IN THE UNITED STATES BANKRUPTCY COURT
FOR THE DISTRICT OF DELAWARE

In re:	)	Chapter 11
QCE FINANCE LLC, *et al.*,[1]	)	Case No. 14-_____ ( )
Debtors.	)	Joint Administration Requested

DISCLOSURE STATEMENT FOR THE DEBTORS' JOINT PREPACKAGED CHAPTER 11 PLAN OF REORGANIZATION

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[1] The Debtors in these cases, along with the last four digits of each Debtor's federal tax identification number, are: QCE Finance LLC (7897); American Food Distributors LLC (8099); Quiznos Global LLC (2772); QCE LLC (2969); QFA Royalties LLC (2402); QIP Holder LLC (2353); Quiz-CAN LLC (7714); Quizno's Canada Holding LLC (3220); QAFT, Inc. (6947); Restaurant Realty LLC (8293); The Quizno's Master LLC (3148); The Quizno's Operating Company LLC (8945); National Marketing Fund Trust (4951); The Regional Advertising Program Trust (2035); and TQSC II LLC (8683). The Debtors' corporate headquarters are located at, and the mailing address for each Debtor is, 1001 17th Street, Suite 200, Denver, Colorado 80202.

QCE Finance LLC ("Holdco") and certain of its direct and indirect subsidiaries, as proposed chapter 11 debtors and debtors in possession (collectively, the "Debtors"), are sending you this document and the accompanying materials (the "Disclosure Statement") because you may be a creditor entitled to vote on the Debtors' Joint Prepackaged Chapter 11 Plan of Reorganization, as the same may be amended from time to time (the "Plan").[2] To the extent you are entitled to vote on the Plan, the Debtors are commencing the solicitation of your vote to approve the Plan (the "Solicitation") before the Debtors file voluntary petitions under chapter 11 of title 11 of the United States Code (the "Bankruptcy Code").

If the required creditors vote to approve the Plan and if other pre-filing conditions are satisfied, the Debtors intend to file voluntary reorganization cases (the "Chapter 11 Cases") under chapter 11 of the Bankruptcy Code to implement the Plan. In order to expedite the Debtors' reorganization, however, the Debtors may commence the Chapter 11 Cases prior to the Voting Deadline (as defined herein).

Because the Chapter 11 Cases have not yet been commenced, this Disclosure Statement has not been approved by the Bankruptcy Court as containing "adequate information" within the meaning of Bankruptcy Code section 1125(a). Following the commencement of the Chapter 11 Cases, the Debtors expect to seek an order of the Bankruptcy Court promptly to (a) approve this Disclosure Statement as having contained "adequate information," (b) approve the solicitation of votes as having been in compliance with Bankruptcy Code section 1126(b) and (c) confirm the Plan. The Bankruptcy Court may order additional disclosures.

SPECIAL NOTICE REGARDING FEDERAL AND STATE SECURITIES LAWS

Neither this Disclosure Statement nor the Plan has been filed with or reviewed by the Bankruptcy Court, and the securities to be issued pursuant to the Plan are not the subject of a registration statement filed with the United States Securities and Exchange Commission (the "SEC") under the United States Securities Act of 1933, as amended (the "Securities Act"), or any securities regulatory authority of any state under any state securities law. The Debtors are relying on section 4(a)(2) of the Securities Act, and similar state securities law provisions, to exempt from registration under the Securities Act and state securities laws the offer to certain Holders of First Lien Facility Claims and Allowed Unsecured Claims of new securities prior to the Petition Date, including, without limitation, in connection with the solicitation of votes to accept or reject the Plan. After the Petition Date, the Debtors will rely on Bankruptcy Code section 1145(a) to exempt from registration under the Securities Act and state securities laws the offer, issuance, and distribution of such securities under the Plan.

The Plan has not been approved or disapproved by the SEC or any state securities commission and neither the SEC nor any state securities commission has passed upon the accuracy or adequacy of the information contained herein. Any representation to the contrary is a criminal offense. Neither the Solicitation of the Plan nor this Disclosure Statement constitutes an offer to sell nor the solicitation of an offer to buy securities in any state or jurisdiction in which such offer or solicitation is not authorized.

This Disclosure Statement and the information set forth herein are confidential. This Disclosure Statement contains material non-public information concerning the Debtors, their subsidiaries, and their respective securities and businesses. Each recipient hereby acknowledges that it (a) is aware that the federal securities laws of the United States prohibit any person who has material non-public information about a company, which is obtained from the company or its representatives, from purchasing or selling securities of such company or from communicating the information to any other person under circumstances in which it is reasonably foreseeable that such person is likely to purchase or sell such securities and (b) is familiar with the United States Securities Exchange Act of 1934, as amended (the "Securities Exchange Act"), and the rules and regulations promulgated thereunder, and agrees that it will not use or communicate to any person, under circumstances where it is reasonably likely that such person is likely to use or cause any person to use, any confidential information in contravention of the Securities Exchange Act or any of its rules and regulations, including Rule 10b-5.

[2] Unless otherwise defined in this Disclosure Statement, all capitalized terms used, but not otherwise defined, in this Disclosure Statement will have the meanings ascribed to them in the Plan.

The deadline to accept or reject the Plan is *12:00 p.m. (prevailing Eastern Time) on March 14, 2014* (the "Voting Deadline") unless the Debtors, in consultation with the Consenting Parties, and from time to time, extend the Voting Deadline. To be counted, a ballot ("Ballot") indicating acceptance or rejection of the Plan must be actually received by Prime Clerk LLC, the Debtors' notice, claims, and balloting agent (the "Balloting Agent"), no later than the Voting Deadline.

The Debtors cannot assure you that the Disclosure Statement, including any exhibits thereto, that is ultimately approved by the Bankruptcy Court in the Chapter 11 Cases (a) will contain any of the terms described in this Disclosure Statement or (b) will not contain different, additional, or material terms that do not appear in this Disclosure Statement. The Debtors urge each Holder of a Claim entitled to vote on the Plan (i) to read and consider carefully this entire Disclosure Statement (including the Plan and the matters described under the "Risk Factors" section below) and (ii) to consult with its own advisors with respect to reviewing this Disclosure Statement, the Plan and each of the proposed transactions contemplated thereby prior to deciding whether to vote to accept or reject the Plan. A creditor entitled to vote on the Plan should not rely on this Disclosure Statement for any purpose other than to determine whether to vote to accept or reject the Plan.

If the Plan is confirmed by the Bankruptcy Court and the Effective Date occurs, all Holders of Claims against, and Interests in, the Debtors (including, without limitation, those Holders of Claims or Interests who do not submit Ballots to accept or reject the Plan, to the extent applicable, or who are not entitled to vote on the Plan) will be bound by the terms of the Plan and the transactions contemplated thereby.

