

05-09-2002

Form PTO-1594  
(Rev. 03/01)  
OMB No. 0651-0027 (exp. 5/31/2002)  
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102083134

U.S. DEPARTMENT OF COMMERCE  
U.S. Patent and Trademark Office

To the Honorable Commissioner of Patents and Trademarks: Please record the attached original documents or copy thereof.

1. Name of conveying party(ies): 5-9-02  
**SPAGHETTI JACK'S INC.**  
 Individual(s)       Association  
 General Partnership       Limited Partnership  
 Corporation-State **KANSAS**  
 Other \_\_\_\_\_

Additional name(s) of conveying party(ies) attached?  Yes  No

3. Nature of conveyance:  
 Assignment       Merger  
 Security Agreement       Change of Name  
 Other \_\_\_\_\_

Execution Date: 8-14-98

2. Name and address of receiving party(ies)  
Name: QUIZNO'S KANSAS LLC  
Internal  
Address: DENVER PLACE, PLAZA TOWER  
Street Address: 1099 18TH STREET, SUITE 2850  
City: DENVER State: CO Zip: 80202

Individual(s) citizenship \_\_\_\_\_  
 Association \_\_\_\_\_  
 General Partnership \_\_\_\_\_  
 Limited Partnership \_\_\_\_\_  
 Corporation-State \_\_\_\_\_

Other KANSAS LIMITED LIABILITY COMPANY  
If assignee is not domiciled in the United States, a domestic representative designation is attached:  Yes  No  
(Designations must be a separate document from assignment)  
Additional name(s) & address(es) attached?  Yes  No

4. Application number(s) or registration number(s):  
A. Trademark Application No.(s)  
N/A

B. Trademark Registration No.(s)  
SEE ATTACHED EXHIBIT A

Additional number(s) attached  Yes  No

5. Name and address of party to whom correspondence concerning document should be mailed:

Name: MARK I. FELDMAN

Internal Address: PIPER RUDNICK

Street Address: P.O. BOX 64807

City: CHICAGO State: IL Zip: 60664-0807

6. Total number of applications and registrations involved: 6

7. Total fee (37 CFR 3.41).....\$ 165.00

Enclosed  
 Authorized to be charged to deposit account  
**(ANY ADDITIONAL FEES)**

8. Deposit account number:  
18-2284

(Attach duplicate copy of this page if paying by deposit account)

DO NOT USE THIS SPACE

9. Statement and signature.  
*To the best of my knowledge and belief, the foregoing information is true and correct and any attached copy is a true copy of the original document.*

MARK I. FELDMAN  
Name of Person Signing

Mark Feldman  
Signature

5-7-02  
Date

Total number of pages including cover sheet, attachments, and document: 30

Mail documents to be recorded with required cover sheet information to:  
Commissioner of Patent & Trademarks, Box Assignments  
Washington, D.C. 20231

05/10/2002 6TON11 00000014 1133359  
01 FC:481 40.00 DP  
02 FC:482 125.00 DP

TRADEMARK  
REEL: 002502 FRAME: 0065

**EXHIBIT A**  
**TRADEMARKS**

<b>Registered Mark</b>	<b>Serial No.</b>	<b>Registration Date</b>
SUB & STUFF (stylized)	1,133,359	April 5, 1980
SUB & STUFF	1,212,799	October 12, 1982
SPAGHETTI JACK'S FAST ITALIAN & Design (Horizontal Box Logo)	1,728,436	October 27, 1992
SPAGHETTI JACK'S FAST ITALIAN & Design (Vertical Box Logo)	1,712,547	September 1, 1992
SPAGHETTI JACK'S (Word Mark Only)	1,684,756	April 28, 1992
JACK & Figure Design	1,707,520	August 11, 1992

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UNITED STATES BANKRUPTCY COURT  
FOR THE DISTRICT OF KANSAS  
KANSAS CITY DIVISION

FILED  
US COURT OF BANKRUPTCY  
DISTRICT OF KANSAS

Aug 14 2 19 PM '98

CLERK  
BY \_\_\_\_\_ DEPUTY  
AT KANSAS CITY, KS

In re:  
STOICO RESTAURANT GROUP, INC.,  
Debtor.

Case No. 98-20602  
Chapter 11

In re:  
SUB & STUFF, INC.,  
Debtor.

Case No. 98-20603  
Chapter 11

In re:  
SPAGHETTI JACK'S, INC.,  
Debtor.

Case No. 98-20601  
Chapter 11

**FINDINGS OF FACT, CONCLUSIONS OF LAW, AND ORDER APPROVING:  
(1) SALE OF ASSETS FREE AND CLEAR OF LIENS, CLAIMS,  
ENCUMBRANCES, AND INTERESTS;  
(2) ASSUMPTION AND ASSIGNMENT OF CERTAIN LEASES; AND  
(3) REJECTION OF CERTAIN LEASES AND EXECUTORY CONTRACTS**

This matter was heard on August 12, 1998 pursuant to the Debtors' pleadings titled as follows:

- (a) Combined: (1) Motion for Authorization to Sell Personal Property Free and Clear of Liens and Encumbrances; (2) Notice of Intended Sale No. 2 with Deadline to file Objections of August 11, 1998; and (3) Notice of Hearing Set for August 12, 1998 at 1:30 P.M. dated July 21, 1998 (described hereinafter collectively or separately as the "Sale Motion" and the "Sale Notice"); and

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August 14, 1998 (7:11AM)

(b) Motion to Assume Certain Unexpired Leases of Debtors, and a separate Notice of Nonvidentiary Hearing on (a) the Sale Motion, (b) Motion to Assume Certain Unexpired Leases of Debtors; and (c) Companies' Motion to Set Bar Date of September 10, 1998 (described hereinafter collectively or separately as the "§365 Motion" and the "§365 Notice").

