TRADE AREA:

TRADE AREA TYPE: Suburban
SOURCE - BUSINESS LUNCH: residential and commercial traffic, LSU students

SOURCE - BUSINESS LUNCH: same

POSITIVE FEATURES OF SITE: high traffic and daytime pops, 400 apartments above the site and Quiznos at the main entr

NEGATIVE FEATURES OF SITE:

TRAFFIC COUNTS:	State St.	30,000+++	30
	<small>Main Street Name</small>	<small># cars/avg. weekday</small>	<small>speed limit</small>
	Highland	30,000+++	
	<small>Cross Street Name</small>	<small># cars/avg. weekday</small>	<small>speed limit</small>

ACCESS: RATING: Good
LEFT TURN IN: Yes
LEFT TURN OUT: Yes
MEDIANS: No

VISIBILITY: Distance in total linear feet storefront is visible from:
NORTH: 1000 EAST: 1000
SOUTH: 0 WEST: 1000

PARKING: Quiznos spaces available: none Shared parking sufficient: No

DEMOGRAPHICS:

Attach copy of full demographic report to site package.

Primarily a drive-to site	1-mile	2-mile	3-mile
Residential Population	15,252	38,832	66,034
Median Household Income	\$ 16,276	\$ 22,009	\$ 27,467
Daytime Population	4,190	18,536	61,443
Primarily a CBD walk-to site	1/4 mile	1/2 mile	1-mile
Daytime Population			

OTHER QUIZNOS LOCATIONS/SITES:

Location	-	Distance:	<u>0</u> miles
Location	-	Distance:	<u>0</u> miles
Location	-	Distance:	<u>0</u> miles
Location	-	Distance:	<u>0</u> miles

The undersigned hereby requests approval of the above site. The undersigned acknowledges and agrees that:

- a. His/Her approval of such site is not a result of any representations regarding projected sales volumes, market potential revenues, or Profits made by Franchisor's employees, agents, consultants, Area Directors, or representatives.
- b. He/She has had the opportunity to obtain legal, financial, and other expert advice prior to the approval of such site.

The undersigned makes the following independent estimates relating to the subject site:

1. Leasehold Improvements: \$ 90,000 (Leashold improvements less LL contribution)

(Note: All costs including, but not limited to, franchise fee, leasehold improvements, furniture, fixtures, equipment, signage, deposits, working capital, training, legal, architecture, attorneys, etc.)

2. Total Project Costs: \$ 200,000
3. Total Financing: \$ 130,000 Term: 10 Yrs. Int. Rate: 7.00%
Lender's Name: TBD Payment: \$ 1,509.41

The undersigned also understands that an acceptance of the site and Site Submittal Package by Franchisor, its Area Director, employees, or representative does not mean that Franchiser agrees with and/or approves any or all of the undersigned's cost estimates, construction estimates, or terms and conditions of the lease or contract to buy the location. Nor does it constitute a recommendation, endorsement, warranty, or guaranty of the suitability of the location, and the undersigned has taken all steps necessary to ascertain that such location is acceptable to the undersigned.

Submitted on this 22 day of March by:

Jill D Peraino
Franchisee's Signature

Jill D Peraino
Print Name Site Evaluation

ACKNOWLEDGEMENT AND RELEASE FORM

The undersigned, individually and as Franchisee, under a Franchise Agreement dated, 2/10, 2008 (the "Franchise Agreement") by and between the undersigned and Quizno's Franchising II LLC or its successors, assigns or affiliates ("Franchisor") hereby states as follows:

1. All capitalized terms used herein shall have the same meaning as ascribed thereto in the Franchise Agreement.

2. The undersigned acknowledges that the Franchisor or its agents or employees, including Franchisor's Area Director, may have entered into preliminary discussions or negotiations concerning the economic or other material terms of a possible lease for property or space on or in which the Franchised Business facilities may be located, and may have prepared or provided the information in a Site Submittal Package or other form of information relating to the subject site, which premises are located at NORTHGATE. Franchisee further acknowledges that no lease or binding agreement to enter into a lease has been executed or agreed to by Franchisor and that, pursuant to the Franchise Agreement, Franchisee will undertake negotiation of any such lease and is not bound by any preliminary discussions or negotiations engaged in by Franchisor or its agents and employees. The undersigned acknowledges that the final lease may contain certain provisions that create additional risks to the Franchisee, including but not limited to the following:

- Risks associated with high rental amounts, and the corresponding minimum monthly sales volume necessary to fulfill the undersigned's initial expenses and ongoing expenses. Please refer to the Real Estate/Design and Construction Workbook (the "Workbook").
- Risks associated with a lease term that is less than the term of the Franchise Agreement. The lease may expire before the Franchise Agreement. The undersigned acknowledges that it may have to relocate the store to another location at its sole cost and expense, and subject to Franchisor's prior approval of the new location. As a result thereof, the undersigned would likely incur significant expense, including build out of another store.
- Risks associated with a site location in an area containing population that is below Quiznos corporate standards, causing an adverse effect on the monthly sales volumes needed to fulfill initial expenses and ongoing expenses. Please refer to the Workbook.

The undersigned acknowledges that there may be other risks not mentioned herein, and that despite such risks, the undersigned would like to proceed with the operation of a Quiznos Sub restaurant at the above-referenced location.

