

9317

PDM

TRADE AREA:

TRADE AREA TYPE: Suburban
SOURCE - BUSINESS LUNCH: residential and commercial traffic
SOURCE - BUSINESS LUNCH: same
POSITIVE FEATURES OF SITE: access, signage, new construction, parking
NEGATIVE FEATURES OF SITE:

TRAFFIC COUNTS: 31804 Hwy 16 20,000 45
Main Street Name # cars/avg. weekday speed limit
None # cars/avg. weekday speed limit

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

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

PARKING: Quiznos spaces available: Shared parking sufficient: Yes

DEMOGRAPHICS: Attach copy of full demographic report to site package.

Table with demographic data: Primarily a drive-to site, Residential Population (3,355, 10,779, 24,481), Median Household Income (\$46,250, \$50,902, \$52,550), Daytime Population (497, 1,310, 3,227). Also includes CBD walk-to site data.

OTHER QUIZNOS LOCATIONS/SITES:

Table listing other Quiznos locations with columns for Location and Distance (0 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: \$ 70,000 (Leashold improvements less LL contribution)
2. Total Project Costs: \$ 200,000 (Note: All costs including, but not limited to, franchise fee, leasehold improvements, furniture, fixtures, equipment, signage, deposits, working capital, training, legal, architecture, attorneys, etc.)
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 13th day of October 2005 by:

Handwritten signatures and names: Franchisee's Signature, VITARESA KAO, Site Evaluation

ACKNOWLEDGEMENT AND RELEASE FORM

The undersigned, individually and as Franchisee, under a Franchise Agreement dated, May 31, 2005 (the "Franchise Agreement") by and between the undersigned and Quizno's Franchising II LLC or it's 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 31804 Hwy 16, Daytona Springs, Florida. 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:
 - (a) 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").
 - (b) 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.
 - (c) 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 13th day of October, 2005.

By: [Signature]
Franchisee Signature

Print Name: TERESA KAO



SITE EVALUATION FORM FOR AREA DIRECTORS

LOCATION: Denham Springs STORE #: 9317
31804 Hwy 16 Denham Springs, LA 70726 Livingston None
Street Address Suite City, State Zip County Cross Street

Franchisee: Theresa Kao Corporate Name: Robles and Kao, LLC
 Franchise agreement effective date: 5/31/2005

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

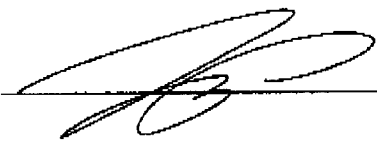
DISTANCE FROM OTHER QUIZNO'S LOCATIONS:
 Location - Distance: 0 miles Location - Distance: 0 miles
 Location - Distance: 0 miles Location - Distance: 0 miles

COMMENTS: High growth neighborhood community of Denham Springs stadium seating movie theatre.
 Positive features of location: visibility, access, signage, new construction
 Negative features of location:

Estimated Total Project Cost	<u>\$200,000.00</u>	Rent abatement	<u>none</u>
Estimated Landlord Contribution	<u>modified shell plus credit</u>		
Estimated Net Project Cost	<u>#VALUE!</u>		
Lender's Name	<u>TBD</u>		
Amount Financed	<u>\$130,000</u>	Term:	<u>120</u> months
Rate	<u>7.00%</u>		
Monthly Debt Payment	<u>\$ 1,509.41</u>		
Annual Debt Service	<u>\$ 18,112.92</u>		

Square Footage	<u>1,620</u>	Options: #	<u>3</u> periods	<u>5</u> Years each
Initial Term	<u>5</u> Years			
Minimum Rent (Year 1)	<u>\$21,870</u>		Annual	
Taxes/Insurance/CAM	<u>\$3,127</u>		Annual	
Additional Rent			Annual	
Total Occupancy Cost	<u>\$24,997</u>		Annual	
Annual Sales required to cover Annual Debt & Total Occupancy per 15% formula				<u>\$ 287,396.82</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: 12-Oct-05