The Court, having considered: (i) the Sale Motion and Sale Notice; (ii) the § 365 Motion and the § 365 Notice; (iii) the only objection to the Sale Motion, which was filed by Salina Building Co., Inc.; (iv) the lack of objections to the § 365 Motion; (v) the testimony and offers of proof provided at the hearing; (vi) the statements and arguments of counsel made at the hearing; and (vii) the record in this case; and being fully advised in the premises, makes the following findings of fact and conclusions of law:

**Findings of Fact**

1. By the Sale Motion, the Debtors sought authority to conduct the auction sale of substantially all of their assets, free and clear of all liens, claims, encumbrances, and interests, pursuant to 11 U.S.C. § 363(b), (f), and (m) (the "Sale"). Notice of the Debtors' Sale Motion, and of the competitive auction procedure by which the Sale would be accomplished, was provided through the Sale Notice, which was sent to all parties entitled to receive such notice. The Court finds that the service, scope, and content of the Sale Notice were sufficient and complied with all applicable rules and laws.

2. By the § 365 Motion, the Debtors sought authority to assume all leases and executory contracts necessary to be assumed and assigned to the purchaser in connection with the Sale, and to reject such leases and executory contracts as the Debtors, in the exercise of their business discretion, determined to reject at this stage of their bankruptcy cases or that were required to be rejected as an element of the Sale. Notice of the Debtors' § 365 Motion was provided through the § 365 Notice, which was sent to all parties entitled to receive such notice. The Court finds that the service, scope, and content of the § 365 Notice were sufficient and complied with all applicable rules and laws.

3. Pursuant to the bidding procedures established by the Sale Motion and the Sale Notice, at the hearing held before this Court on August 12, 1998 the Debtors received two competing bidders for purchase of certain of the assets and assumption and assignment of certain of the leases of one or more Debtors in these cases. A competitive auction was conducted during the hearing. At the conclusion of the bidding, the Debtors determined to accept the bid of Quizno's Kansas LLC ("Quizno's") to acquire certain assets of the bankruptcy estates of the Debtors including assumption and assignment of specified sandwich store leases of Debtor Sub & Stuff, Inc. (collectively, the "Assets"), for \$500,000.00 cash payable at closing, according to the terms of Quizno's Asset Purchase Agreement (the "Purchase Agreement"), a true copy of which is attached hereto. The Debtors then requested the Court's approval of the sale of the Assets to Quizno's free and clear of all liens, claims, encumbrances, and interests, including the assumption (including cure)

WARREN TO: COV (modified) Order 14, 1998  
August 14, 1998 (7:11AM)

and assignment to Quizno's of certain leases and the rejection of certain other leases or executory contracts, pursuant to the terms of the Purchase Agreement, the Sale Motion, and the § 365 Motion.

4. Quizno's is acquiring the Assets for value and in good faith within the meaning of 11 U.S.C. § 363(m), and is entitled to the protections thereof.

5. The consideration to be provided by Quizno's for the Assets pursuant to the Purchase Agreement is fair to the Debtors and to their bankruptcy estates under the circumstances of this case. Approval of the Purchase Agreement and consummation of the proposed transaction is in the best interests of the Debtor's estate and its creditors. The Debtors and the Creditors' Committee appointed in these cases have requested that the Court approve the Debtors, acceptance and performance of the Purchase Agreement with Quizno's.

6. The objection filed by Safina Building Co., Inc. was resolved during the hearing as follows: by debtors not assuming or assigning that lease or selling any of the property of Safina Building Company, Inc., contained therein.

7. No other objections to the Sale Motion were timely filed by any interested party.

8. No objections to the § 365 Motion were timely filed by any interested party.

9. All findings of fact which are conclusions of law shall be deemed to be conclusions of law.

**Conclusions of Law**

1. The Court has jurisdiction of this matter pursuant to 28 U.S.C. §157(a), §157(b) and §1334. The Sale Motion and the § 365 Motion are core proceedings under 28 U.S.C. § 157(b). The Court has the authority to enter this Order pursuant to 11 U.S.C. §§ 105(a), 363(b)(1), (f), and (m), and 11 U.S.C. § 365(a), (b), and (f).

2. Due and proper notice of the Sale Motion and of the § 365 Motion were given. The content and scope of such notices is adequate and complies with the concepts of due process and all applicable rules and law.

3. Quizno's is a good-faith purchaser for value pursuant to the provisions of 11 U.S.C. § 363(m), and is entitled to the protections thereof.

4. The Debtors' proposed assumption of the Sub & Stuff sandwich shop leases specified in the Purchase Agreement satisfies the requirements of 11 U.S.C. § 365(b) for assumption, including cure and adequate assurance of future performance.