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EXHIBITS

THE DEBTORS HEREBY ADOPT AND INCORPORATE EACH EXHIBIT ATTACHED TO THIS DISCLOSURE STATEMENT BY REFERENCE AS THOUGH FULLY SET FORTH HEREIN

I. EXECUTIVE SUMMARY

The Debtors submit this Disclosure Statement pursuant to Bankruptcy Code section 1125 to certain Holders of Claims against the Debtors in connection with the solicitation of acceptances with respect to the Plan. A copy of the Plan is attached hereto as **Exhibit A** and incorporated herein by reference. This Disclosure Statement describes certain aspects of the Plan, including the treatment of Holders of Claims and Interests, and also describes certain aspects of the Debtors' operations, financial projection, and other related matters.

As of March 11, 2014, the Debtors had outstanding debt in the aggregate principal amount of approximately $626 million, consisting primarily of approximately (a) $445 million of principal indebtedness under the First Lien Credit Agreement; (b) $174 million of principal indebtedness under the Second Lien Credit Agreement; and (c) $7 million of principal indebtedness under the Marketing Fund Trusts Credit Agreement.

The Debtors are pleased to report that after extensive, good-faith and arm's-length negotiations with the Consenting Parties, the Plan embodies a settlement among the Debtors and the majority of their key stakeholders on a consensual de-leveraging transaction that will reduce the Debtors' total principal amount of senior secured indebtedness by over $400 million. To evidence their support of the Debtors' restructuring plan, approximately 61% of the Holders of First Lien Facility Claims and approximately 99% of the Holders of Second Lien Facility Claims, have executed the Restructuring Support Agreement, dated March 11, 2014, attached hereto as **Exhibit B**, which provides for the implementation of the restructuring in a prepackaged Plan through an expedited chapter 11 process. The Debtors have also reached an agreement with Vectra, the administrative agent under the Marketing Fund Trusts Credit Agreement, regarding a consensual amendment of the Marketing Fund Trusts Credit Agreement.

After giving effect to the following transactions contemplated by the Restructuring Support Agreement and the Plan, the Debtors will emerge from chapter 11 appropriately capitalized with access to favorable financing to support their emergence and go-forward business needs:

- Consenting First Lien Lenders have agreed to provide the Debtors with a postpetition, priming, super-priority senior secured credit facility (the "DIP Facility") in the amount of $15 million on the terms and conditions set forth in the DIP Credit Agreement. The DIP Facility will act as a bridge loan for the Debtors to implement and consummate the restructuring transactions contemplated by the Plan and support the Debtors' operations during the Chapter 11 Cases and, on the Effective Date, will be repaid in full in Cash, unless otherwise agreed to by the Debtors and the Holders of such DIP Facility Claims.

- The Reorganized Debtors will enter into the New Delayed-Draw Term Facility Agreement pursuant to which the Consenting First Lien Lenders will provide the Debtors with an exit facility in the amount of $25 million, with availability as of the Effective Date to repay the DIP Facility, pay transaction expenses, fund Cash payments under the Plan and provide the Reorganized Debtors with working capital necessary to run their business (each such use in accordance with the terms of the New Delayed-Draw Term Facility Agreement).

- In full and complete satisfaction, discharge and release of all outstanding obligations under the First Lien Credit Agreement, the Holders of First Lien Facility Claims will (a) receive their Pro Rata share of (i) $200 million under the Amended First Lien Credit Agreement and (ii) 100% of the New Common Interests issued as of the Effective Date, subject to dilution by any New Common Interests issued under the New Management Equity Incentive Plan or by the Remaining Equity to be distributed to Holders of Allowed Unsecured Claims that make the Stock in Lieu Election, and (b) forego any distribution in respect of their First Lien Facility Deficiency Claims.

- Except to the extent they agree to a less favorable treatment, in full and complete satisfaction, discharge and release of Unsecured Claims against the Debtors, the Holders of such Claims, which include Second Lien Facility Claims, will receive their Pro Rata share of the Company Specified Litigation Proceeds, unless such Holders elect to make the Stock in Lieu Election, following receipt of the Stock in Lieu Election Notice. The Consenting Second Lien Lenders have committed to make the Stock in Lieu Election.

- In full and complete satisfaction of the Marketing Fund Trusts Facility Secured Claim, (i) Reorganized QAFT, solely as trustee for the Reorganized Marketing Fund Trusts, and Vectra will enter into the Amended Marketing Fund Trusts Credit Agreement and (ii) Vectra shall forgo any distribution on account of its Marketing Fund Trusts Facility Guaranty Claim.

- Intercompany Interests in the Debtors will be Reinstated, and the legal, equitable or contractual rights to which Holders of such Allowed Intercompany Interests are entitled shall remain unaltered so as to maintain the organizational structure of the Debtors as it existed on the Petition Date.

- Interests in Holdco will be cancelled and discharged.

- The Reorganized Debtors, Avenue and Fortress will enter into the Specified Litigation Agreement (as discussed in Section V.C. of this Disclosure Statement), which provides for, among other things, the joint pursuit of the Specified Litigation Claims to be funded by Avenue and Fortress on the terms set forth in the Specified Litigation Agreement, and a sharing of the proceeds that may be recognized therefrom pursuant to the Specified Litigation Waterfall.

As provided by Article IV of the Plan, the Debtors may also undertake certain other restructuring transactions to implement the Plan.

THE DEBTORS AND THE CONSENTING PARTIES BELIEVE THAT THE COMPROMISE CONTEMPLATED UNDER THE PLAN IS FAIR AND EQUITABLE, MAXIMIZES THE VALUE OF THE ESTATES AND PROVIDES THE BEST RECOVERY TO CLAIM HOLDERS. AT THIS TIME, THE DEBTORS AND THE CONSENTING PARTIES BELIEVE THIS IS THE BEST AVAILABLE ALTERNATIVE FOR COMPLETING THE CHAPTER 11 CASES. FOR THESE REASONS AND OTHERS DESCRIBED HEREIN, THE DEBTORS STRONGLY RECOMMEND THAT CREDITORS ENTITLED TO VOTE ON THE PLAN VOTE TO ACCEPT THE PLAN.

II. IMPORTANT INFORMATION ABOUT THE DISCLOSURE STATEMENT

This Disclosure Statement provides information regarding the Plan. The Debtors believe that the Plan is in the best interests of all creditors and urge all Holders of Claims entitled to vote on the Plan to accept the Plan.

Unless the context requires otherwise, any references to "*we*," "*our*" and "*us*" are to the Debtors.

The confirmation and effectiveness of the Plan are subject to certain material conditions precedent described herein and in the Plan. There is no assurance that the Plan will be confirmed, or if confirmed, that the conditions required to be satisfied for the Effective Date to occur will be satisfied (or waived).

If you are a creditor entitled to vote on the Plan, you are encouraged to read this Disclosure Statement in its entirety, including without limitation, the Plan, and the section entitled "Risk Factors," before submitting your Ballot to vote on the Plan.

