

ITEM 15

OBLIGATION TO PARTICIPATE IN THE ACTUAL OPERATION OF THE FRANCHISE BUSINESS

Under the Franchise Agreement, you personally (or, if you are not an individual, your managing owner) or your Designated Manager must devote full time and best efforts to manage and operate your Restaurant, and you (or your managing owner) and your Designated Manager must successfully complete our mandatory initial training program and pass our basic skills test. Although we recommend it, you (or your managing owner) need not participate personally in the Restaurant's on-site operation. In that case, however, your Designated Manager must manage the Restaurant's daily operations on a full-time basis. (See Item 11) You must keep your Restaurant open during the business hours we designate.

If you are a corporation, limited liability company, or partnership, we do not require your Designated Manager to have an equity interest in you. However, your Designated Manager and all of your officers, directors, partners, shareholders, and members (and, if you are an individual, your spouse) must agree to be bound by the nondisclosure provisions of the Franchise Agreement.

We require each of your owners (and their spouses) to sign the Guaranty and Assumption of Franchisee's Obligations (which is attached to the Franchise Agreement) personally assuming and agreeing to perform all obligations of the Franchisee and to be bound by the terms of the Franchise Agreement. In addition, your landlord might require you personally to guaranty the tenant's obligations under your lease.

We make no other recommendations and have no other requirements regarding employment or other written agreements between you and your employees.

ITEM 16

RESTRICTIONS ON WHAT THE FRANCHISEE MAY SELL

You must offer for sale and sell all of the products and provide all the services, and only those products and services, that we approve or specify for the Restaurant. You may not offer for sale any products or offer any services that we have not approved. (See Items 8 and 9) We have the right to change the types of authorized products and services periodically. There are no limits on our right to do so. We may prescribe maximum prices that you may charge customers for products and services offered and sold by your Restaurant.

You must obtain our prior written approval in order to provide delivery services. We impose no other restrictions on goods or services you offer or the customers to whom you may sell.

ITEM 17

RENEWAL, TERMINATION, TRANSFER AND DISPUTE RESOLUTION

This table lists certain important provisions of the Franchise Agreement and related agreements. You should read these provisions in the agreements attached to this Offering Circular.

Provision	Section in Agreement	Summary
a. Term of the franchise	Section 17.1 of the Franchise Agreement and Section 12 of Non-Traditional Addendum	15 years; 5 years for Non-Traditional Restaurants
b. Renewal or extension of the term	Section 17.2 of the Franchise Agreement and Section 13 of Non-Traditional Addendum	Option to renew for additional 15 year term (5 year term for Non-Traditional Restaurants) if you meet requirements
c. Requirements for you to renew or extend	Sections 17.2 and 17.3 of the Franchise Agreement	Written notice at least 180 days before expiration, sign then-current form of Franchise Agreement, be in compliance with Franchise Agreement, sign release (our current form of release language is included in the Renewal Addendum which is attached as Exhibit L), pay fee, and renovate (if applicable)
d. Termination by you	Section 18.1 of the Franchise Agreement; First Addendum to Franchise Agreement	Upon written notice if we materially fail to comply and fail to cure within 30 days after notice of default or such additional time reasonably needed to cure; if you participate in the ATT Program, you may terminate without cause prior to your acquisition of an existing QUIZNOS Restaurant