5. The Debtors' assignment to Quizno's of the leases assumed pursuant to the preceding paragraph is appropriate pursuant to 11 U.S.C. § 365(f). Any restriction against such assignment in any lease being assigned (including but not limited to any restriction against Quizno's use or renaming of a Sub & Stuff sandwich shop as a Quizno's sandwich shop, or Quizno's remodeling and re-equipping, at its own expense, of a Sub & Stuff sandwich shop to conform to customary Quizno's standards) is void pursuant to § 365(f)(1).

6. All conclusions of law which are findings of fact shall be deemed to be findings of fact.

**ORDER**

Accordingly, it is hereby ordered that:

1. The Debtors' Sale Motion is Granted, consistent with the terms of the Purchase Agreement with Quizno's.

2. The Debtors' § 365 Motion is Granted, consistent with the terms of the Purchase Agreement with Quizno's. Debtors are only authorized by this order to assume those leases listed on page 1 of Exhibit A to the Purchase Agreement.

3. The Purchase Agreement between Quizno's and the Debtors, setting forth the terms of Quizno's purchase of the Assets, is approved in the form attached hereto.

4. The Debtors and Quizno's shall be and hereby are authorized and directed to execute and deliver the Purchase Agreement, and consummate and close the sale, assumption (including cure), and assignment of the Assets to Quizno's on the terms and within the time for closing set forth therein.

5. Both before, during, and after closing, the Debtors are authorized and directed to make, execute, and deliver all documents reasonably deemed necessary by Quizno's or any Debtor to transfer title to the Assets to Quizno's, and to assume (including cure) and assign to Quizno's the leases specified in the Purchase Agreement.

6. The Debtors may file a subsequent motion seeking rejection of certain leases and executory contracts as identified in the Purchase Agreement and or, in the alternative, Debtors may reject those leases and executory contracts in their Plan.

7. Effective at closing, all of the Debtor's right, title and interest in and to the Assets shall be sold, conveyed, assigned, transferred, and delivered to Quizno's, free and clear of any and all liens, claims, encumbrances, and interests of any other person. Any and all such liens, claims, encumbrances, and interests, to the extent allowed in these bankruptcy cases, shall attach to the proceeds of the sale. The use of such sale proceeds shall be governed by 11 U.S.C. § 363.

8. The resolution of the objection filed by Salina Building Co., Inc. reached by the parties, as described hereinabove, is approved.

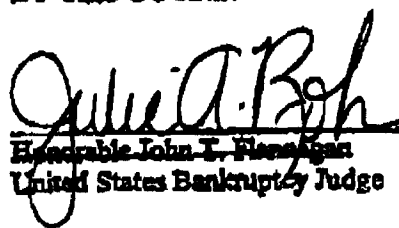
9. All objections not otherwise resolved are overruled and denied.

10. This Court shall retain jurisdiction of this matter to resolve any disputes involving Quinzo's, the Debtor, the Creditors' Committee, or any other party who had notice of this proceeding, pertaining to the Sale, the enforcement or interpretation of the Purchase Agreement, or any other matter related thereto.

11. The proceeds of this sale shall be placed in a debtor-in-possession account separate and apart from the Debtors' operating accounts, disbursement from which account shall be made only pursuant to this Court's order. Provided, however, that direct costs of sale as described in the Notice of Sale may be paid forthwith.

Dated this 14<sup>th</sup> day of August, 1998.

BY THE COURT:

  
Honorable John T. Flanagan  
United States Bankruptcy Judge

**ASSET PURCHASE AGREEMENT**

THIS AGREEMENT, made and entered into by and between STOICO RESTAURANT GROUP, INC., d/b/a STOICO FOOD SERVICES, INC., SUB & STUFF, INC. and SPAGHETTI JACKS, INC. (hereinafter collectively referred to as the "Sellers"), and QUIZNO'S KANSAS LLC. (hereinafter referred to as the "Buyer").

WHEREAS, the Parties have reached an understanding with respect to the sale by the Sellers and the purchase by the Buyer of certain of the assets of the Sellers.

NOW, THEREFORE, in consideration of the foregoing and the mutual promises, covenants and Agreements hereinafter contained, and other good and valuable consideration, the receipt and adequacy of which is hereby acknowledged, the Parties hereto, intending legally to be bound, hereby mutually agree as follows:

1. **Sale of Assets.** The Sellers agree they will sell, transfer and deliver to the Buyer and the Buyer agrees that it will buy subject to the terms and conditions of this Agreement, for the consideration herein provided, the Sellers' assets, real, personal and mixed as described below. The Assets to be sold by Sellers hereunder shall include all of the assets listed on the attached Exhibit A. With specific reference to the patents, licenses, trademarks, and other proprietary rights described in Exhibit "A" (the "Intellectual Property"), Sellers acknowledge that the transfer of the Intellectual Property to Buyer precludes Sellers from offering or licensing the Intellectual Property or any part thereof to any franchisee or licensee.

At closing, the Sellers shall transfer, sell, assume and assign, or convey the assets to the Buyer by executing and delivering to the Buyer good and sufficient documents necessary to vest marketable title thereto in the Buyer free and clear of liabilities, obligations, security interests, liens, taxes and encumbrances whatsoever.