Summaries of the Plan and statements made in this Disclosure Statement are qualified in their entirety by reference to the Plan, this Disclosure Statement, and the Plan Supplement, and any exhibits, schedules or amendments thereto, as applicable, and the summaries of the financial information and the documents annexed to this Disclosure Statement or otherwise incorporated herein by reference, are qualified in their entirety by reference to those documents. The statements contained in this Disclosure Statement are made only as of the date of this Disclosure Statement, and there is no assurance that the statements contained herein will be correct at any time after such date. Except as otherwise provided in the Plan or in accordance with applicable law, the Debtors are under no duty to update or supplement this Disclosure Statement.

The information contained in this Disclosure Statement is included for purposes of soliciting acceptances to, and confirmation of, the Plan and may not be relied on for any other purpose. The Debtors believe that the summary of certain provisions of the Plan and certain other documents and financial information contained or referenced in this

Disclosure Statement is fair and accurate. The summaries of the financial information and the documents annexed to this Disclosure Statement, including, but not limited to, the Plan, or otherwise incorporated herein by reference, are qualified in their entirety by reference to those documents.

This Disclosure Statement has not been approved or disapproved by the SEC or any federal, state, local or foreign regulatory agency, nor has the SEC or any other such agency passed upon the accuracy or adequacy of the statements contained in this Disclosure Statement.

The Debtors have sought to ensure the accuracy of the financial information provided in this Disclosure Statement, but the financial information contained in, or incorporated by reference into, this Disclosure Statement has not been, and will not be, audited or reviewed by the Debtors' independent auditors unless explicitly stated herein.

The Debtors are relying on section 4(a)(2) of the Securities Act, and similar state securities law provisions, to exempt from registration under the Securities Act and state securities laws the offer to certain Holders of First Lien Facility Claims and Allowed Unsecured Claims of new securities prior to the Petition Date, including, without limitation, in connection with the solicitation of votes to accept or reject the Plan. After the Petition Date, the Debtors will rely on Bankruptcy Code section 1145(a) to exempt from registration under the Securities Act and state securities laws the offer, issuance, and distribution of such securities under the Plan. Upon confirmation of the Plan, the securities described in this Disclosure Statement will be issued without registration under the Securities Act, or similar federal, state, local, or foreign laws, in reliance on the exemption set forth in Bankruptcy Code section 1145. To the extent exemptions from registration other than Bankruptcy Code section 1145 apply, such securities may not be offered or sold except pursuant to a valid exemption or upon registration under the Securities Act, including, without limitation, section 4(a)(2) of the Securities Act.

The Debtors make statements in this Disclosure Statement that are considered forward-looking statements under the federal securities laws. Statements concerning these and other matters are not guarantees of the Debtors' future performance. Such forward-looking statements represent the Debtors' estimates and assumptions only as of the date such statements were made and involve known and unknown risks, uncertainties, and other unknown factors that could impact the Debtors' restructuring plans or cause the actual results of the Debtors to be materially different from the historical results or from any future results expressed or implied by such forward-looking statements. In addition to statements which explicitly describe such risks and uncertainties, readers are urged to consider statements labeled with the terms "believes," "belief," "expects," "intends," "anticipates," "plans," or similar terms to be uncertain and forward-looking. There can be no assurance that the restructuring transactions described herein will be consummated. Creditors and other interested parties should see the section entitled "Risk Factors" of this Disclosure Statement for a discussion of certain factors that may affect the future financial performance of the Reorganized Debtors.

III. QUESTIONS AND ANSWERS REGARDING THIS DISCLOSURE STATEMENT AND THE PLAN

A. What is chapter 11?

Chapter 11 is the principal business reorganization chapter of the Bankruptcy Code. In addition to permitting debtor rehabilitation, chapter 11 promotes equality of treatment for similarly situated creditors and similarly situated equity interest holders, subject to the priority of distributions prescribed by the Bankruptcy Code.

The commencement of a chapter 11 case creates an estate that comprises all of the legal and equitable interests of the debtor as of the bankruptcy commencement date. The Bankruptcy Code provides that the debtor may continue to operate its business and remain in possession of its property as a "debtor in possession."

Consummating a plan is the principal objective of a chapter 11 case. The Bankruptcy Court's confirmation of a plan binds the debtor, any person acquiring property under the plan, any creditor or equity interest holder of a debtor, and any other person or entity as may be ordered by the Bankruptcy Court, in accordance with the applicable provisions of the Bankruptcy Code. Subject to certain limited exceptions, the order issued by the Bankruptcy Court confirming a plan provides for the treatment of the debtor's debt in accordance with the terms of the confirmed plan.

B. What is a "prepackaged" plan of reorganization?

A "prepackaged" plan of reorganization is one in which a debtor seeks approval of a plan of reorganization from affected creditors before filing for bankruptcy. Because solicitation of acceptances takes place before the bankruptcy filing, the amount of time required for the bankruptcy case is often less than in more conventional bankruptcy cases. Greater certainty of results and reduced costs are other benefits generally associated with prepackaged bankruptcy cases.

C. Why are the Debtors sending me this Disclosure Statement?

The Debtors will be seeking to obtain Bankruptcy Court approval of the Plan. In connection with soliciting acceptances of the Plan, Bankruptcy Code section 1125 requires the Debtors to prepare a disclosure statement containing adequate information of a kind, and in sufficient detail, to enable a hypothetical reasonable investor to make an informed judgment regarding acceptance of the Plan. This Disclosure Statement has been prepared in accordance with these requirements.

D. Am I entitled to vote on the Plan?

Your ability to vote on, and your distribution under, the Plan, if any, depends on what type of Claim or Interest you hold. Each category of Holders of Claims or Interests, as set forth in Article II of the Plan pursuant to Bankruptcy Code section 1122(a), is referred to as a "Class." Each Class' respective voting status is set forth below.

The tables below designate the Classes of Claims against and Interests in each of the Debtors and specify which of those Classes are Impaired or Unimpaired by the Plan. FOR A COMPLETE DESCRIPTION OF THE DEBTORS' CLASSIFICATION AND TREATMENT OF CLAIMS AND INTERESTS, REFERENCE SHOULD BE MADE TO ARTICLE II OF THE PLAN.

a. Summary of Classification for the Term Loan Debtors.

Class	Designation	Plan Treatment	Entitled to Vote
Class A1	First Lien Facility Claims	Impaired	Yes
Class A2	Priority Non-Tax Claims	Unimpaired	No (deemed to accept)
Class A3	Other Secured Claims	Unimpaired	No (deemed to accept)
Class A4	Unsecured Claims	Impaired	No (deemed to reject)
Class A5	Subordinated Claims	Impaired	No (deemed to reject)
Class A6(a)	Holdco Interests	Impaired	No (deemed to reject)
Class A6(b)	Intercompany Interests	Unimpaired	No (deemed to accept)

b. Summary of Classification for the Marketing Fund Trusts Debtors.