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:	10/12/2005	Store #:	9317
Submitted By:	Joe Mann	Submitted To:	Alex karas
Site Intersection:	31804 Hwy 16 @ None		
Site Address:	31804 Hwy 16 Denham Springs, LA 70726		
Shopping Center:	Denham Springs		
Building Type:	In line	*ASIS* <input checked="" type="checkbox"/>	Square Feet: 1620
Landlord/Developer:	Green, Herrington and Howell, LLC	Phone No:	870 772-5457
	Robin Cannistraci	Fax No:	8707726500
		Email:	robinc@curtgreen.com
Construction Contact:	James Harrington	Phone No:	903 748-2400
		Fax No:	0
		Email:	jmh2@cableone.net
Franchisee:	Theresa Kao	Home Phone No:	225 772-6347
	Robles and Kao, LLC	Fax No:	0
		Email:	quiznos9317@yahoo.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:	upon obtaining permits, around November 05	Projected T.I. Allowance:	Modified shell plus credits
Construction:	NEW	Rent Commencement:	the earlier of 90 days from obtaining
Additional Comments:			
Attached:	<input checked="" type="checkbox"/> LOI	<input checked="" type="checkbox"/> Site Plan	<input type="checkbox"/> Lease or Lease Exhibits



SITE PACKAGE - DATA INPUT

Quiznos Contact Information

Quiznos DDM Zone	Zone 3 - East
Quiznos DDM Region:	Southeast
Quiznos DDM Market:	Baton Rouge
Quiznos AD/DRE:	Joe Mann
Package prepared by:	Joe Mann
Phone #:	504 957-1363
Date Prepared:	10/12/2005
Quiznos' Broker:	John Moss
Broker Company	Stirling Properties, Inc.
Phone #:	504 523-4481
Fax #:	504 523-4475
Email Address:	jmoss@stirlingprop.com
Quiznos RDC:	Alex karas

Franchisee Contact Information

Store #:	9317
Effective Date:	5/31/2005
Franchisee Name:	Theresa Kao
Franchisee Co. Name:	Robles and Kao, LLC
Home Address:	31 Savannah Trace, Denahm Springs, LA 70726
Home Phone #:	225 772-6347
Work Phone #:	same
Mobile Phone #:	same
Fax #:	
FZE Email:	quiznos9317@yahoo.com
FZE's Attorney:	
Contact Phone #	
Contact Fax #:	
Contact Email:	

Fees Collected

Lease Review Fee:	\$500
Legal Review Type:	Cusory

Site Information

Trade Area Type:	Suburban
Building/Site Type:	Shopping Center
Facility Type:	In line
Site/Shopping Center Name:	Denham Springs
Site Address:	31804 Hwy 16
Site City:	Denham Springs
Site State:	LA
Site Zip Code:	70726
Site County:	Livingston
Cross Street:	None
Leasable SF:	1,620

Landlord Name:	Green, Herrington and Howell, LLC
Landlord Contact:	Robin Cannistraci
Contact Phone #:	870 772-5457
Contact Fax #:	8707728500
Contact Email:	<u>robincf@curtoreen.com</u>
Construction Contact:	James Harrington
Contact Phone #:	903 748-2400
Contact Fax #:	
Contact Email:	<u>jmh2@cableone.net</u>
Green Site:	Yes
Vacant Space:	Yes
Landlord T/O Date:	Upon obtaining permits, around November 05
Rent Comm. Date:	days from obtaining permits or tenants opening for business
Projected Opening Date:	<u>2/15/2006</u>

Financing Information:

Loan amount	\$130,000
Annual interest rate	7.00%
Loan period in years	10
# of payments/year	12
Lender's Name	TBD

Project/Deal Terms:

Estimated Total Project Costs:	\$200,000.00
Tenant Improvement Allowance:	Modified shell plus credits
Rent Abatement:	none
Leasehold Improvement Costs:	\$70,000.00

SITE SCORING FORM

Store Number 9317
 Location Name Denham Springs
 Address 31804 Hwy 16
 City Denham Springs
 State, Zip LA, 70726