2. **Purchase Price.** Subject to the terms and conditions of this Agreement and in reliance on their representation and warranties of the Sellers, along with the approval of the Bankruptcy Court and the Bankruptcy Court's granting of clear titles free of all encumbrances, Buyer shall purchase the assets to be conveyed hereunder and in full consideration therefore, shall pay a total purchase price of Five Hundred Thousand (\$500,000) for all the assets.

3. **Closing and Payment of Purchase Price.** The closing of this transaction shall be held and the closing date shall be as may be mutually agreed by the Parties. The Buyer's obligations to close hereunder are expressly contingent upon the contingencies herein stated and the accuracy of the representations and warranties of the Sellers contained herein. Upon receipt of such instruments of transfer, so long as Sellers have timely performed each and every obligation, covenant, representation or warranty contained herein, along with receipt of the approval of the Bankruptcy Court and the Bankruptcy Court's granting of clear titles free of all encumbrances, in exchange thereof,



the Buyer agrees and to pay the purchase price of Five Hundred Thousand (\$500,000) in cash by certified or cashier's check on the closing date for all of the assets described above. From time to time, at Buyer's request, the Sellers will execute and deliver such further instruments of conveyance and transfer and take such other action as the Buyer may reasonably require to effectively convey and transfer ownership and possession of the assets purchased hereunder to the Buyer.

4. **Title to Assets.** The Sellers will have good and marketable title to all of the assets and shall convey said assets to the Buyer free and clear of all liens, interests, taxes and encumbrances of every kind and description, with the approval of the Bankruptcy Court. All leases or other agreements to be assumed and assigned hereunder shall be pursuant to a final, nonappealable order more fully described on Addendum A-1 hereto.

5. **Compliance with Law.** None of the assets nor the manner in which any of said assets is being operated or maintained, nor the sale of the assets to Buyer is in violation of any restrictive covenant, Agreement or provision of any law or ordinance or governmental regulation or zoning regulation or encroached upon property owned by others.

6. **Buyer Has No Obligations to Employees of Sellers.** The Buyer is assuming no liability, nor shall Buyer have any liability as a matter of law, for any past due or accrued obligations relating to Sellers' employees, including, but not limited to wages, vacation, sick leave, pensions, retirement plans, or withholding taxes. Buyer shall have the right, but not the obligation, to employ any or all employees of the Sellers and the Sellers will not directly or indirectly encourage any employees to leave the employee of the Buyer or finance them in connection with any enterprise which is in competition with Buyer or the business acquired by it hereunder. Sellers represent and warrant that there are no employee unions operating with any of Sellers' employees at any of Sellers' business locations.

7. **Other Changes.** Between the date hereof and the closing date, the assets to be sold by the Sellers hereunder shall not have been materially and adversely affected (whether or not covered by insurance) as a result of casualty, act of God or the public enemy, or any labor dispute or civil disturbance.

8. **Validity of Documents.** This Agreement and the documents to be executed pursuant to this Agreement are, and the other documents herein contemplated when delivered will be valid, binding and enforceable in accordance with their respective terms.

9. **Compliance of Representations.** No representation or warranty by the Sellers in this Agreement, and no written statement or certificate furnished or to be

furnished to Buyer pursuant hereto or in connection with the transaction contemplated hereby, contains or will contain any untrue statement of a material fact or will omit to state a material fact necessary to make the statements contained therein not misleading.

10. Continuation of Operation. Sellers will use their best effort to cause the Sellers to preserve their business organizations intact and to keep available for Buyer all key employees and to preserve the present relationship with all suppliers and customers and others having business relations with it and to conduct their business only in the ordinary course prior to closing.

11. Insurance. The Sellers have carried insurance which is adequate in character and in amount, with reputable insurers in respect to its properties, assets and business, including public liability insurance, and all such other insurance was then and is now in full force and effect, and shall remain in effect until closing.

12. Buyer's Contingencies. The Buyer's obligations pursuant to this Agreement are contingent upon the following:

(A) Title to Assets. Buyer's obligations hereunder are contingent upon the Sellers conveying to the Buyer title to said assets free and clear of all liens, interests, taxes, debts and encumbrances pursuant to an order of the Bankruptcy Court under 11 U.S.C. §§363 and 365.

(B) Sellers' Performance. The complete and timely performance by the Sellers of all of the terms, obligations, representations, warranties and conditions set forth in this Agreement.

(C) Adjustments for Inventory. Seller covenants that, on the date of closing, current inventory at cost will be not less than \$ ~~3,245,441~~ <sup>2.5.</sup> In the event said inventory is less, Seller will grant to Buyer a dollar for dollar credit on the Purchase price in an amount equal to the difference between \$ ~~3,245,441~~ and the value of the current inventory on hand on the date of closing. Buyer shall have 6 business days after closing in which to assess and request the payment of such credit.