Class	Designation	Plan Treatment	Entitled to Vote
Class B1	Marketing Fund Trusts Facility Secured Claim	Impaired	Yes
Class B2	Priority Non-Tax Claims	Unimpaired	No (deemed to accept)
Class B3	Other Secured Claims	Unimpaired	No (deemed to accept)
Class B4	Unsecured Claims	Impaired	No (deemed to reject)
Class B5	Interests in the Marketing Fund Trusts Debtors	Unimpaired	No (deemed to accept)

E. What will I receive from the Debtors if the Plan is consummated?

The Plan is premised upon the substantive consolidation of the Term Loan Debtors' Estates into a single Estate solely for purposes associated with Confirmation and consummation of the Plan. As a result of the substantive consolidation of the Term Loan Debtors' Estates for Plan purposes only, each Class of Claims and Interests against the Term Loan Debtors will be treated as a single consolidated Estate for Plan purposes regardless of the separate identification of the Debtors.

The following table summarizes the anticipated recoveries for Holders of Allowed Claims and Interests under the Plan. THE EXPECTED RECOVERIES SET FORTH BELOW ARE FOR ILLUSTRATIVE PURPOSES ONLY AND ARE SUBJECT TO MATERIAL CHANGE. [3]

Class	Designation	Plan Treatment	Estimated Recovery Under the Plan
Class A1	First Lien Facility Claims	Impaired	43-53%
Class A2	Priority Non-Tax Claims against the Term Loan	Unimpaired	100%

[3] The recoveries set forth herein may change based upon changes in the amount of Claims that are "Allowed" as well as other factors related to the Debtors' business operations and general economic conditions. "Allowed" means, with reference to any Claim or Interest, or any portion thereof, in any Class or category specified, against or of a Debtor, (a) a Claim or Interest that has been listed by such Debtor in the Schedules, as such Schedules may be amended by the Debtors from time to time in accordance with Bankruptcy Rule 1009, as liquidated in amount and not disputed or contingent and for which no contrary Proof of Claim has been filed; (b) a Claim or Interest for which a Proof of Claim has been timely filed in a liquidated amount and not contingent and as to which no objection to allowance, to alter priority, or request for estimation has been timely interposed and not withdrawn within the applicable period of limitation fixed by the Plan or applicable law; (c) a Claim or Interest as to which any objection has been settled, waived, withdrawn or denied by a Final Order to the extent such Final Order provides for the allowance of all or a portion of such Claim or Interest; or (d) a Claim or Interest that is expressly allowed (i) pursuant to a Final Order, (ii) pursuant to an agreement between the Holder of such Claim or Interest and the Debtors or the Reorganized Debtors, as applicable or (iii) pursuant to the terms of the Plan. Unless otherwise specified in the Plan or in an order of the Bankruptcy Court allowing such Claim or Interest, "Allowed" in reference to a Claim shall not include (a) any interest on the amount of such Claim accruing from and after the Petition Date; (b) any punitive or exemplary damages; or (c) any fine, penalty or forfeiture. Any Claim listed in the Schedules as disputed, contingent, or unliquidated, and for which no Proof of Claim has been timely filed, is not considered Allowed and shall be expunged without further action and without any further notice to or action, order, or approval of the Bankruptcy Court.

Class	Designation	Plan Treatment	Estimated Recovery Under the Plan
	Debtors		
Class A3	Other Secured Claims against the Term Loan Debtors	Unimpaired	100%
Class A4	Unsecured Claims against the Term Loan Debtors	Impaired	0-100%[4] 0-10%[5]
Class A5	Subordinated Claims against the Term Loan Debtors	Impaired	0%
Class A6(a)	Holdco Interests against the Term Loan Debtors	Impaired	0%
Class A6(b)	Intercompany Interests against the Term Loan Debtors	Unimpaired	100%
Class B1	Marketing Fund Trusts Facility Secured Claim	Impaired	100%
Class B2	Priority Non-Tax Claims against the Marketing Fund Trusts Debtors	Unimpaired	100%
Class B3	Other Secured Claims against the Marketing Fund Trusts Debtors	Unimpaired	100%
Class B4	Unsecured Claims against the Marketing Fund Trusts Debtors	Impaired	0-100%[6] 0-10%[7]
Class B5	Interests in the Marketing Fund Trusts Debtors	Unimpaired	100%

F. What will Holders of Class A1 First Lien Facility Claims receive under the Plan?

Holders of Class A1 First Lien Facility Claims, in full and complete satisfaction, discharge and release of such Claims will receive their Pro Rata share of the First Lien Distribution. Upon acceptance of the Plan by Class A1, all Holders of Class A1 First Lien Facility Claims shall be deemed to have agreed to forgo any distribution in respect of their First Lien Facility Deficiency Claims.

[4] Recoveries depend on, among other things, (a) the amount of the Company Specified Litigation Proceeds realized by the Reorganized Debtors pursuant to the Specified Litigation Waterfall and (b) the aggregate amount of Allowed Unsecured Claims of those Holders who do not make the Stock in Lieu Election.

[5] Recoveries depend on the aggregate amount of Allowed Unsecured Claims of those Holders who make the Stock in Lieu Election. Pursuant to the Plan, the Consenting Second Lien Lenders, with claims in the aggregate principal amount of approximately $174 million, plus accrued and unpaid interest as of the Petition Date, have already committed to make the Stock in Lieu Election.

[6] Recoveries depend on, among other things, (a) the amount of the Company Specified Litigation Proceeds realized by the Reorganized Debtors pursuant to the Specified Litigation Waterfall and (b) the aggregate amount of Allowed Unsecured Claims of those Holders who do not make the Stock in Lieu Election.

[7] Recoveries depend on the aggregate amount of Allowed Unsecured Claims of those Holders who make the Stock in Lieu Election. Pursuant to the Plan, the Consenting Second Lien Lenders, with claims in the aggregate principal amount of approximately $174 million, plus accrued and unpaid interest as of the Petition Date, have already committed to make the Stock in Lieu Election.

G. What will Holders of Unsecured Claims receive under the Plan?

Except to the extent they agree to a less favorable treatment, in full and complete satisfaction, discharge and release of Unsecured Claims against the Debtors, the Holders of such Claims, which include Second Lien Facility Claims, will receive their Pro Rata share of the Company Specified Litigation Proceeds, unless such Holders elect to make the Stock in Lieu Election, following receipt of the Stock in Lieu Election Notice. The Consenting Second Lien Lenders have committed to make the Stock in Lieu Election.

H. How do I vote on the Plan and what is the Voting Deadline?

Detailed instructions regarding how to vote on the Plan are contained on the Ballots distributed to Holders of Claims that are entitled to vote on the Plan. For your vote to be counted, your Ballot must be completed, signed and submitted so that it is **actually received** by the Balloting Agent by 12:00 p.m. (prevailing Eastern Time) on March 14, 2014; provided that Holders of Claims who cast a Ballot prior to the time for filing any of the Debtors' chapter 11 petitions shall not be entitled to change their vote or cast a new Ballot after the Chapter 11 Cases are commenced. See "Solicitation and Voting Procedures" Section X of this Disclosure Statement for additional information.