Nearby Quiznos Locations

Other Quiznos sites within 5 miles (include sites under development and sites not sold)
 If a site exists within 2.0 miles (4 blocks for a CBD site), you must create a concentric circle analysis

Miles Away	Store # or Map #	Store Name/Town	AUV (if open)

Total Score Calculation

Visibility
 Competition
 Position in Trade Area
 Demographics Score (from Demos@Quiznos.com)
 Total Score

Score	Weight	Total Score
5	4.7	24
5	4.1	21
5	3.7	19
2.19	7.6	17
		79

Total Score	Approval Requirement
60 +	Real Estate Committee
Under 60	Zone Leader

Other Site Characteristics

Anchor / Co-Tenant Quality
 Access
 Parking
 Green Site
 Major Competitors

Score	Explanation (if score is <3 or if Site is Green)
4	
5	
5	
Yes	
Subway, McDonald's, Wendy's, Popeye's, Burger King	

Anchor Tenants

TOTAL LEASE CALCULATIONS

Store # 8317
 FZE: Theresa Kao
 Store Name: Denham Springs
 Leasable SF: 1,620

Assumption #1: Add'l rent estimates increased by 10% every 5 yrs, change formula as needed

Initial Term: 5 years
 # of Options: 3 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 NNINs	Total Monthly Occ. Costs	Total Annual Rent	Total Annual NNINs	Total Annual Occ. Costs	Natural Monthly Breakpoint
1	\$13.50	\$1.00	\$0.50	\$0.43	\$1,822.50	\$260.55	\$2,083.05	\$21,870.00	\$3,126.80	\$24,996.80	N/A
2	\$13.50	\$1.00	\$0.50	\$0.43	\$1,822.50	\$260.55	\$2,083.05	\$21,870.00	\$3,126.80	\$24,996.80	N/A
3	\$13.50	\$1.00	\$0.50	\$0.43	\$1,822.50	\$260.55	\$2,083.05	\$21,870.00	\$3,126.80	\$24,996.80	N/A
4	\$13.50	\$1.00	\$0.50	\$0.43	\$1,822.50	\$260.55	\$2,083.05	\$21,870.00	\$3,126.80	\$24,996.80	N/A
5	\$13.50	\$1.00	\$0.50	\$0.43	\$1,822.50	\$260.55	\$2,083.05	\$21,870.00	\$3,126.80	\$24,996.80	N/A
6	\$14.88	\$1.10	\$0.55	\$0.47	\$2,023.65	\$286.61	\$2,310.26	\$24,283.80	\$3,439.26	\$27,723.06	N/A
7	\$14.88	\$1.10	\$0.55	\$0.47	\$2,023.65	\$286.61	\$2,310.26	\$24,283.80	\$3,439.26	\$27,723.06	N/A
8	\$14.88	\$1.10	\$0.55	\$0.47	\$2,023.65	\$286.61	\$2,310.26	\$24,283.80	\$3,439.26	\$27,723.06	N/A
9	\$14.88	\$1.10	\$0.55	\$0.47	\$2,023.65	\$286.61	\$2,310.26	\$24,283.80	\$3,439.26	\$27,723.06	N/A
10	\$16.64	\$1.21	\$0.61	\$0.52	\$2,246.40	\$315.27	\$2,561.67	\$26,956.80	\$3,783.19	\$30,739.99	N/A
11	\$16.64	\$1.21	\$0.61	\$0.52	\$2,246.40	\$315.27	\$2,561.67	\$26,956.80	\$3,783.19	\$30,739.99	N/A
12	\$16.64	\$1.21	\$0.61	\$0.52	\$2,246.40	\$315.27	\$2,561.67	\$26,956.80	\$3,783.19	\$30,739.99	N/A
13	\$16.64	\$1.21	\$0.61	\$0.52	\$2,246.40	\$315.27	\$2,561.67	\$26,956.80	\$3,783.19	\$30,739.99	N/A
14	\$16.64	\$1.21	\$0.61	\$0.52	\$2,246.40	\$315.27	\$2,561.67	\$26,956.80	\$3,783.19	\$30,739.99	N/A
15	\$16.64	\$1.21	\$0.61	\$0.52	\$2,246.40	\$315.27	\$2,561.67	\$26,956.80	\$3,783.19	\$30,739.99	N/A
16	\$18.47	\$1.33	\$0.67	\$0.57	\$2,493.45	\$346.79	\$2,840.24	\$29,921.40	\$4,161.50	\$34,082.90	N/A
17	\$18.47	\$1.33	\$0.67	\$0.57	\$2,493.45	\$346.79	\$2,840.24	\$29,921.40	\$4,161.50	\$34,082.90	N/A
18	\$18.47	\$1.33	\$0.67	\$0.57	\$2,493.45	\$346.79	\$2,840.24	\$29,921.40	\$4,161.50	\$34,082.90	N/A
19	\$18.47	\$1.33	\$0.67	\$0.57	\$2,493.45	\$346.79	\$2,840.24	\$29,921.40	\$4,161.50	\$34,082.90	N/A
20	\$18.47	\$1.33	\$0.67	\$0.57	\$2,493.45	\$346.79	\$2,840.24	\$29,921.40	\$4,161.50	\$34,082.90	N/A
21		\$1.33	\$0.67	\$0.57	\$0.00	\$346.79	\$346.79	\$0.00	\$4,161.50	\$4,161.50	N/A
22		\$1.33	\$0.67	\$0.57	\$0.00	\$346.79	\$346.79	\$0.00	\$4,161.50	\$4,161.50	N/A
23		\$1.33	\$0.67	\$0.57	\$0.00	\$346.79	\$346.79	\$0.00	\$4,161.50	\$4,161.50	N/A
24		\$1.33	\$0.67	\$0.57	\$0.00	\$346.79	\$346.79	\$0.00	\$4,161.50	\$4,161.50	N/A
25		\$1.33	\$0.67	\$0.57	\$0.00	\$346.79	\$346.79	\$0.00	\$4,161.50	\$4,161.50	N/A