3. The undersigned acknowledges and agrees that when the undersigned's proposed Lease is submitted to Quizno's for approval it must be accompanied by an equipment deposit check made payable to Source One Distribution LLC ("SOD") (currently in the amount of \$35,000). If the Lease is not accompanied by the SOD check, Franchisor must receive the check no later than 28 days from the date Franchisor receives the Lease. The undersigned further acknowledges and agrees that if the SOD check is not received within the 28 days, undersigned will be in default under the Franchise Agreement and Franchisor will be entitled to transfer the undersigned's site to another franchisee without notice to the undersigned. In the event the Lease relates to a new construction site, Franchisor will verify that the site is new construction and the SOD deposit check must be received by Franchisor prior to the undersigned being scheduled for training (QU 102). Also in the case of new construction sites, if the SOD deposit check is not received prior to the date the undersigned would otherwise be able to be scheduled for training, the undersigned will be in default under the Franchise Agreement and Franchisor will be entitled to transfer the undersigned's site to another franchisee without notice to the undersigned.

4. The undersigned further acknowledges that although Franchisor or its agents or employees, including its Area Director, may have been involved in approving site(s) for the location of the Franchised Business facilities, Franchisee has assumed sole and full responsibility for final site selection and approval. Franchisee understands that each possible site is unique and provides different risks and benefits, which may affect the success of the Franchised Business. Franchisee further understands that as part of analyzing the location, it is Franchisee's responsibility to meet with the local city planner to determine that there are no street, highway, interchange, city, or other planned changes that would negatively affect the location. Franchisee hereby releases and forever discharges Franchisor, its affiliates, and its Area Director and the officers, directors, shareholders, members, partners, employees, counsel and agents of each, from any loss, cost, claim, liability or expense arising out of or relating to the selection of or Franchisor's approval of the location and/or lease for the Franchised Business or the suitability of such location for the successful operation of the Franchised Business.

5. THIS PROVISION APPLIES ONLY IF THE FRANCHISEE INTENDS TO SUBLEASE PURSUANT TO, OR ACCEPT AN ASSIGNMENT OF, AN EXISTING LEASE NEGOTIATED BY OR ON BEHALF OF FRANCHISOR OR ITS AFFILIATES(S): In the event the undersigned intends to sublease the Franchised Business facilities from Franchisor or its affiliate or Area Director or accept an assignment of the tenant's interest in a lease entered into by Franchisor or its affiliate or Area Director, the undersigned acknowledges that although Franchisor or one of its agents negotiated the terms and provisions of the existing lease, Franchisee has independently investigated the suitability of the location of the premises in questions for location of the Franchised Business facilities and determined that such premises are suitable. In addition, Franchisee has been afforded the opportunity to review the existing Lease (and, if applicable, sublease) and, if so desired, to have Franchisee's attorney or other consultants review it and has found all of the terms and provisions thereof to be acceptable. Franchisee has been notified that it is in Franchisee's best interest to fully and independently review the proposed location with advisors or consultants of its choosing and Franchisee is not relying on any representation, warranties or information provided by Franchisor (other than the Lease) in determining to proceed as assignee or subtenant. Accordingly, Franchisee hereby releases and forever discharges Franchisor, its affiliates, and its Area Director and the officers, directors, shareholders, members, partners, employees, counsel and agents of each from any loss, cost, claim, liability or expense arising out of or relating to the selection of the location for the Franchised Business, the suitability of such location for the successful operation of the Franchised Business and the negotiation of or including of any provision in the existing lease.

6. The undersigned acknowledges and agrees that the success, if any, of a given location of a Quiznos Sub restaurant is the responsibility of the Franchisee and no representations or statements of actual, average, projected or forecasted sales, profits or earnings for a particular demographic area are provided to prospective franchisees by the Franchisor or its representatives. Neither officers, agents, consultants, Area Directors, or employees of the Franchisor are authorized to make any claims or statements as to the prospect or chances of success that any prospective Franchisee can expect at a particular Quiznos Sub restaurant location nor will information be given on past or recent achievements of franchisees, other than summary sales reports routinely provided to all franchisees. The Franchisor specifically instructs its personnel, agents, consultants, Area Directors, or employees, that they are not permitted to make such statements as to the prospects or chances of success at a particular location, nor are they authorized to represent or estimate dollar figures as to a given store's operation. The Franchisor recommends that prospective Franchisees make their own survey of existing Quiznos Sub stores (other than those owned by the Franchisor or one of its employees or agents) and judge their general operation procedure. The information supplied by existing franchise holders should allow the prospective Franchisee to determine whether or not they are profitable.