(D) Approval of Sale by Bankruptcy Court. Buyer's obligations under this Agreement are specifically contingent upon the approval of this sale including assumptions and assignments as specified herein, by an order entered by the Bankruptcy Court in Case No. 98-20802, Case No. 98-20803 and Case No. 98-20801 pursuant to 11 U.S.C. §363(b), (f), and (m). If the Bankruptcy Court fails to issue an order granting the companies leave to convey to Buyer free and clear of all liens and encumbrances all of the Assets, Buyer shall be released from this Agreement with no further

obligation. Buyer and Seller agree to make all reasonable good faith effort to secure the entry of such an order. In the event that this condition is not met, neither Buyer nor Sellers shall disclose any proprietary information which either party has obtained from the other, in whole or in part, as a direct or indirect result of their negotiation of or due diligence in connection with this Agreement.

(E) The contents of Addendum 1, attached hereto, are incorporated herein by reference as if set out in full.

13. Governing Law. This Agreement shall be governed by, construed and enforced in accordance with the laws of the State of Kansas. Any suit or action for the enforcement of any obligation under this Agreement shall be instituted and the venue and jurisdiction of such suit shall be proper, in the Bankruptcy Court.

14. No Brokerage Fee. The parties each represent and warrant to one another that neither of them has employed any broker or real estate agent in connection with the negotiations relating to this Agreement.

15. Affirmative Covenants. The Sellers covenant, promise and agree that from the date hereof and until the closing date, the Sellers shall:

- (A) Continue to operate the businesses of the Sellers diligently; and not take any action, omit to take any action or engage in any transaction other than in acts or transaction in the ordinary course of business;
- (B) Preserve the assets;
- (C) Cooperate with the Buyer to achieve an orderly transfer of the assets from the Sellers to the Buyer;
- (D) Assist and cooperate in obtaining all necessary permits and approvals;
- (E) Fully perform and timely comply with all covenants, promises and Agreements hereunder which are required to be performed or complied with by the Sellers prior to or at the closing date and exert Sellers' best efforts to completely satisfy and fulfill all conditions precedent to Buyer's obligations to close hereunder, including but not limited to the assumption (including cure) and assignment of leases required hereunder.
- (F) To take no action which is or would cause a violation of any laws of any government or governmental agencies or would in any way adversely affect

any of the assets.

16. **Limited Survival.** The representations and warranties made herein shall survive the execution and closing of this Agreement until one month after closing at which time they shall expire.

17. **Risk of Loss.** All risks of loss or damage to or destruction of the assets, in whole or in part, shall be and remain with the Sellers until the closing date and all transactions contemplated hereby shall have been consummated.

18. **Waiver.** No waiver by Buyer of any provision of this Agreement shall be deemed a waiver of any other provision of this Agreement or any subsequent breach by Buyer of the same provision.

19. **Liabilities of Sellers.** Buyer is neither purchasing nor assuming any liabilities of Sellers, except as specifically set forth herein. Specifically, Buyer is not liable nor will it become liable in the future, for any liability, debt, tax (property tax, sales tax or withholding tax), accounts payable, surcharges, levies, encumbrances or the like, lawsuits and claims owed, incurred or accrued by Sellers prior to the closing date of this Agreement. In the event Buyer receives food or other inventory as a result of the closing of this Agreement, Buyer shall not assume any trade indebtedness of Seller pertaining thereto. Buyer is not, and shall not be construed as, a "successor" to any Seller in any respect.

20. **Sellers' Stock.** Buyer is not purchasing any of Sellers' stock.

21. **Construction of Terms.** In all cases, the language in all parts of this Agreement shall be construed simply, according to its fair meaning, and not strictly for or against either party, it being agreed that both the parties have participated in the preparation of this Agreement. In addition, counsel being available to both parties, the rule that the document shall be construed most strictly against the drafter, shall not apply to this Agreement.

22. **Time is of the Essence.** It is understood and agreed that because of the commitments of the parties, time is of the essence to this Agreement.

23. **Severability.** Wherever possible, each provision of this Agreement shall be interpreted in a manner as to be effective and valid under applicable law, but if any provision of this Agreement shall be prohibited or invalid under applicable law, such provisions shall be ineffective to the extent to such prohibition or validity without invalidating the remainder of such provisions of this Agreement.

24. **Authority.** Sellers and Buyer each represent and warrant to each other

that the person or persons executing this Agreement on behalf of such party are duly authorized to sign the respective party to the terms and conditions of this Agreement.

25. **Possession.** Possession of the assets shall be delivered by Sellers to the Buyer at the closing date to this transaction.

26. **Additional Terms.** Additional terms of this Agreement are set forth on Addendum I, attached hereto and incorporated herein.

27. **Counterparts.** This Agreement may be executed in counterparts and the counterpart signatures transmitted by facsimile.

IN WITNESS WHEREOF, the parties hereto have caused this Agreement to be executed in duplicate this 14 day of August, 1998.

**"Sellers"**

**STOICO RESTAURANT GROUP, INC.**

By: [Signature]  
Louis Stoico, President

**SUB & STUFF, INC.**

By: [Signature]  
Louis Stoico, President

**SPAGHETTI JACK'S, INC.**

By: [Signature]  
Louis Stoico, President

"Buyer"

QUIZNO'S KANSAS, L.L.C.