Letter of Intent Franchise Location

TENANT: Robles & Kao, L.L.C. d.b.a. QUIZNOS, EIN# 20-3128151

1. LANDLORD: Green, Herrington & Howell, LLC
2. PREMISES: Commonly known as 31340 Hwy. 16 Denham Springs, LA 70726
 City of: Denham Springs County of: Livingston
 State of: LA Zip Code: 70726
 Description New strip center with Family Dollar anchor

4. SIZE: Approximately 1628 Square Feet
5. DIMENSIONS: 25 ft. frontage x 65' 1 1/2" Depth
6. TERM: 5 years NNN Lease OPTIONS: 3 Five year options

TENANT POSSESSION DATE: That date upon which Tenant shall have obtained necessary construction permits and shall have provided Landlord with proof of required Tenant insurance as ultimately set forth in final lease. Tenant shall diligently use all reasonable best efforts to obtain the necessary construction permits.

7. MINIMUM RENT:

YEARS 1-5:	<u>\$13.50 psf/yr</u>	<u>\$1,831.50/month</u>
YEARS 6-10:	<u>\$14.99 psf/yr</u>	<u>\$2,033.64/month</u>
YEARS 11-15:	<u>\$16.64 psf/yr</u>	<u>\$2,257.49/month</u>
YEARS 16-20:	<u>\$18.47 psf/yr</u>	<u>\$2,505.76/month</u>