The undersigned hereby represents and warrants that it has freely and voluntarily executed this Acknowledgement and Release as of the 22 day of

MARCH 2008

By:

Jill D Peraino

Franchisee Signature

Print Name:

Jill D Peraino



SITE EVALUATION FORM FOR AREA DIRECTORS

LOCATION: Notthgate Development STORE #: 10557
State St. Baton Rouge, LA E Baton Rouge Highland
Street Address Suite City, State Zip County Cross Street

Franchisee: Jill Periamo Corporate Name: Toasty Enterprises, LLC
 Franchise agreement effective date: 2/10/2006

- | | |
|---|---|
| <input checked="" type="checkbox"/> AD has performed the Pre-Opening Orientation? | <input checked="" type="checkbox"/> Franchisee completed & signed Site Evaluation |
| <input checked="" type="checkbox"/> AD has verified that there are no territorial commitments from other franchisees? | <input checked="" type="checkbox"/> The site has been registered? |
| <input checked="" type="checkbox"/> AD has confirmed that there is no radius clause in the lease? | <input checked="" type="checkbox"/> Acknowledgement & Release? |
| There are Quizno's approved | <u>Select One</u> LOI |
| | <u>Select One</u> Addendum |
| | <u>Select One</u> Sign Crit. |

DISTANCE FROM OTHER QUIZNO'S LOCATIONS:

Location <u>10361 - College Drive</u>	Distance: <u>2 miles</u>	Location <u>-</u>	Distance: <u>0 miles</u>
Location <u>6674 - South Campus</u>	Distance: <u>1.1 miles</u>	Location <u>-</u>	Distance: <u>0 miles</u>

COMMENTS: half block off of LSU's campus. Lsu has 35,000 students. There are 400 apartments above the and Quiznos is at the entrance. There are hundreds more apartments around the site.

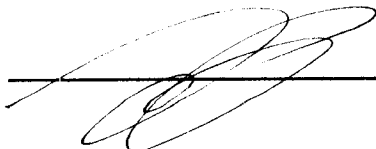
Positive features of location: _____

Negative features of location: _____

Estimated Total Project Cost	<u>\$200,000.00</u>	Rent abatement	<u>\$0.00</u>
Estimated Landlord Contribution	<u>\$0.00</u>		
Estimated Net Project Cost	<u>\$200,000</u>		
Lender's Name	<u>TBD</u>		
Amount Financed	<u>\$130,000</u>		
Rate	<u>7.00%</u>	Term:	<u>120 months</u>
Monthly Debt Payment	<u>\$ 1,509.41</u>		
Annual Debt Service	<u>\$ 18,112.92</u>		

Square Footage	<u>1,950</u>	Options: #	<u>1 periods</u>	<u>5 Years each</u>
Initial Term	<u>10 Years</u>			
Minimum Rent (Year 1)	<u>\$53,625</u>		Annual	
Taxes/Insurance/CAM	<u>\$5,850</u>		Annual	
Additional Rent	<u>\$59,475</u>		Annual	
Total Occupancy Cost	<u>\$59,475</u>		Annual	
Annual Sales required to cover Annual Debt & Total Occupancy per 15% formula				<u>\$ 517,252.82</u>

This form is solely for the purpose of assisting in the evaluation of the relative merits of the available locations as judged by the person examining the site. It is not to be construed as a prediction of the future success of the unit. This form is CONFIDENTIAL AND FOR INTERNAL USE ONLY.

Area Director Signature:  Date: 22-Mar-06



Lead Sheet, Notice to Construction Dept.

A lease has been issued and negotiations are underway for a new Quizno's location as described below. Please contact the franchisee to retain an architect and schedule a site survey.

Date:	3/22/2006	Store #:	10557
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Submitted By:	Joe Mann	Submitted To:	Alex Karas
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Site Intersection:	State St. @ Highland
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Site Address:	State St. Baton Rouge, LA
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Shopping Center:	Nothgate Development
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Building Type:	End Cap	*ASIS* <input checked="" type="checkbox"/>	Square Feet:	1950
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Landlord/Developer:	Northgate LLC	Phone No:	469 232-1229
	Taylor Stone	Fax No:	469 232-1470
		Email:	tstone@firstworthing.com

Construction Contact:	Taylor Stone	Phone No:	469 232-1229
		Fax No:	0
		Email:	0

Franchisee:	Jill Periamo	Home Phone No:	504 416-0326
	Toasty Enterprises, LLC	Fax No:	0
		Email:	veggiea@aol.com

Quiznos Broker:	John Moss	Phone No:	504 523-4481
	Stirling Properties, Inc.	Fax No:	504 523-4475
		Email:	jmoss@stirlingprop.com

Architect:		Phone No:	
		Fax No:	
		Email:	

Projected "Delivery of the Premises" Date:	6/1/2007	Projected T.I. Allowance:	\$0.00
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Construction:	NEW	Rent Commencement:	90 days from Delivery
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Additional Comments:	<p style="text-align: center;">LL to deliver cold dark shell....no interior walls of floor slab. \$39,000 in TI Allowance</p>
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Attached:	<input checked="" type="checkbox"/> LOI	<input checked="" type="checkbox"/> Site Plan	<input type="checkbox"/> Lease or Lease Exhibits
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Quiznos Real Estate Committee Checklist

Use the following checklist when preparing a site submittal package for review. Failure to provide any of the items below will cause the review of the site to be put off until the complete package is submitted. This sheet should also be included as a component of the site submittal package.