Provision	Section in Agreement	Summary
e. Termination by us without cause	None in the Franchise Agreement; First Addendum to Franchise Agreement	We may not terminate Franchise Agreement without cause, except, under the ATT Program, either party may terminate without cause prior to your acquisition of an existing QUIZNOS Restaurant
f. Termination by us with cause	Section 18.2 of the Franchise Agreement	We can terminate only if you commit any one of listed violations
g. "Cause" defined -- defaults which can be cured	Section 18.3 of the Franchise Agreement	72 hours for violations of health, safety, or sanitation laws; 5 days to discharge executions against property; 10 days for failure to pay amounts owed or for misuse of Marks; and 30 days for all other defaults
h. "Cause" defined -- defaults which cannot be cured	Section 18.2 of the Franchise Agreement and Section 14 of Non-Traditional Addendum	Material misrepresentation or omission in application; unauthorized opening; abandonment; surrender of control; felony conviction; dishonest or unethical conduct; unauthorized assignment; improper assignment upon death or disability; loss of possession of Restaurant; unauthorized use of Confidential Information; assignment for benefit of creditors; bankruptcy; repeated violations; underreporting Gross Sales; failure to complete training or to open; termination of any other QUIZNOS franchise agreement under which you (or one of your owners with a 25% ownership interest in you) are the franchisee or a managing owner; uncured loan or equipment lease default; unsafe or unsanitary conditions at Restaurant; or loss of right to operate Host Facility (Non-Traditional Restaurant)
i. Your obligations on termination/nonrenewal	Sections 18.7 and 18.9 of the Franchise Agreement	Cease operating franchised business, cease using confidential information and Marks, deliver property containing the Marks, cancel assumed or similar name registrations, assign lease or de-identify, pay outstanding amounts and damages, deliver manuals, assign phone numbers, and comply with covenants; we may assume (or appoint a third party to assume) Restaurant's management
j. Assignment of contract by us	Section 16.5 of the Franchise Agreement	No restriction on our right to assign

Provision	Section in Agreement	Summary
k. "Transfer" by you – definition	Section 16.1 of the Franchise Agreement	Includes transfer of any interest in the Franchise Agreement, Restaurant assets, or you and an assignment of day-to-day operational responsibilities for Restaurant under an operating agreement or otherwise
l. Our approval of transfer by you	Section 16.3 of the Franchise Agreement	No transfer without our approval
m. Conditions for our approval of transfer	Section 16.2 of the Franchise Agreement	Full compliance; transferee qualifies; all amounts due under Franchise Agreement (and other franchise agreements with us) are paid in full; all reports submitted; you have not breached any obligation under Franchise Agreement (and other franchise agreements with us) during 60 day period before you requested our consent to transfer or during period between your request and the effective date of the transfer; transferee signs our then current form of franchise agreement (which may differ materially); transferee and its owners and affiliates do not operate or have ownership interest in competitive business; lease transferred; subordination of amounts due to you and your owners from transferee; completion of training; transfer fee paid; transferee agrees to renovate, remodel, or replace Restaurant property within specified time to meet current image and operational standards; and execute and deliver other required documents (including release) (our current form of release language is included in the Consent to Transfer which is attached as Exhibit K)
n. Our right of first refusal to acquire your business	Section 16.4 of the Franchise Agreement	For 30 day period, we have right to match offer
o. Our option to purchase your business	Section 18.6 of the Franchise Agreement and Section 15 of Non-Traditional Addendum	30% of Gross Sales for previous 12 month period; may be modified for Non-Traditional Restaurants; does not include real property other than leasehold interest