8. EXPENSES: Landlord will provide Tenant detail as to the actual expenses currently applicable to the NNN charges (property tax, insurance and Common Area Maintenance 'CAM') estimated at \$1.93 psf/yr.
9. PERMITTED USES: Tenant shall have the right to use the Premises for purposes of an eat-in/takeout/ 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 not be permitted to use an outdoor eating area because there is no available area. Tenant shall be permitted to operate, or allow another business, concessionaire, or licenses to co-brand and /or operate a food and beverage business in or from the Premises, (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, and all materials, labor and/of services provided during, or delivered to the premises or installed in the premises as part of, such alteration or improvement work is fully paid for such that no lien may be attached or otherwise filed against Landlord's property. 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 sixty (60) days from the Tenant Possession Date to complete Tenant improvements to the space (hereinafter "Construction Period"). Landlord will cooperate with Tenant's efforts to obtain permits and approvals.
11. RENT COMMENCEMENT: Shall be the earlier of the first day upon which the Tenant shall open for business or 90 days after construction permits are obtained, but in no event shall be later than March 1st, 2006.
12. SECURITY DEPOSIT: Tenant shall pay to Landlord upon the issuance signing the lease a security deposit of \$1,831.50. So long as Tenant is not in default, the security deposit will be



refunded to Tenant at the end of the first lease year.

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

1. **Opening Signage.** Subject to any applicable statute, regulation, code, or ordinance, 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.** Subject to Landlord's approval Tenant shall be permitted to use the standard QF sign and awning package to the maximum size permitted by local governmental authorities, and Landlord's approval shall not be unreasonably withheld. Tenant's intended signage shall be submitted to Landlord within five (5) days after full execution of this LOI. Failure to object to Tenant's intended signage within seven (7) days after Landlord's receipt of Tenant's submission thereof, shall constitute a waiver of right of objection and shall be deemed to be Landlord's acceptance of and acquiescence of Landlord to Tenant's intended signage, thereafter subject only to applicable governmental approvals.
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.
4. **Pylon/Monument/Directory Sign.** Tenant shall be provided with a space on the Shopping Center pylon/monument/directory sign, and shall be permitted to install a Quizno's standard sign, including logo, in such space.

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.

15. **UTILITIES:** Landlord shall ensure that all necessary utilities are provided to the space intended for lease. Tenant shall pay all charges for water, sewer, and electricity used by Tenant on the space intended for lease.

16. **IMPROVEMENTS:** Landlord shall provide the improvements as set forth on Exhibit "A" attached hereto, and a tenant improvement allowance equal to \$ 9 per square foot. Landlord shall provide to Tenant as-built blueprints of the Premises.

17. **BROKER'S FEES:** Stirling Properties, Inc. -- John Moss, Agent

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

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:** Any radius restrictions or relocation provisions in the Lease will be deleted.
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, without charge but with 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 to a duly authorized franchisee of Franchisor. In the event of an assignment to a QF Entity, the QF Entity shall have the right to reassign the Lease, without charge but with Landlord's consent being required to a duly authorized franchisee of Franchisor 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.
21. **HAZARDOUS MATERIALS:** Landlord represents and warrants that, as of the execution date of the lease, the Premises are, or will be, free of all asbestos, asbestos containing materials and other hazardous or toxic materials (collectively, "Hazardous Materials"; "Hazardous Materials" being defined as of the execution date of the lease). 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.
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 but with 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

Notices to Landlord shall be addressed as follows:

Green, Harrington & Howell, LLC
Attn: Martha Johnson



QUIZNO'S SUB

1600 Arkansas Blvd., Suite 100
Texarkana, AR 71854

or

Green, Herrington & Howell, LLC
Attn: Martha Johnson
PO Box 3379
Texarkana, TX 75504.

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 shown in ¶ 7 on page 1, that Tenant is required to pay under Lease (the "Occupancy Costs" or "Expenses") will not exceed \$ 1.93 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.
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 and Tenant, Landlord shall return an executed copy of this document to Tenant and Tenant shall execute same within such time period. Landlord and Tenant each hereby agree to negotiate the terms and provisions of a Lease consistent with this Proposal within sixty (60) days from the date that both parties have fully executed this LOI.
27. **COMMUNICATIONS SYSTEM:** Subject to Landlord's prior approval of Tenant's installation plans, and 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. Landlord shall not unreasonably withhold approval of such installation plans. Tenant's intended installation plans shall be submitted to Landlord at least fourteen (14) days prior to Tenant's intended installation commencement date. Failure to object to Tenant's intended installation plans within seven (7) days after Landlord's receipt of Tenant's submission thereof, shall constitute a waiver of right of objection and shall be deemed to be Landlord's acceptance of and acquiescence of Landlord to Tenant's intended installation procedures, thereafter subject only to any applicable governmental approvals. 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. The provisions of this paragraph, and any similar paragraph addressing indemnification as may be incorporated in any subsequent lease, shall survive expiration or termination thereof.