Basic Site Information			
Store #	<u>10557</u>	Franchisee Name	<u>Jill Periamo</u>
Store Name	<u>Nothgate Development</u>	AD/HP Name	<u>Joe Mann</u>
<input type="checkbox"/>	This is a replacement site for one which is now dead		
<input type="checkbox"/>	This is a reopen of prior store. Prior store number: 		
<input type="checkbox"/>	This site was previously approved as store number: 		

Site Submittal Package Components	
<input checked="" type="checkbox"/>	Quiznos Site Scoring Form
<input checked="" type="checkbox"/>	Site Evaluation (including Authorization and Release) signed by Franchise Owner
<input checked="" type="checkbox"/>	Site Evaluation - AD Form signed by AD/HP
<input checked="" type="checkbox"/>	Fully Negotiated Letter of Intent
<input checked="" type="checkbox"/>	Landlord Delivery Conditions (or TI Provision); reviewed with Franchise Owner
<input checked="" type="checkbox"/>	10 year rent & CAM schedule
<input checked="" type="checkbox"/>	Standard Demographics Package
<input type="checkbox"/>	Concentric Ring study (only necessary if another Quiznos exists within 2.0 miles or 4 blocks for a CBD site)
<input checked="" type="checkbox"/>	Site Plan (designating space)
<input checked="" type="checkbox"/>	Video of site, showing the following:
	(a) the storefront
	(b) the storefront within the center as a whole
	(c) a look up and down the rest of the center (or nearby stores within two blocks) showing the neighbors
	(d) a look up and down the main street, showing nearby stores
	(e) means of egress into the center
	(f) traffic
	(g) all signage for the site (as seen from the road)
	(h) the route to the nearest Quiznos (unless no Quiznos exists within 5 miles)
<input type="checkbox"/>	Still Pictures: (a) the storefront, and (b) the site from the street
<input checked="" type="checkbox"/>	Lease Information Form
<input checked="" type="checkbox"/>	Lead Sheet *
<input checked="" type="checkbox"/>	Quiznos Addendum (or appropriate language in the LOI)
<input checked="" type="checkbox"/>	Sales needed to meet Debt/Rent ratio \$ <u>517,252.82</u>
<input checked="" type="checkbox"/>	SOADS Conference Call Appointment Form *
<p>Note: The Equipment Deposit Fee and the Lease Review Fee are not required prior to site approval but they should be submitted promptly to avoid delaying lease approval or execution.</p>	

Approvals	
Regional Vice President	Date:
	Date: <u>4-7-06</u>
Development	Date:
Operations	Date:
Zone Leader (If Necessary)	Date:

- Zone Leader approval is necessary if any of the following are true:**
- Estimated project costs are \$250K or higher
 - Sales needed to meet Debt/Rent ratio is greater than \$550K
 - Another Quiznos exists within 1.5 miles (suburban) or 3 blocks (CBD)
 - Site is less than 1,000 square feet or over 2,000 square feet
 - Site will not be open 7 days a week during standard Quiznos hours
 - Total Score for the site is below 60

*** RVP Instructions:**
 On the day that this site is approved, please fax the following forms to SOADS

1. Lead Sheet
2. SOADS Conference Call App't Form

SOADS Fax: 303-893-5784
 (Then send the full packet to Denver.)

TOTAL LEASE CALCULATIONS

Store # 10557
 FZE: Jill Periamo
 Store Name: Nothgate Development
 Leasable SF: 1,950
 Assumption #1: Addtl' rent estimates increased by 10% every 5 yrs, change formula as needed
 Initial Term: 10 years
 # of Options: 1 periods
 Option Period: 5 years each
 Percentage Rent: No
 If yes, enter %