I. Why are Holders of Unsecured Claims not entitled to vote on the Plan?

The Debtors intend to seek Confirmation of the Plan pursuant to the "cramdown" provisions of the Bankruptcy Code. Bankruptcy Code section 1129(b) provides that a bankruptcy court may confirm a plan that provides that a class of claims has been deemed to reject a plan, so long as the plan does not "discriminate unfairly" and is "fair and equitable."

The Debtors believe that they will be able to satisfy the "cramdown" provisions of the Bankruptcy Code.

J. What will I receive from the Debtors if I hold an Administrative Expense Claim, a Professional Fee Claim, a Priority Tax Claim or a DIP Facility Claim?

In accordance with Bankruptcy Code section 1123(a)(1), Administrative Expense Claims, Professional Fee Claims, Priority Tax Claims and DIP Facility Claims have not been classified and, thus, are excluded from the Classes of Claims and Interests set forth in Article II of the Plan. These Claims will be satisfied as set forth in Sections 2.1, 2.2, 2.3 and 2.4 of the Plan, respectively.

K. What happens to my recovery if the Plan is not confirmed or does not go effective?

In the event that the Plan is not confirmed, there is no assurance that the Debtors will be able to reorganize their business. It is possible that any alternative may provide Holders of Claims with less than they would have received pursuant to the Plan. For a more detailed description of the consequences of an extended chapter 11 case, or of a liquidation scenario, see "Confirmation of the Plan—Best Interests of Creditors/Liquidation Analysis," which begins on page 48, and the Liquidation Analysis attached as **Exhibit D** to this Disclosure Statement.

L. If the Plan provides that I get a distribution, do I get it upon Confirmation or when the Plan goes effective, and what is meant by "Confirmation," "Effective Date" and "Consummation?"

"Confirmation" of the Plan refers to the approval of the Plan by the Bankruptcy Court. Confirmation of the Plan does not guarantee that you will receive the distribution indicated under the Plan. After Confirmation of the Plan by the Bankruptcy Court, there are conditions that need to be satisfied or waived so that the Plan can go effective. See "Confirmation of the Plan," which begins on page 48 of this Disclosure Statement, for a discussion of the conditions to confirmation and consummation of the Plan.

Initial distributions to holders of Allowed Claims other than Allowed Unsecured Claims will be made on the date the Plan becomes effective, the "Effective Date", or as soon as practicable thereafter, as specified in the Plan. The Debtors will make the First Lien Distribution to the First Lien Agent, as disbursing agent to the First Lien Lenders, on the Effective Date.

Distribution on account of Allowed Unsecured Claims will be made as follows: (i) for those Holders of Allowed Unsecured Claims who make the Stock in Lieu Election, distributions shall be made as soon as reasonably practicable after the Stock in Lieu Election Deadline (the "Unsecured Creditor Remaining Equity Distribution Date") and (ii) for those Holders of Allowed Unsecured Claims who do not make the Stock in Lieu Election, distributions shall be made as soon as reasonably practicable after the Reorganized Debtors recover the Company Specified Litigation Proceeds (the "Unsecured Creditor Company Specified Litigation Proceeds Distribution Date"). Pending allowance or disallowance of Unsecured Claims, the Reorganized Debtors are authorized, but shall not be required, to make preliminary distributions of Remaining Equity to those Holders of Allowed Unsecured Claims that have made the Stock in Lieu Election; provided, however, if the Reorganized Debtors determine to make such preliminary distributions, such distributions shall be made following the entry of an order of the Bankruptcy Court approving the size of the Remaining Equity Issuance Reserve. The Reorganized Debtors or such distribution agent will make subsequent distributions to a Holder of such Allowed Unsecured Claims within a reasonable period of time after such Claim becomes Allowed.

M. What are the Debtors' Intercompany Claims and Intercompany Interests?

In the ordinary course of business and as a result of their corporate structure, certain of the Debtor entities hold equity of other Debtor entities and maintain business relationships with each other, resulting in Intercompany Claims and Intercompany Interests. The Intercompany Claims reflect costs and revenues, which are allocated among the appropriate Debtor entities, resulting in Intercompany Claims.

The Plan's treatment of Intercompany Claims and Intercompany Interests represents a common component of a chapter 11 plan involving multiple debtors in which the value of the going-concern enterprise may be replicated upon emergence for the benefit of creditor constituents receiving distributions under a plan. The Plan provides that the Reorganized Debtors may reinstate Intercompany Interests as necessary to preserve the Reorganized Debtors' corporate structure and for administrative convenience. The Plan further provides that Intercompany Claims will be adjusted, continued or discharged to the extent determined appropriate by the Debtors, subject to the consent of the Requisite Consenting Parties, which consent shall not be unreasonably withheld, or, after the Effective Date, by the Reorganized Debtors in their sole discretion.

N. Will there be releases granted to parties in interest as part of the Plan?

Yes. See Article IX of the Plan, which is incorporated herein by reference.

O. Why is the Bankruptcy Court holding a Confirmation Hearing and when is the Confirmation Hearing set to occur?

Bankruptcy Code section 1128(a) requires the Bankruptcy Court to hold a hearing on Confirmation of the Plan and recognizes that any party in interest may object to Confirmation of the Plan.

Following commencement of the Chapter 11 Cases, the Debtors will request that the Bankruptcy Court schedule promptly a Confirmation Hearing and will provide notice of the Confirmation Hearing to all necessary parties. The Confirmation Hearing may be adjourned or continued from time to time without further notice except for an announcement of the adjourned date made at the Confirmation Hearing or any adjournment thereof.

Objections to Confirmation of the Plan must be filed and served on the Debtors and certain other parties prior to the Confirmation Hearing in accordance with the notice of the Confirmation Hearing.

The Debtors will publish the notice of the Confirmation Hearing, which will contain, among other things, the deadline for objections to the Plan and the date and time of the Confirmation Hearing, in the national editions of *The Wall Street Journal, USA Today* and *The Globe & Mail* to provide notification to those persons who may not receive notice by mail.

P. What is the purpose of the Confirmation Hearing?

The confirmation of a plan of reorganization by a bankruptcy court binds the debtor, any issuer of securities under the plan of reorganization, any person acquiring property under the plan of reorganization, any creditor or equity interest holder of a debtor and any other person or entity as may be ordered by the bankruptcy court in accordance with the applicable provisions of the Bankruptcy Code. Subject to certain limited exceptions, the order issued by the bankruptcy court confirming a plan of reorganization discharges a debtor from any debt that arose before the confirmation of the plan of reorganization and provides for the treatment of such debt in accordance with the terms of the confirmed plan of reorganization.

Q. What is the effect of the Plan on the Debtors' ongoing business?

The Debtors are reorganizing under chapter 11 of the Bankruptcy Code. As a result, subject to the occurrence of the Effective Date, Confirmation means that the Debtors will not be liquidated or forced to go out of business. Following Confirmation, the Plan will be consummated on the Effective Date, which is a date selected by the Debtors that is a Business Day on or after the Confirmation Date on which (i) no stay of the Confirmation Order is in effect and (ii) the conditions to the effectiveness of the Plan specified in Section 8.1 of the Plan have been satisfied, or if capable of being waived, waived.