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: _____

Address for Notices: _____

Telephone: _____

TENANT:

By:

Title:

By:

Title:

Jessica Karas
10/6/05
President

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

Date: _____

Green, Herrington & Howell, LLC
870-772-5471

By:

AUTHORIZED SIGNATOR

TITLE

[Signature]
9/29/05
MANAGING MEMBER



QUIZNO'S SUB

EXHIBIT "A"

Landlord shall provide the following at Landlord's expense, per the Quiznos plans and specifications unless otherwise specified:

1. **Front door:** Existing Single Door
2. **Rear door:** 3' x 7' hollow metal door with panic hardware requirements and weather-stripping to code.
3. **Storefront:** Existing storefront
4. **Demising walls:** Demising walls to be built to the roof deck, drywall fire taped, sanded and ready for paint. Demising walls to meet all city and fire codes.
5. **Concrete floor:** Level, clean concrete slab or clean wood slab, underlay to be in stable and dry condition. Floor is clean and ready for ceramic tile, vinyl or glue down Flooring Materials. Floors to be at street level or maintain ADA approved standards.
6. **HVAC:** Landlord credit of \$1000 per ton, maximum of 10 (ten) tons.
7. **ROOF:** Roof is a standing seam metal roof and Tenant shall not install any equipment on roof, with exception of receiving antennae, only if an acceptable mounting position CANNOT be obtained at the top of the rear wall. All other equipment shall be placed on the ground at the rear of the building and shall be located so as not to interfere with any required ADA accessible routes. Roof penetrations shall only be made when the upper portion of rear wall is NOT SUITABLE and Tenant shall submit plans to Landlord showing acceptable details of penetrations and flashing methods prior to work being performed. Tenant shall assume all responsible for maintenance and repairs for any leaks for water damage sustained as a result of roof penetrations.
8. **Electrical:** LL to supply and install to the tenants space either 2 ea - 200 Amp, 120/240 volt or a 400 Amp, 120/240 1 phase, 4 wire service with a 42 circuit distribution panel, Power to space by Landlord. Located per plans and specs. All interior wiring shall be by Tenant.
9. **Water and sewer:** Minimum 1" water line stubbed to the Tenant's space in location per Tenant's plans, maintaining pressure of 55-75 psi with shut-off valve and pressure reducing valve and back flow prevention device if required. Minimum 4" sewer line stubbed into Tenant's space in sufficient size and depth for Tenant's use in location per Tenant's plans.
10. **Gas:** Gas is not available / all electric
11. **"J" box:** For sign electrical circuit on storefront with conduit to distribution panel.
12. **Ceiling:** Landlord to credit \$2.50/SF for lighting and ceiling.
13. **Lighting:** LL to credit \$1.25 per sf.
14. **Water Heater:** Landlord credit \$1200. To be paid to Tenant for Hot Water Heater.
15. **Restrooms:** Minimum restrooms and fixture amounts as set forth by the American Disabilities Act (ADA) and local code requirements per Tenant's occupant load and specification.
16. **Plumbing:** Grease trap or interceptor if required by local municipality to be provided by Tenant.
17. **Tap Fees/impact:** All tap, connection fees or assessments for utilities to be paid by Tenant
18. **Handicap Accessibility:** Landlord shall meet all ADA requirements.
19. **PERMITS:** Tenant to obtain all building permits required for construction. Tenant has 30 days from lease signing to obtain permits. Landlord will cooperate with Tenant's efforts to obtain permits and approvals.

BY
LANDLORD

DATE:

9/26/05