Year	Net Rent (PSF)	CAM (PSF)	Taxes (PSF)	Insurance (PSF)	Monthly Rent	Monthly NNNs	Total Monthly Occ. Costs	Total Annual Rent	Total Annual NNNs	Total Annual Occ. Costs	Natural Monthly Breakpoint
1	\$27.50	\$1.50	\$0.75	\$0.75	\$4,468.75	\$487.50	\$4,956.25	\$53,625.00	\$5,850.00	\$59,475.00	N/A
2	\$27.50	\$1.50	\$0.75	\$0.75	\$4,468.75	\$487.50	\$4,956.25	\$53,625.00	\$5,850.00	\$59,475.00	N/A
3	\$27.50	\$1.50	\$0.75	\$0.75	\$4,468.75	\$487.50	\$4,956.25	\$53,625.00	\$5,850.00	\$59,475.00	N/A
4	\$27.50	\$1.50	\$0.75	\$0.75	\$4,468.75	\$487.50	\$4,956.25	\$53,625.00	\$5,850.00	\$59,475.00	N/A
5	\$27.50	\$1.50	\$0.75	\$0.75	\$4,468.75	\$487.50	\$4,956.25	\$53,625.00	\$5,850.00	\$59,475.00	N/A
6	\$28.50	\$1.65	\$0.83	\$0.83	\$4,631.25	\$536.25	\$5,167.50	\$55,575.00	\$6,435.00	\$62,010.00	N/A
7	\$28.50	\$1.65	\$0.83	\$0.83	\$4,631.25	\$536.25	\$5,167.50	\$55,575.00	\$6,435.00	\$62,010.00	N/A
8	\$28.50	\$1.65	\$0.83	\$0.83	\$4,631.25	\$536.25	\$5,167.50	\$55,575.00	\$6,435.00	\$62,010.00	N/A
9	\$28.50	\$1.65	\$0.83	\$0.83	\$4,631.25	\$536.25	\$5,167.50	\$55,575.00	\$6,435.00	\$62,010.00	N/A
10	\$28.50	\$1.65	\$0.83	\$0.83	\$4,631.25	\$536.25	\$5,167.50	\$55,575.00	\$6,435.00	\$62,010.00	N/A
11	\$32.75	\$1.82	\$0.91	\$0.91	\$5,321.88	\$589.88	\$5,911.75	\$63,862.50	\$7,078.50	\$70,941.00	N/A
12	\$32.75	\$1.82	\$0.91	\$0.91	\$5,321.88	\$589.88	\$5,911.75	\$63,862.50	\$7,078.50	\$70,941.00	N/A
13	\$32.75	\$1.82	\$0.91	\$0.91	\$5,321.88	\$589.88	\$5,911.75	\$63,862.50	\$7,078.50	\$70,941.00	N/A
14	\$32.75	\$1.82	\$0.91	\$0.91	\$5,321.88	\$589.88	\$5,911.75	\$63,862.50	\$7,078.50	\$70,941.00	N/A
15	\$32.75	\$1.82	\$0.91	\$0.91	\$5,321.88	\$589.88	\$5,911.75	\$63,862.50	\$7,078.50	\$70,941.00	N/A
16		\$2.00	\$1.00	\$1.00	\$0.00	\$648.86	\$648.86	\$0.00	\$7,786.35	\$7,786.35	N/A
17		\$2.00	\$1.00	\$1.00	\$0.00	\$648.86	\$648.86	\$0.00	\$7,786.35	\$7,786.35	N/A
18		\$2.00	\$1.00	\$1.00	\$0.00	\$648.86	\$648.86	\$0.00	\$7,786.35	\$7,786.35	N/A
19		\$2.00	\$1.00	\$1.00	\$0.00	\$648.86	\$648.86	\$0.00	\$7,786.35	\$7,786.35	N/A
20		\$2.00	\$1.00	\$1.00	\$0.00	\$648.86	\$648.86	\$0.00	\$7,786.35	\$7,786.35	N/A
21		\$2.00	\$1.00	\$1.00	\$0.00	\$648.86	\$648.86	\$0.00	\$7,786.35	\$7,786.35	N/A
22		\$2.00	\$1.00	\$1.00	\$0.00	\$648.86	\$648.86	\$0.00	\$7,786.35	\$7,786.35	N/A
23		\$2.00	\$1.00	\$1.00	\$0.00	\$648.86	\$648.86	\$0.00	\$7,786.35	\$7,786.35	N/A
24		\$2.00	\$1.00	\$1.00	\$0.00	\$648.86	\$648.86	\$0.00	\$7,786.35	\$7,786.35	N/A
25		\$2.00	\$1.00	\$1.00	\$0.00	\$648.86	\$648.86	\$0.00	\$7,786.35	\$7,786.35	N/A

Letter of Intent Franchise Location

1. TENANT: T.B.D. d.b.a. QUIZNOS SUB
2. LANDLORD: Northgate, LLC
3. PREMISES: Commonly known as: Northgate
 City of: Baton Rouge County of: _____
 State of: Louisiana Zip Code: _____
 Description: 1st floor Retail space in the North West Quad. of Highland and State St. building #5
4. SIZE: Approximately 1,950 square feet.
5. DIMENSIONS; ___ ft. frontage X ___ ft. depth
6. TERM: 10 year 7. OPTIONS: 1-5 year
8. POSSESSION DATE: May 2007
7. RENT:
 Years 1-5: \$ psf \$27.50psf
 Years 6-10: \$31.35psf \$28.50psf
 Years 11-15: \$34.50 psf \$32.75psf
8. EXPENSES: Landlord will provide tenant detail as to the actual expense currently applicable to the property. Expenses are estimated at \$3.00 per sq. ft.
9. PERMITTED USES: Tenant shall have the right to use the Premises for purposes of an eat-in/take-out/delivery restaurant selling sandwiches, salads, soups, pizza, frozen desserts (yogurt, ice cream), fruit based blended drinks, beverages, and other products sold in Quiznos Sub stores and retail sales and other ancillary purposes associated therewith. Tenant shall be permitted to use an outdoor eating area, if available. Tenant shall be permitted to operate, or allow another business, concessionaire, or licensee to co-brand and/or operate a food and beverage business in or from the Premises with Landlord's prior consent, (in conjunction with Tenant's operation of its Quiznos Sub restaurant), so long as Tenant remains primarily liable for all rent and additional rent under the Lease. Tenant may make nonstructural alterations and improvements to the interior of the Premises of \$10,000 or less per alteration, without Landlord's prior consent, provided the work is performed in a good and workmanlike manner. Tenant may close its business once every 5 years for up to thirty (30) days, to refurbish and redecorate the Premises.
10. CONSTRUCTION PERIOD: Tenant shall have ninety (90) days from the Landlord's delivery of space estimated at May 1, 2007 to complete improvements to the space (hereinafter "Construction Period"). During this Construction Period no rent or expenses will be due. Landlord will cooperate with Tenant's efforts to obtain permits and approvals.
11. RENT COMMENCEMENT: Payment of rent shall commence 90 days Landlord's delivery of premises which will be no later than May 1, 2007.
12. SECURITY DEPOSIT: Tenant shall pay to Landlord upon the issuance of applicable building permits a security deposit of \$ 4,468.75.