On or after the Effective Date, and unless otherwise provided in the Plan, the Reorganized Debtors may operate their business and, except as otherwise provided by the Plan, may use, acquire or dispose of property and compromise or settle any Claims, Interests or Causes of Action without supervision or approval by the Bankruptcy Court and free of any restrictions of the Bankruptcy Code or Bankruptcy Rules. Additionally, upon the Effective Date, all actions contemplated by the Plan will be deemed authorized and approved.

R. Who do I contact if I have additional questions with respect to this Disclosure Statement or the Plan?

If you have any questions regarding this Disclosure Statement or the Plan, you may contact the Debtors' co-counsel at the addresses and phone numbers listed on the cover page of this Disclosure Statement. Copies of the Plan and this Disclosure Statement may be obtained by contacting the Balloting Agent, located at 830 Third Avenue, 9th Floor, New York, New York 10022, by calling (855) 388-4579 or by emailing quiznosballots@primeclerk.com.

S. Do the Debtors recommend voting in favor of the Plan?

Yes. The Debtors believe the Plan provides for a larger distribution to the Debtors' creditors than would otherwise result from any other available alternative. The Debtors believe the Plan, which contemplates a significant deleveraging, is in the best interest of all creditors, and that other alternatives fail to realize or recognize the value inherent under the Plan.

IV. THE DEBTORS' BACKGROUND

Headquartered in Denver, Colorado, the Debtors are one of the world's largest franchisors of restaurants offering sandwiches, salads, soups, food products, and beverages, as well as catering services within the quick service restaurant ("QSR") segment of the restaurant industry. As of March 10, 2014, the Debtors had 2,034 Quiznos branded restaurants located in every U.S. state, Puerto Rico, Canada and in 30 additional countries (the "Additional Countries") around the world. Of the 2,034 restaurants, 1,343 were located in the U.S., 20 in Puerto Rico, 382 in Canada, and 289 in the Additional Countries. Included in the totals are 4 Debtor-owned restaurants in the U.S., 3 Debtor-owned restaurants in Canada, and 2 alternatively branded restaurants in the U.S. Of the 289 restaurants located in the Additional Countries, 267 are the result of 24 master franchise agreements through which Debtors granted the right to sublicense restaurants in the Additional Countries. Privately-held companies, the Debtors generated global system-wide sales (comprised of retail sales at franchise- and company-owned points of distribution) of $636.4 million in 2013.

The "Quiznos" brand is well-recognized and has a distinct consumer positioning in its core markets. Known for a superior quality product that is hand-crafted with fresh ingredients and sauces that feature a full-flavor profile, the

Debtors operate primarily a lunch and dinner concept. The Debtors' traditional restaurants offer seated dining and sell a full range of submarine and other sandwiches, salads, soups, food products and beverages. In addition, the Debtors franchise non-traditional restaurants, which include, among other locations, restaurants found in airports, convenience stores and gasoline facilities, sports facilities, hospitals and college campuses. Franchise owners own and operate over 99% of the Debtors' locations, with the Debtors owning the remainder.

A. The Debtors' Corporate History and the Prior Restructuring Transaction

The Debtors' business was established in 1981 with the opening of its first restaurant in Denver, Colorado. In 1991, the Schaden family purchased certain assets of Quiznos America, Inc. and formed what later became known as The Quizno's Corporation ("TQC"). In 1994, TQC completed an initial public offering and became a NASDAQ listed company. In December 2001, TQC commenced a going private transaction. The Debtors have been privately held since that time.

On May 5, 2006, certain affiliates of J.P. Morgan Partners, LLC ("JPMP") entered into an agreement to purchase 49% the Debtors' then-existing equity from Richard E. Schaden and a group of other then-existing owners (the "2006 Leveraged Buyout"). In conjunction with this transaction, the Debtors entered into a $650 million first lien facility (the "Prior First Lien Credit Facility"), a $225 million second lien credit facility (the "Prior Second Lien Credit Facility" and, together with the Prior First Lien Credit Facility, the "Prior Credit Facilities"), and a $75 million revolving credit facility with a syndicate of lenders. In or about 2011, the Debtors engaged in negotiations with certain significant lenders under the Prior Credit Facilities regarding the terms of a restructuring of the Debtors' then-outstanding indebtedness. These lenders and the Debtors agreed to the terms of a restructuring, which was implemented through an out-of court exchange offer for the Prior Credit Facilities in January 2012 (the "2012 Restructuring") that resulted in the current capital structure described below. The principal terms of the 2012 Restructuring were as follows:

- the lenders under the Prior First Lien Credit Facility received payment of all accrued but unpaid interest and their Pro Rata share of a $75 million paydown of the aggregate principal amount outstanding under the Prior First Lien Credit Facility;

- the lenders under the Prior First Lien Credit Facility were provided the option to either amend the Prior First Lien Credit Facility (resulting in the current First Lien Credit Facility) or exchange their holdings of the Prior First Lien Credit Facility for indebtedness under the Second Lien Credit Agreement;

- the maturity date of the Prior First Lien Credit Facility was extended;

- the lenders under the Prior Second Lien Credit Facility received their Pro Rata share of 40% of the equity interests in Holdco (before dilution pursuant to a management incentive plan);

- Avenue, in a private placement transaction, acquired the remaining 60% of the equity interests in Holdco (before dilution pursuant to a management incentive plan) in exchange for $150 million; and

- the Marketing Fund Trusts Credit Agreement was amended to extend the maturity date thereunder, and the line of credit available thereunder was reduced from $20 million to $12 million.

As part of the 2012 Restructuring, Avenue and Fortress, as lenders under the Prior First Lien Credit Facility, collectively agreed to exchange $150 million of their holdings of the Prior First Lien Credit Facility for indebtedness under the Second Lien Credit Agreement. Further, following the 2012 Restructuring, Avenue and Fortress became the primary equity holders of Holdco, holding 72.6% and 27.4% of the Holdco Interests, respectively (before dilution pursuant to a management incentive plan).