By:



Its duly authorized officer or agent

VICE PRESIDENT/GENERAL COUNSEL

W:\RENSTOLCO\DOCS\asset purchase 1016.wpd  
August 14, 1998 (7:22AM)

7

**ADDENDUM I TO ASSET PURCHASE AGREEMENT**

*This Addendum I ("Addendum") sets forth additional terms to that certain Asset Purchase Agreement between Stolco Restaurant Group, Inc., d/b/a/ Stolco Food Services, Inc., Sub & Staff, Inc., and Spaghetti Jack's, Inc. (collectively, "Sellers") and Quiznos Kansas LLC ("Buyer") dated the \_\_\_\_\_ day of August, 1998. To the extent any term of this Addendum is found to be inconsistent with any term of the remainder of the Agreement, the term of this Addendum shall prevail.*

**¶ 12 (F). Closing Conditioned on Assumptions and Assignments of Designated Leases, and Rejection of Designated Licensees.** Notwithstanding any other provision of this Agreement to the contrary, Buyer's obligation to close this transaction shall be conditioned on entry of a final, nonappealable order by the Bankruptcy Court which shall be binding upon all creditors, lessors, and other parties to executory contracts in the Sellers' bankruptcy cases, which order: (i) approves, pursuant to 11 U.S.C. § 365(a), (b), and (f), Sellers' assumption (including cure) and assignment to Buyer of each of the leases listed as a lease to be assumed and assigned on page A-1 of Exhibit A hereto; (ii) declares that, for each lease being assumed and assigned hereunder, any provision in such lease that restricts Buyer's right to install its own signage and store fixtures in the leasehold is an unenforceable restriction or condition on assignment under 11 U.S.C. § 365(f); and (iii) approves Sellers' rejection of each franchise listed as a "License" on pages A-12 through A-14 of Exhibit A hereto, as well as any other franchise agreements of any description whatsoever. The above-described assumptions (including cures) and assignments, as well as rejections, shall occur and be completed at closing.

**¶ 26. Additional Terms.**

**(A) Order Approving Sale.** If Buyer is the successful bidder at the auction sale to be held before the Bankruptcy Court on August 12, 1998, Buyer, Sellers, and the Creditors' Committee shall cooperate promptly to prepare and present to the Bankruptcy Court a mutually-agreed form of order approving the sale on the terms set forth in this Agreement, including all assumptions, assignments, and rejections required hereunder.

**(B) Video Inventory of Store Contents.** If Buyer is the successful bidder at the auction sale to be held before the Bankruptcy Court on August 12, 1998, Buyer shall have the right immediately to send its agent(s) into each leasehold location listed as "To Be Acquired" on Exhibit A hereto for the purpose of conducting a video inventory of the furniture, fixtures, equipment, and other property located in such leasehold.

Approval Initials:

Sellers: *[Signature]*

Buyer: *[Signature]*

# EXHIBIT A

## ASSET SCHEDULES

*This Exhibit A was originally provided by Sellers. It has been modified by Buyer as follows:*

- (1) Pages A-1, added by Buyer, indicates in Section I the Sub & Stuff, Inc. household locations which Seller shall assume and assign to Buyer pursuant to the terms of paragraph 12(F) of the Agreement, and indicates in Section II the household locations that Buyer shall not acquire from Seller.*
- (2) The remaining pages of Exhibit A (pages A-2 through A-14) have been interlineated to indicate the assets which Buyer is not acquiring under the Agreement, and which therefore shall remain the property of the Sellers.*



**QUIZNO'S KANSAS LLC**

**I. Sub & Staff Leaseholds To Be Assumed and Assigned to Buyer**

Store No.	Address/Description of Asset
21	602 N. Tyler, Wichita, Kansas
3	2792 S. Seneca, Wichita, Kansas
6	673 E. 47th Street So., Wichita, Kansas
2	2407 W. 21st., Wichita, Kansas
4	3300 N. Rock Road, Wichita, Kansas
22	4100 E. Harry Ste. 65, Wichita, Kansas
7	736 N. Waco, Wichita, Kansas
25	2401 W. Central, El Dorado, Kansas

*Seneca*

Included with the foregoing are all trade names, trademarks, service marks, and other goodwill of Seller Sub & Staff, Inc.

**II. Leaseholds Not To Be Acquired by Buyer**

Store No.	Address/Description of Asset
5	1200 S. Rock Road, Wichita, Kansas
10	671 S. Broadway, Salina, Kansas
23	333 E. Central, Wichita, Kansas
26	1321 Summit St., Ark City, Kansas

*3333*

*Arkansas*

CHICAGO-ORANGE-COUNTY-KANSAS, INC.

A-1

**BANK ACCOUNTS**

Description of Property	Location	Approximate Current Market Value
Operating Account Account No: 677521898	Commerce Bank P.O. Box 419248 Kansas City, MO 64141	\$to be determined at closing
Payroll Account Account No: 675013396	Commerce Bank P.O. Box 419248 Kansas City, MO 64141	50.00 (as of 7/20/98)
All Sub & Trust, Inc. Depository Accounts	Unknown	\$100.00 — sweep account

*L.S.*  
*[Signature]*

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*L-5 1/11*

**SECURITY DEPOSITS**

*n.b. Many deposits have been applied or returned and become a part of debtors' cash flow*