Provision	Section in Agreement	Summary
p. Your death or disability	Section 16.6 of the Franchise Agreement	Franchise must be assigned to approved buyer within 120 days (or longer if required by probate proceedings); there must at all times be a Designated Manager at the Restaurant
q. Non-competition covenants during the term of the franchise	Sections 20.1 and 20.2 of the Franchise Agreement and Sections 16 and 17 of Non-Traditional Addendum	No involvement in any Competitive Business wherever located or operating; no involvement in Branded Business within a ¼ mile radius of your Restaurant without our consent; may be modified for Non-Traditional Restaurants; no solicitation of our, an affiliate's, or another franchisee's employees
r. Non-competition covenants after the franchise is terminated or expires	Section 20.3 of the Franchise Agreement and Section 18 of Non-Traditional Addendum	No interest in Competitive Business for 2 years at former Franchised Location or within 5 miles of former Franchised Location or any other Restaurant; may be modified for Non-Traditional Restaurants; Competitive Business includes any Special Product if you participate in any Special Product program; you must pay liquidated damages equal to our then-current Initial Franchise Fee and 8% of your Gross Sales for violation of non-competition provisions
s. Modification of the agreement	Section 23.1 of the Franchise Agreement	No modifications generally, but Manual subject to change
t. Integration/merger clause	Section 23.2 of the Franchise Agreement	Only terms of Franchise Agreement and exhibits are binding (subject to state law)
u. Dispute resolution by arbitration or mediation	Section 21 of the Franchise Agreement	No arbitration or mediation clause; all parties waive their rights to a jury trial
v. Choice of forum	Section 21.1 of the Franchise Agreement	Litigation in Denver, Colorado (subject to state law).
w. Choice of law	Section 21.1 of the Franchise Agreement	Except for federal law, Colorado law applies (unless prohibited by laws of state where Restaurant is located)
x. Security Interest	Section 22 of the Franchise Agreement and Section 21 of Non-Traditional Addendum	We have a security interest in the Restaurant and all of its assets, on which we may foreclose if you breach the Franchise Agreement; we may waive our security interest for Non-Traditional Restaurants

These states have statutes that might supersede the Franchise Agreement in your relationship with us, including the areas of termination and renewal of your franchise:

ARKANSAS [Ark. Code Sections 4-72-201 to 4-72-210], CALIFORNIA [Bus. & Prof. Code Sections 20000 to 20043], CONNECTICUT [Gen. Stat. Sections 42-133e to 42-133h], DELAWARE [Code Sections 2551 to 2556], HAWAII [Rev. Stat. Section 482E-6], IDAHO [Code Section 29-110], ILLINOIS [815 ILCS Sections 705/1 to 705/44], INDIANA [Stat. Section 23-2-2.7], IOWA [Code Section 537.A10], MICHIGAN [Stat. Section 19.854(27)], MINNESOTA [Stat. Section 80C.14], MISSISSIPPI [Code Sections 75-24-51 to 75-24-63], MISSOURI [Rev. Stat. Sections 407.400 to 407.410], NEBRASKA [Rev. Stat. Sections 87-401 to 87-410], NEW JERSEY [Rev. Stat. Sections 56:10-1 to 56:10-12], SOUTH DAKOTA [Codified Laws Section 37-5A-51], VIRGINIA [Code Section 13.1-557 to 13.1-574], WASHINGTON [Code Section 19.100.180], and WISCONSIN [Stat. Sections 135.01 to 135.07]. These and other states might have court decisions that supersede the Franchise Agreement in your relationship with us, including the areas of termination and renewal of your franchise.

In addition to the provisions noted in the chart above, the Franchise Agreement contains a number of provisions that may affect your legal rights, including a waiver of a right to a jury trial, waiver of punitive damages or exemplary damages, and limitations on whether claims may be raised. (Franchise Agreement – Sections 21.2 and 21.4) We recommend that you carefully review all of these provisions, and the entire contract, with a lawyer.

Applicable state law might require additional disclosures related to the information contained in this Item 17. These additional disclosures, if any, appear in Exhibit I.

ITEM 18

PUBLIC FIGURES

We currently do not use any public figure to promote our franchise.

ITEM 19

EARNINGS CLAIMS

The following information addresses average per Restaurant sales (including discounts) during fiscal years 2000, 2001, 2002, 2003, 2004 and 2005 at all QUIZNOS Restaurants operating as of September 30, 2000, September 30, 2001, December 31, 2002, December 31, 2003, December 31, 2004 and December 31, 2005, respectively. TQFC obtained the reported information and calculated the average gross sales (including discounts) for Franchisees whose Franchise Agreements were with TQFC (*i.e.*, those franchises granted before July 2002). QF obtained the reported information and calculated the average gross sales for Franchisees whose Franchise Agreements were with QF (*i.e.*, those franchises granted in or after July 2002). As a result of the Securitization, QFA is the franchisor under all those Franchise Agreements.