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13. **SIGNS:** Landlord hereby grants and approves the following signage:

- 1. **Opening Signage.** Landlord will have all approval on all signage. Tenant shall have a license to (a) erect at least one single or double sided wooden sign in the landscaped Common Area adjoining the most heavily traveled right of way adjacent to the Shopping Center which sign shall say "Coming Soon – Quiznos Sub" or words similar thereto during the period between the lease execution date and sixty (60) days after the date Tenant opens for business and (b) display "Coming Soon" or "Grand Opening" banners on or near Premises during such period and eight (8) weeks following the opening; and
- 2. **Permanent Signage.** Landlord agrees to allow Tenant to use the standard QF sign, to the maximum size permitted by local governmental authorities. Landlord will have approval on all signage
- 3. **Window Signs/Door Handle.** Tenant shall be permitted to display signs and promotional items in the windows of the Premises, including permanent neon signs, provided the same are consistent with Quizno's national standards. Tenant shall be permitted to install a Quizno's standard door handle on the entry door(s) to the Premises. Landlord will have approval on all signage
- 4. **Pylon/Monument/Directory Sign.** Intentionally Deleted,

Deleted: and awning package

15. **PATIO:** Tenant shall have right to use the common areas adjacent to the subject premises for an outdoor eating area, as long as such use complies with local zoning codes and ordinances.

16. **IMPROVEMENTS:** Landlord to provide the improvements included in Exhibit "B" attached hereto, and a tenant improvement allowance equal to ~~\$25.00~~ ^{20.00} per square foot. Landlord shall provide to Tenant as-built blueprints of the Premises. *75F JDP*

17. **BROKER'S FEES:** John Moss, 504-523-4481

Landlord shall pay all commissions/fees due the above listed broke per a separate agreement between Landlord and broker.

18. **TENANT'S CONTINGENCIES:**

- A. Approval of site, final lease, and final sign and awning package by Quizno's Franchising LLC prior to lease execution.
- B. Receipt of building and sign permits from local issuing authority to construct the Premises for Tenant's intended use.

19. **NO RADIUS/RELOCATION CLAUSES:**,

Deleted: Tenant shall be provided with a panel on the Shopping Center pylon/monument/directory sign, and shall be permitted to install a Quizno's standard sign, including logo, on such panel. ¶

Deleted: 14. **EXCLUSIVE:** Throughout the Term, as it may be extended under the terms of this Lease, Tenant shall have the exclusive right in the Shopping Center to engage in the sale of delicatessen and submarine type sandwiches. Landlord shall not allow any other party in the Shopping Center to violate the terms or spirit of this exclusivity agreement, and if a violation occurs, in addition to any other remedies Tenant may have at law or in equity, Tenant shall have the right to terminate this Lease upon thirty (30) days written notice. ¶

Deleted: Landlord shall provide the improvements as set forth on the Quizno's Standard Shell attached hereto,

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Deleted: One mile radius restriction



20. **ASSIGNMENT PROVISIONS:** Tenant shall agree to attorn to any assignee of Landlord provided such assignee will agree not to disturb Tenant's possession of the Premises. Tenant shall have the right to assign this Lease or sublet the Premises, to a duly authorized franchisee of Franchisor with Landlord's prior approval. In the event of an assignment to a QF Entity, the QF Entity shall have the right to reassign the Lease, to a duly authorized franchisee of Franchisor with Landlord's approval and to thereupon be released from any further liability under the Lease. Any options to extend the term of the Lease shall automatically transfer to an assignee in connection with a transfer made pursuant to the foregoing paragraph.

Deleted: without charge and without Landlord's consent being required to Quizno's Franchising LLC ("QF"), or its parent, subsidiaries or affiliates (QF, its parent, subsidiaries and affiliates are each referred to herein as a "QF Entity" or "Franchisor") or

21. **HAZARDOUS MATERIALS:** Landlord represents and warrants that the Premises are free of all asbestos, asbestos containing materials and other hazardous or toxic materials (collectively, "Hazardous Materials"). Tenant shall have no obligation to make any repairs, alterations or improvements to the Premises or incur any costs or expenses whatsoever as a result of Hazardous Materials in or about the Shopping Center, Building or the Premises, other than those Hazardous Materials brought onto such areas by Tenant. Landlord shall be solely responsible for any changes to the Premises relating to Hazardous Materials (at Landlord's expense and not as a charge to Tenant's build out allowance), unless those Hazardous Materials were brought onto Premises by Tenant. Landlord shall indemnify and hold Tenant harmless from and against all liabilities, costs, damages and expenses which Tenant may incur (including reasonable attorneys' fees) as a result of a breach of Landlord's representation and warranty set forth in this paragraph or the presence of Hazardous Materials in or about the Shopping Center, Building or the Premises, unless those Hazardous Materials were brought onto such areas by Tenant.

Deleted: without charge and without Landlord's consent being required

22. **NOTICE AND CURE RIGHTS:** Landlord agrees to give Franchisor written notice of any Tenant defaults as a prerequisite to exercising any remedies against Tenant under the Lease. Franchisor shall have Tenant's cure period plus an additional 10 days (but in no event less than thirty (30) days total) to cure (at the Franchisor's option) any such defaults on Tenant's behalf, and to perform any other acts on Tenant's behalf as may be necessary to keep the Lease in full force and effect. In the event Franchisor thereafter executes on its security interest in the Lease and Tenant's fixtures and equipment (pursuant to the terms of its Franchise Agreement with Tenant), such action shall not be deemed a default or assignment under the Lease; provided, however, the Franchisor shall thereafter have the right to assign the Lease on Tenant's behalf, without charge and without Landlord's consent being required, to an authorized franchisee. Notice to Franchisor shall be addressed as follows:

Quizno's Franchising LLC
1475 Lawrence Street, Suite 400
Denver, CO 80202
Attn: Legal Department

23. **TENANT FINANCING:** Tenant shall have the right from time to time to grant and assign a mortgage or other security interest in all of Tenant's personal property located within the Premises to its lenders in connection with Tenant's financing arrangements, and any lien of Landlord against Tenant's personal property (whether by statute or under the terms of this Lease) shall be subject and subordinate to such security interest. Landlord shall execute such documents as Tenant's lenders may reasonably request in connection with any such financing.