B. Debtors' Corporate Structure

A diagram presenting the corporate structure of Holdco and each of its direct and indirect subsidiaries, including each Debtor and each non-Debtor entity, is attached hereto as **Exhibit F**. As demonstrated on **Exhibit F**, Holdco directly or indirectly: (i) holds 100% of the Interests in QCE LLC ("QCE"), a Delaware limited liability

company, TQSC II LLC ("TQSC"), a Delaware limited liability company, QCE Gift Card LLC, an Arizona limited liability company, Quizno's Canada Holding LLC, a Delaware limited liability company, The Quizno's Master LLC ("TQM"), a Delaware limited liability company, Quiznos Global LLC ("Quiznos Global"), a Delaware limited liability company, Quiz-CAN LLC, a Delaware limited liability company, Quizno's Canada Restaurant Corporation, a company formed under the Company Act of the Province of British Columbia, Quizno's Canada Real Estate Corporation, a company formed under the Company Act of the Province of British Columbia, Canada Food Distribution Company, a company formed under the Companies Act (Nova Scotia), Quizno's Canada Advertising Fund Inc., a corporation formed under the Business Corporations Act, Statutes of New Brunswick, The Quizno's Operating Company LLC ("TQOC"), a Delaware limited liability company, QAFT, Inc., ("QAFT"), a Delaware corporation, American Food Distributors LLC ("AFD"), a Delaware limited liability company, Quizmark LLC ("Quizmark"), a Delaware limited liability company, Restaurant Realty LLC ("Restaurant Realty"), a Delaware limited liability company, QIP Holder LLC ("QIP"), a Delaware limited liability company, QFA Royalties LLC ("QFA Royalties"), a Delaware limited liability company, and Quizno's Canada Operating Company Inc., a company formed under the Business Corporations Act (BC); and (ii) holds a majority interest in or otherwise possesses the power to control Quiz-DIA LLC ("Quiz-DIA") a Delaware limited liability company, Seattle Area Directorship II LLC ("Seattle Area Directorship"), a Colorado limited liability company, the National Marketing Fund Trust, a trust formed under the laws of the State of Colorado, and The Regional Advertising Program Trust, a trust formed under the laws of the State of Colorado (together, the "Marketing Fund Trusts").[8] QAFT is the sole trustee of each of the Marketing Fund Trusts.

QCE is the main operating company and nerve center of the Debtors. Among other things, QCE is responsible for all of the general corporate functions and employs all of the Debtors' 433 active full time employees. The remaining Debtors are organized roughly along their respective business functions, certain of which are legacy legal entities with no material operations.

C. Overview of the Debtors' Operations

The Debtors operate through two primary business segments: (i) franchising, including food and supply distribution, and (ii) the company-owned restaurants. In 2013, the Debtors generated $636.4 million of global system-wide sales resulting in total revenue of $235.9 million, approximately 17 % of which was derived from franchise operations and approximately 74 % of which was generated from food distribution.[9] The Debtors' remaining revenue (or approximately 9 %) was generated from sales at the company-owned restaurants.

1. *The Franchise System*

The franchise segment represents nearly all of the Debtors' global store base. As of March 10, 2014, the Debtors or their authorized master franchisees had 2,043 franchised restaurants located in the United States, Puerto Rico, Canada[10] and 30 Additional Countries. QFA Royalties is the Debtors' franchisor in the United States, and Quiznos Global is the Debtors' international franchisor and enters into master franchise agreements with non-U.S. master franchisees, including Canada. In addition, TQM currently licenses trademarks to the international master franchisees. As of March 10, 2014, excluding the six company-owned restaurants in the U.S. and 3 company-owned restaurants in Canada, all of the restaurants in the United States and Canada were owned by franchisees.

a. Overview of Franchising

Franchising is a critical segment of the Debtors' operations. Organized as an integrated franchising company, the Debtors generate cash flow from multiple sources and have a low fixed cost operating platform that, among other things: (a) sells franchises; (b) assists franchise owners in the opening of restaurants; (c) delivers products and

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8 Of these entities, the following are not Debtors in the Chapter 11 Cases: Canada Food Distribution Company; QCE Gift Card LLC; Quiz-DIA; Quizmark; Quizno's Canada Advertising Fund Inc.; Quizno's Canada Restaurant Corporation; Quizno's Canada Real Estate Corporation; Quizno's Canada Operating Company Inc; and Seattle Area Directorship.

9 In food distribution, the Debtors' revenue is derived from providing food, restaurant supplies and restaurant equipment procurement and logistical services from third party vendors to the Debtors' franchise owners through third party distribution centers.

10 The Debtors have full-time management and staff dedicated to all aspects of the Canadian operations; however, legal, accounting, human resources, and information technology services are provided out of the corporate headquarters in Denver, Colorado.

promotions to the company-owned and franchised restaurants; (d) helps assure consistency and quality across the company-owned and franchised restaurants; (e) collects royalties and other payments from franchise owners; and (f) manages the "Quiznos" brand. The Debtors identify sales leads through (i) targeted mailings, (ii) maintaining a presence at industry trade shows and conventions, (iii) existing customer and supplier contacts and (iv) regularly placed advertisements in trade and other publications as well as in the various restaurant locations. The most effective means of attracting potential franchisees is through well-attended sales events. Prospective franchise owners typically attend such events, meet the Debtors' staff and complete an application for a franchise.[11] The initial franchise fee payable by a new franchisee is typically $10,000, but can range from $0 to $10,000, depending on the type of franchise sold. Prior to 2009, the franchise fee was as high as $25,000. Upon payment of the initial franchise fees, a domestic franchisee enters into a franchise agreement with QFA Royalties. The typical term of a franchise agreement is 15 years from the date of signing the franchise agreement, but the agreement may be terminated earlier for cause, as discussed below, or extended.

Pursuant to the franchise agreement, the Debtors are obligated to provide certain pre-opening and post-opening services to a franchisee. Franchisees are, in turn, required to operate restaurants under uniform operating standards and specifications relating to the selection, quality and preparation of menu items, signage, decor, equipment, uniforms, suppliers, maintenance and cleanliness of premises and customer service.

b. The Franchise Agreement

The franchise agreement grants the franchisee the right, so long as the franchise agreement remains in effect, to operate a restaurant business (a "Licensed Business") at a specific location (a "Licensed Premises") and to use the trade name "Quiznos" and such related marks (the "Marks") as may be presently or subsequently listed in the Debtors' operations manual (the "Operations Manual"), but only in the manner and at such times as are specified in the Operations Manual and/or the franchise agreement.

Each franchisee is authorized to operate a Licensed Business in (i) a Licensed Premises with a specific numbered street address or (ii) a Licensed Premises with a specific mall or other specialized venue address. The franchisee has 12 months from the time the franchisee and QFA Royalties sign the franchise agreement (the "Signing") to execute a lease, perform all other pre-opening obligations, and commence operations. If this does not occur within the prescribed time period, QFA Royalties can make the determination as to whether the franchisee is making reasonable and continuing efforts to diligently perform these tasks and, if so, the franchisee may be granted an extension to complete the process within 24 months of the Signing. If the QFA Royalties does not make this determination, then QFA Royalties can terminate the franchise agreement at any time after the expiration of the first 12-month period.

Pursuant to the franchise agreement, a franchisee is also authorized to use the Marks in a Licensed Business only on or in connection with the sale of those food and beverage products (the "Licensed Products") designated in the Operations Manual as being included in the Debtors' standard menu and meeting the specifications and quality standards set forth in the Operations Manual. Under the franchise agreement, a franchisee is further authorized to use certain trade secrets and proprietary information of the Debtors relating to, among other things, the manner of preparing and serving the Licensed Products and the method of operating a Licensed Business.

In exchange for the rights granted to a franchisee under a franchise agreement, a franchisee is required to pay the Debtors royalties based on a percentage of restaurant sales, net of discounts. The royalty fee may range from 4% to 8%, with the typical royalty fee being 7%, depending upon which form of franchise agreement the franchisee has entered into and the type of restaurant the franchisee operates.