Fiscal Year¹	2000	2001	2002	2003	2004	2005
Total Number of Restaurants²	846	1184	1765	2501	3336	4225
Total Number of Restaurants open during the entire 12 month period (“Participating Restaurants”)³	510	701	1234	1465	2056	2596
Average Gross Sales for Participating Restaurants⁴	\$380,982	\$386,505	\$421,148	\$424,431	\$436,573	\$414,625
Percentage of Participating Restaurants that Met or Exceeded the Average⁵	47%	46%	44%	41.5%	41.1%	43.1%

Notes:

1. The information is for fiscal years ended September 30, 2000, September 30, 2001, December 31, 2002, December 31, 2003, December 31, 2004 and December 31, 2005. Neither we, QF, nor TQFC has undertaken an independent investigation to verify the amounts reported by Franchisees.
2. This number represents the total number of QUIZNOS Restaurants open in the United States (including non-traditional units) as of the end of each fiscal year. It includes 35 affiliate owned Restaurants as of September 30, 2000, 3 affiliated owned Restaurants as of September 30, 2001, 15 affiliate owned Restaurants as of December 31, 2002, and 2 affiliate owned Restaurants as of December 31 of 2003, 2004 and 2005.
3. This number represents the total number of Restaurants that had been open for business for the entire 12 month period during the relevant fiscal year.
4. This is the average gross sales (including discounts) for all Participating Restaurant for the fiscal year.
5. This is the percentage of Participating Restaurants that had gross sales (including discounts) that met or exceeded the average gross sales (including discounts) for the fiscal year.

The products and services offered by each Restaurant, although essentially the same, may vary to some degree based on the individual Franchisee’s discretion. The sales volume attainable by each Restaurant depends on many factors, including geographic differences, competition within the immediate market area, the quality and service provided to customers by the Restaurant, as well as its own marketing and sales efforts.

YOUR ACTUAL FINANCIAL RESULTS ARE LIKELY TO DIFFER FROM THE FIGURES PRESENTED. THE AVERAGE GROSS SALES FIGURES PRESENTED ABOVE REPRESENT SALES BEFORE DEDUCTIONS FOR CONTINUING ADVERTISING AND ROYALTY FEES PAYABLE TO THE FRANCHISOR AND ALL OTHER OPERATING EXPENSES. SEE ITEMS 6 AND 7 OF THIS OFFERING CIRCULAR FOR A PARTIAL LIST OF EXPENSES YOU WILL INCUR.

THE SALES FIGURES ABOVE ARE AVERAGES OF HISTORICAL DATA OF SPECIFIC FRANCHISES. THEY SHOULD NOT BE CONSIDERED AS POTENTIAL SALES THAT MAY BE REALIZED BY YOU. WE DO NOT REPRESENT THAT YOU CAN EXPECT TO ACHIEVE THESE SALES LEVELS. ACTUAL RESULTS VARY FROM RESTAURANT TO RESTAURANT, AND WE CANNOT ESTIMATE THE RESULTS OF ANY PARTICULAR FRANCHISE.

SUBSTANTIATION OF THE ABOVE AVERAGES IS AVAILABLE TO YOU AT OUR OFFICES IF YOU REQUEST, PROVIDED IT DOES NOT REQUIRE THE DISCLOSURE OF THE IDENTITY OF ANY RESTAURANT OWNER.

OTHER THAN THE ABOVE INFORMATION, WE DO NOT FURNISH OR AUTHORIZE OUR SALESPERSONS TO FURNISH ANY ORAL OR WRITTEN INFORMATION CONCERNING THE ACTUAL OR POTENTIAL SALES, INCOME, OR PROFITS OF A QUIZNOS RESTAURANT.