Description of Property	Location	Approximate Current Market Value (at date of filing)
Last month prepaid on two (2) copiers and one (1) fax machine (4)	Business Systems, Inc. P.O. Box 824222 W. Murdoak Wichita, KS 67201	\$426.89
Landlord Deposit (5)	Woodmen Accident & Life Company P.O. Box 82288 Lincoln, NE 68501	\$2,200.00
<del>Cylinder Deposits</del>	<del>F&amp;G Sub &amp; Stuff #31 and #32</del>	<del>\$200.00</del>
<del>Last months rent prepaid</del>	<del>Best Cleaners Sub &amp; Stuff #45</del>	<del>\$1,285.10</del>
<del>Utility Deposit</del>	<del>City of Lawrence Sub &amp; Stuff #9</del>	<del>\$300.00</del>
<del>Last months rent prepaid</del>	<del>Courier II Interiors Sub &amp; Stuff #51</del>	<del>\$1,610.00</del>
<del>Security Deposit</del>	<del>H&amp;E Company Sub &amp; Stuff #30</del>	<del>\$1,833.33</del>
Last months rent prepaid (6)	Harshal Properties Tulsa, Oklahoma	\$1,900.00
<del>Utility Deposit</del>	<del>KPL Sub &amp; Stuff #9</del>	<del>\$100.00</del>
Security Deposit	Lee & Elizabeth Luintra Sub & Stuff #25	\$2,000.00
Security Deposit	LNS Investments of Kansas Sub & Stuff #2 and #26	\$2,704.54
<del>Security Deposit</del>	<del>Louis Ward Sub &amp; Stuff #09</del>	<del>\$2,000.00</del>
<del>Last months rent prepaid</del>	<del>MAD Investments Sub &amp; Stuff #30</del>	<del>\$2,500.00</del>

(4) ONLY IF, AND TO THE EXTENT, ALLOWED TO AN ASSIGNED LEASE, OR A PERMITTED ASSET

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*L.S. 7/11*

Last months rent prepaid	Mike Bell Bell Properties Sub & Staff #22	\$1,310.41
Security Deposit	FAC Investments, L.L.C. Sub & Staff #3	\$1,687.00
<del>Last months rent prepaid</del>	<del>Keyway Properties, Inc. Sub &amp; Staff #33</del>	<del>\$1,000.00</del>
<del>Security Deposit</del>	<del>Ray Garberry Sub &amp; Staff #28</del>	<del>\$2,500.00</del>
<del>Last months rent prepaid</del>	<del>Ruffin Properties Sub &amp; Staff #16</del>	<del>\$812.50</del>
<del>Last months rent prepaid</del>	<del>Sunset Properties, Inc. Sub &amp; Staff #1</del>	<del>\$500.00</del>
Last months rent prepaid	Tyler Properties Sub & Staff #21	\$1,800.00
Security Deposit	Wong Enterprises, Inc Sub & Staff #6	\$1,283.33
<del>Security Deposit</del>	<del>Brockwood JV Spaghetti Jack's #8</del>	<del>\$4,000.00</del>
<del>Security Deposit</del>	<del>Cherry Creek c/o Key Management Spaghetti Jack's #3</del>	<del>\$2,420.25</del>
<del>Security Deposit</del>	<del>Edmond Place Corporation Spaghetti Jack's #14</del>	<del>\$4,000.00</del>
<del>Last months rent prepaid</del>	<del>Farmer's Insurance Exchange Spaghetti Jack's #12</del>	<del>\$4,150.00</del>
<del>Utility Deposit</del>	<del>Missouri Gas Energy Spaghetti Jack's #10</del>	<del>\$80.00</del>
<del>Security Deposit</del>	<del>Rearing Feet Associates, LLC Spaghetti Jack's #19</del>	<del>\$3,333.33</del>
<del>Security Deposit</del>	<del>Scanner Land Company LLC Spaghetti Jack's #11</del>	<del>\$3,000.00</del>
<del>Last months rent prepaid</del>	<del>Swift Highland Partners, Inc. Spaghetti Jack's #10</del>	<del>\$3,746.50</del>

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Security Deposit	<del>Vicorp Restaurants, Inc. Spaghetti Jack's #9</del>	<del>23,900.00</del>
Security Deposit	<del>William &amp; Pamela Steed Spaghetti Jack's #12</del>	<del>54,110.00</del>

*L.S. All*

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*L.S. - All*

**INSURANCE POLICIES - NONE TO BE PROVIDED**

Description of Property	Location	Approximate Current Market Value
Business Auto Policy No: 37 WB BC3201	ITT Hartford 7300 W. 110 <sup>th</sup> St., 4 <sup>th</sup> Floor Overland Park, KS 66210	N/A
Commercial General Liability Package Policy No: A SP 055599	Royal Insurance 7500 College Blvd. Suite 650 P.O. Box 10930 Overland Park, KS 66225-0930	N/A
Commercial Umbrella Liability Policy Policy No: XUX 018898809	CIGNA Property & Casualty c/o Louison Companies, Inc. 7400 State Line Rd. Franks Village, KS 66208	N/A
Property Insurance Policy No: P ST 003053	Royal Insurance 7500 College Blvd., Suite 650 P.O. Box 10930 Overland Park, KS 66225-0930	N/A
Worker's Compensation Policy No: 37 WB BC3201	ITT Hartford 7300 W. 110 <sup>th</sup> St., 4 <sup>th</sup> Floor Overland Park, KS 66210	N/A
Business Auto Policy No: 37 WB BC3201	ITT Hartford 7300 W. 110 <sup>th</sup> St., 4 <sup>th</sup> Floor Overland Park, KS 66210	N/A