24. **LANDLORD WARRANTIES:** Landlord represents, covenants and warrants: (i) that it has lawful title to the Shopping Center and has full right, power and authority to enter into this Lease; (ii) that the Shopping Center is in compliance with the Americans with Disabilities Act ("ADA"); (iii) that the permitted "use" of the Premises

does not currently violate the terms of any of Landlord's insurance policies; (iv) that it currently maintains all risk of physical loss coverage for the full replacement cost of the Shopping Center and shall maintain throughout the term of this Lease general liability insurance coverage for the Shopping Center consistent with that being maintained from time to time by reasonably prudent owners of properties similar to the Shopping Center in the same area; (v) that so long as Tenant pays all monetary obligations due under this Lease and performs all other covenants contained herein, Tenant shall peacefully and quietly have, hold, occupy and enjoy the Premises during the term of this Lease and its use and occupancy thereof shall not be disturbed; and (vi) that the Shopping Center has the proper zoning and a legally adequate number of parking spaces for Tenant's permitted use. Landlord covenants and agrees that it shall take no action that will interfere with Tenant's intended usage of the Premises. Landlord shall indemnify and hold harmless Tenant and its officers, partners, agents and employees from and against any loss, cost, liability, damage or expense arising out of (x) Landlord's operation of the Shopping Center, (y) Landlord's breach in the performance of any of its obligations under this lease or (z) any violation of law by Landlord or any other act or omission of Landlord or its contractors, agents or employees. The foregoing indemnification shall survive expiration or termination of this Lease.

25. **ADDITIONAL PROVISION:** Landlord covenants and agrees that the total of all rental payments and any and all sums, excluding the Minimum Rental Payment and the Percentage Rental Payment, that Tenant is required to pay under Lease (the "Occupancy Costs") will not exceed \$3.50 per square foot per annum (the "Occupancy Cap") during the first calendar year of the Lease. In the event the actual Occupancy Costs during the first full calendar year exceed the Occupancy Cap, the amount of such overage shall be waived for the first year and treated as an expense stop thereafter (i.e. the amount of the overage shall be subtracted from the actual Occupancy Costs each year thereafter during the term of the Lease and any extensions thereof.)
26. **EXPIRATION OF PROPOSAL:** This proposal shall remain in force for 14 days from the Tenant's date of this proposal. Should this Letter of Intent meet with the approval of Landlord, Landlord shall return an executed copy of this document to Tenant within such time period. Landlord agrees not to discuss or negotiate towards leasing the Premises to anyone other than Tenant for sixty (60) days after Landlord approves this Letter of Intent. Landlord and Tenant each hereby agree to negotiate the terms and provisions of a Lease consistent with this Proposal within said sixty (60) day period.
27. **COMMUNICATIONS SYSTEM:** Notwithstanding anything to the contrary in this Lease, Landlord hereby agrees that at any time during the term of this Lease, Tenant or Franchisor, or authorized agent of either Tenant or Franchisor, shall have the right to install, in and on the roof of the Premises, a satellite communications system (the "satellite system"), including antenna and related equipment. The satellite system shall be installed at no cost to Landlord, and in accordance with all applicable laws, rules and regulations. Additionally, Tenant shall defend, indemnify, and hold Landlord harmless from and against any claims, costs or expenses incurred by Landlord as a result of such installation by Tenant. Tenant shall be solely responsible for the maintenance and repair thereof, at Tenant's sole cost and expense. At the expiration or other termination of the Lease, said equipment shall remain the property of Tenant, and may be removed by Tenant, provided that Tenant shall repair any and all damage caused by such removal. Landlord to approve all rooftop communication systems.
28. **RETURN OF EXECUTED LEASE:** Landlord agrees to return a fully executed original Lease within 10 days of execution to Tenant, with a copy to:

Quizno's Franchising LLC
1475 Lawrence Street, Suite 400
Denver, CO 80202
Attn: Leasing Department



LANDLORD AND TENANT ACKNOWLEDGE THAT THIS PROPOSAL IS NOT A LEASE, AND THAT IT IS INTENDED AS THE BASIS FOR THE PREPARATION OF A LEASE. THE LEASE SHALL BE SUBJECT TO LANDLORD'S AND TENANT'S APPROVAL, AND ONLY A FULLY EXECUTED LEASE SHALL CONSTITUTE A LEASE FOR THE PREMISES.

The undersigned Tenant hereby acknowledges receipt of a copy of this Letter of Intent.

Date: 3/22/06

Address for Notices:

Telephone: _____

TENANT: Toasty Enterprises LLC

By: Jill D Phaino

Title: owner/operator

By:

Title:

Landlord hereby approves this Proposal. Landlord hereby acknowledges receipt of a copy of this Letter of Intent.