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**VEHICLES**

Description of Property	Location	Approximate Current Market Value
Utility Trailer	Wichita, KS	<del>\$500.00</del>

*L.S.*  
*[Signature]*

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**OFFICE EQUIPMENT**

Description of Property	Location	Approximate Current Market Value
Mailing Machine	Stolco Restaurant Group Corporate Offices	N/A
Canon 6030 Copier and Accessories	Stolco Restaurant Group Corporate Offices	N/A
Canon CN6030 Copier	Stolco Restaurant Group Corporate Offices	N/A
Canon Fax CX700	Stolco Restaurant Group Corporate Offices	N/A
Various Office Equipment	Stolco Restaurant Group Corporate Offices	\$10,000.00

*L.S.*  
*[Signature]*

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FAX NO. 7209320317

MAR-20-2002 WED 11:58 AM LEGAL DEPT.

TRADEMARK

REEL: 002502 FRAME: 0088



**MACHINERY AND FIXTURES**

Description of Property	Location	Approximate Current Market Value
Various Sub & Stuff Equipment	Assent Moving & Storage 400 N. Poplar Ave. Tulsa, OK 74012	\$5,157.00
Equipment in place	Sub & Stuff #16	\$3,649.00
Kitchen Equipment, Signage and Dining Room Furnishings	Sub & Stuff #2, 3, 4, 5, 6, 7, 10, 21, 22, 23, 25 and 26	\$124,142.00
Various Sub & Stuff Equipment and Office Supplies	Underground Vault & Storage 3333 N. Mead Wichita, KS 67219	\$5,000.00
Kitchen Equipment, Inside Signs, Outside Signs and Dining Room Furnishings	Spaghetti Jack's #3, 4, 12	\$21,211.00

*L.S.  
J.M.*

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INVENTORY

Description of Property	Location	Approximate Current Market Value
Food	Sub & Stuff #2, 3, 4, 5, 6, 10, 21, 22, 23, 25, 26	\$40,196.00
Food	Spaghetti Jack's #3	\$4,994.00

*[Handwritten signature]*

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**PATENTS / TRADEMARKS**

Description of Property	Location	Approximate Current Market Value
"Sub & Stuff Design" Registered 4/5/80 Serial No: 1,133,359		N/A
"Sub & Stuff" Registered 10/12/82 Serial No: 1,212,799		N/A
"Spaghetti Jack's Fast Italian" & Design (Horizontal Box Logo) Registered 10/27/92 Serial No: 1,725,416		N/A
"Spaghetti Jack's Fast Italian" & Design (Vertical Box Logo) Registered 9/1/92 Serial No. 1,712,547		N/A
"Spaghetti Jack's" (Word Mark Only) Registered 4/28/92 Serial No: 1,644,756		N/A
JACK & Figure Design Registered 2/11/92 Serial No: 1,707,520		N/A

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7/11*

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LICENSES - NONE SHALL BE ALIENATED

Description of Property	Location	Approximate Current Market Value
Franchise	Debra Haldebrock d/b/a Sub & Stuff Sandwich Shop F-1 432 E. Madison Derby, KS 66037	N/A
Franchise	Gary Pouken ER Development, LLC 4018 Meadow Ridge Hutchinson, KS 67502 d/b/a Sub & Stuff Sandwich Shop F-4 2417 N. Main Hutchinson, KS 67502 and Sub & Stuff Sandwich Shop F-5 907 N. Main Hutchinson, KS 67502	N/A
Franchise	Tyler H. Estes Estes Development, LLC 116 S. College Dr. Hastota, SK 67062 d/b/a Sub & Stuff Sandwich Shop F-3 616 N. Main McPherson, KS 67460	N/A

L.S. 7/11

Franchisee	Richard LaLuerne LaLuerne Development Corp. P.O. Box 10 Wellington Airport Wellington, KS 67152 d/b/a Sub & Stuff Sandwich Shop F-2 1021 W. 8 <sup>th</sup> Street Wellington, KS 67152	N/A
Franchisee	Don Venhaus Ed Wong D & E Restaurant Management, LLC DE-01 d/b/a Spaghetti Jack's 642 E. 47 <sup>th</sup> St. South Wichita, KS 67216	N/A
Franchisee	Gary Foulton HR Development, LLC 4018 Meadow Ridge Hutchinson, KS 67502 d/b/a Spaghetti Jack's HR-1 2401 N. Main Hutchinson, KS 67502	N/A
Franchisee	John Carlton Carlton Restaurant Group, Inc. 2191 Memorial Drive Apt. I-104 Clarksville, TN 37043 d/b/a Spaghetti Jack's CRG-1 2202 Madison Clarksville, TN 37043	N/A

L.S. *[Signature]*

Franchisee	Gary Haines Kenneth Szostek Nick Valavanis Franchisees, Inc. 1312 30 <sup>th</sup> St Rockford, IL 61180 276 Spaghetti Jack's PI-1 1230 Capitol Drive Pewaukee, WI 53072	N/A
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*L.S. [Signature]*

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