Date: _____

Address for Notices:

Telephone: _____

LANDLORD:

By:

Title:

By:

Title:

EXHIBIT B

LANDLORD WORK LETTER

For
Quizno's

PROJECT: NORTHGATE

I. LANDLORD SCOPE: Landlord shall provide, as part of the base building, an "empty shell" consisting of the following:

A. Structure: a structurally sound building shell with roof in accordance with Landlord's base building construction documents.

B. Floor Slab: exposed, smooth, watertight slab at a single elevation. Slab will not be provided in "leave out" area at rear of Leased Premises as shown in the Landlord's base building construction documents.

C. Storefronts and Facades: watertight, front building façade per Landlord's construction plans. Complete rear facades (if applicable) with door openings,

D. Demising Walls: furnish and install metal demising studs from floor slab to underside of deck except in storefront design zone. Walls to be plumb to industry standards. Landlord will not provide miscellaneous framing or metal stud bracing and metal furring at concrete and/or concrete masonry unit ("CMU") demising walls.

E. Clear Heights: 19' minimum to the underside of the structure. (Subject to final construction documents)

F. Insulation: at exterior metal framed walls.

G. Common Facilities: all site-related hardscape, landscaping, amenities, lighting, parking and trash enclosures in accordance with Landlord's base building construction documents.

H. HVAC: Lessor will provide and install conduits and units for heating and air conditioning on rooftop of building. Tonnage to be provided in the amount of one ton to 350-400 sq ft. Tenant shall be responsible for distribution of HVAC within tenant's space, inclusive of thermostats.

I. Electrical: an empty 2" minimum electrical conduit, with pull wire, to within the Leased Premises from Landlord's electric service gutter. A fusible switch or circuit breaker will be furnished at Landlord's main switchgear for Tenant use – refer to the base building construction documents for additional details. Electrical service will be 277/480 volt. Tenant loads are based on the following (not including Tenant HVAC units):

1. A normal retail tenant load of 25 watts per square foot of lease area, with a minimum 100 amp service for each Tenant.
2. A fast food tenant load of 100 watts per square foot of lease area, with a minimum 200 amp service for each Tenant.
3. A restaurant tenant load of 45 watts per square foot of lease area, with a minimum 400 amp service for each Tenant.

J. Water: a ¾" minimum domestic water supply stub with capped valve to a point within the Leased Premises.

K. Sanitary: a 4" minimum sanitary connection below grade to a point within the Leased Premises.

L. Gas: Landlord may arrange for the installation of meter banks and mains at designated locations throughout the Shopping Center. Location(s) will be shown on Landlord's base building construction documents.

EXHIBIT B
PAGE 2
LANDLORD WORK LETTER

M. Fire Protection: a sprinkler tap (blind flange valve) from Landlord's main trunk line to a point within the Leased Premises.

N. Communications: a 1 ½" conduit with pull wire from Landlord's telephone/communications distribution point to a point within the Leased Premises.

II. TENANT SCOPE: Tenant shall provide the following and complete all required construction of the Leased Premises at Tenant's expense. Tenant is responsible for installing systems to meet all local utility requirements. Tenant improvements are to be constructed in accordance with all applicable codes, Landlord requirements and Tenant's final plans as approved by Landlord:

- A. Floor Slab: furnish and install concrete slab in "leave out" areas
- B. Signage: furnish and install all interior and exterior Tenant identification signage as approved by Landlord.
- C. Interior Finishes and Construction: furnish and install all interior walls, including demising studs and finishes for portion of demising wall in slab leave out area a ceiling, finishes, fixtures, equipment and service/exit door.
- D. Insulation: furnish and install in demising walls.
- E. Electrical: furnish and install a complete and fully operational electrical system for the Leased Premises including, but not limited to, disconnect switches, transformer, electrical panels, conduit and all electrical devices and distribution. Tenants are required to contract with the Landlord's electrical subcontractor to make the final connection to Landlord's electrical equipment.
- F. Water: furnish and install all domestic water plumbing systems and fixtures throughout the Leased Premises.
- G. Sanitary: furnish and install all sanitary, waste and vent piping throughout the Leased Premises to provide a fully operational system.
- H. Gas: if available from Landlord and local utility, complete gas distribution from Landlord's point of distribution to the Leased Premises. Tenant shall be responsible for connecting to gas service, furnishing and installing gas piping, gas meter, and devices and contacting the local utility and establishing service.
- I. Grease Trap: for food related tenants, furnish, install and maintain all required grease traps and/or intercept systems and devices.
- J. Fire Protection: furnish and install all fire protection systems and devices, including, but not limited to, all sprinkler grid piping, drops to ceiling, sprinkler heads, smoke detection devices, horns, strobes, speakers and wiring throughout the Leased Premises to provide a fully operational system.
- K. Communications: furnish and install complete telephone, data and security systems and devices from Landlord's point of distribution throughout the Leased Premises to provide a fully operational system. Tenant is responsible for making final connections to Landlord's telephone and communications distribution point.
- K. Barricade: furnish and install barricade(s) throughout the duration of Tenant's construction.
- L. HVAC: Lessor will provide and install conduits and units for heating and air conditioning on rooftop of building. Tonnage to be provided in the amount of one ton to 350-400 sq ft. Tenant shall be responsible for distribution of HVAC within tenant's space, inclusive of thermostats.