Under the franchise agreement, except in very limited circumstances, a franchisee is also obligated to pay to the Marketing Fund Trusts a marketing and promotion fee (the "Advertising Fee") which is a percentage of the franchisee's "Gross Sales" and also must spend not less than a certain percentage of such sales in local advertising. All Advertising Fees collected from franchisees are deposited directly into the accounts of the Marketing Fund Trusts. As of March 10, 2014, most restaurants in the United States paid 1% of their prior week's gross sales to National Marketing Fund Trust

[11] Historically, the Debtors also used area directors, who are independent contractors acting as sales representatives within a defined geographic area, to solicit and identify prospective franchise owners and provide additional support to franchise owners before, during and after a restaurant opens. However, as the Debtors grew, the business justification for area director marketing agreements dissipated, and the Debtors have terminated and/or reacquired substantially all of the agreements.

and 3% of their prior week's gross sales to The Regional Advertising Program Trust. The Advertising Fees are used to: (i) produce and place media advertising, brochures, collateral advertising materials and other advertising or public relations materials; (ii) undertake market research; (iii) pay the commissions, fees and expenses of advertising and marketing agencies and consultants; (iv) create, produce and implement websites; (v) provide other marketing-related services; and (vi) pay fees and expenses incurred in connection with the foregoing.

c. The Role of the U.S. Franchisor and Certain Other Debtor and Non-Debtor Entities Within the Franchise System

Pursuant to various intercompany agreements, QFA Royalties has assigned or delegated certain of its rights and duties as the U.S. franchisor to its affiliates. Specifically, under a franchise servicing agreement between QFA Royalties and TQSC, TQSC is responsible for pre- and post-opening obligations under the Debtors' franchise agreements for restaurants located in the United States and Puerto Rico, including: (i) managing the entities operating under QFA Royalties' authority; (ii) marketing and offering new and successor franchise agreements; (iii) assisting the franchisees operating in the United States and Puerto Rico; (iv) implementing and enforcing the Debtors' quality assurance programs; and (v) otherwise fulfilling QFA Royalties' duties under the franchise agreements. TQSC is paid by QFA Royalties for performing such services and may subcontract with its affiliates to provide such services. TQSC also acts as QFA Royalties' franchise sales agent.

In addition, pursuant to the Issuer Products License Agreement, dated February 9, 2005, between QFA Royalties and AFD (the "Issuer Products License Agreement"), AFD or certain designated affiliates have the right to select the suppliers, manufacturers and distributors of food and non-food products for the Debtors' franchisees in the United States and Puerto Rico under the franchise agreements. Further, under the Issuer Products License Agreement, AFD has a sublicense to use certain Quiznos IP (as defined herein) in connection with the purchase and sale of proprietary products. In exercising its rights under the products license agreement, AFD provides franchise owners with food, restaurant supplies, and restaurant equipment procurement and logistical services from third-party vendors through third-party distribution centers. AFD arranges the procurement of propriety products by unaffiliated manufacturers and, in some cases, wholesales such products to distributors who will then sell such products to franchise owners. By leveraging its relationships with approximately 178 vendors, AFD is better able to offer franchisees competitive prices. AFD's food distribution services accounted for 74% of the Debtors' revenue in 2013. AFD also conducts detailed benchmarking surveys to ensure that its prices are competitive and generally below those offered by independent distributors, which translates into reduced costs for franchisees and a strong price-to-value proposition for consumers.

Besides QFA Royalties, TQSC and AFD, each of the following Debtor and non-Debtor entities, serves an important role within the Debtors' franchise system:

- QIP holds all of the "Quiznos" marks, copyrights, confidential information and other intellectual property (collectively, the "Quiznos IP") in the U.S. QIP has licensed the Quiznos IP to QFA Royalties for a 99-year term to use in, among other things, exercising QFA Royalties' rights and duties as the U.S. franchisor.

- Restaurant Realty manages the Debtors' lease assistance program in the United States. Historically, Restaurant Realty would enter into leases on behalf of the Debtors with third-party landlords for the purpose of sublease or assignment to franchisees. Following a sublease or assignment, the franchisee would pay rent directly to the landlord under the master lease. As of March 10, 2014, Restaurant Realty remains the sublessor on approximately 49 subleases. Since 2011, however, new franchisees generally enter into leases directly with third-party landlords. In the Chapter 11 Cases, the Debtors intend to reject certain of the leases with third-party landlords.

- Quizmark, a non-Debtor, historically provided financing to certain franchisees who purchase all of the equipment, leasehold improvements and architectural services from the Debtors or a third-party for the purpose of (i) developing a new traditional restaurant, (ii) reopening a traditional restaurant that previously closed (iii) buying a traditional restaurant from an existing franchisee for the purposes of transferring the franchise or (iv) remodeling a traditional restaurant by an existing franchisee (the "Franchisee Financing"). Under the Franchisee Financing, Quizmark directly pays a franchisee's vendors for the franchisee's purchase of certain permitted equipment, leasehold improvements, and architectural services up to the financed amount. If

Quizmark provides Franchisee Financing, the applicable franchisee executes a note, the terms of which may vary.

- QCE Gift Card LLC, a non-Debtor, provides store value card services to the franchisees.

- The Marketing Fund Trusts fund the majority of advertising and marketing services for the United States through required contributions by the franchisees and discretionary contributions by the Debtors. For fiscal year 2013, franchise owners contributed approximately $15.4 million and the Debtors contributed an additional $16.5 million (comprised of approximately $16 million in corporate contributions and approximately $500,000 of collections from the Debtors' corporate stores to the Marketing Fund Trusts).

- Quiznos Canada Holding LLC, which through its subsidiary Quiz-Can LLC owns 100% of Quizno's Canada Restaurant Corporation ("QCRC"), operates the master franchise for Canada through a management agreement with QCRC. QCRC is not a Debtor in these Chapter 11 Cases.

2. *Company-Owned Restaurants*

The Debtors own and operate their proprietary restaurants through two subsidiaries—Quiz-DIA,[12] a non-Debtor, and TQOC. As of the date hereof, (a) Quiz-DIA owns two non-branded restaurants—Chef Jimmy's and Mesa Verde—and one "Quiznos"-branded restaurant at the Denver International Airport, and (b) TQOC owns three "Quiznos"-branded restaurants, two in Denver and one in Lakeville, Minnesota. In 2013, approximately $20,528,356.68 in revenue was generated from the restaurants owned by Quiz-DIA and TQOC.

D. Regulatory Matters

The Debtors are subject to regulations of the Federal Trade Commission (the "FTC"), which regulate the offer and sale of franchises in the United States. The Debtors are also subject to a number of state laws which regulate the substantive aspects of a franchisor-franchisee relationship. The FTC's Trade Regulation Rule on Franchising (the "FTC Rule"), as well as a number of state laws, require the Debtors to furnish to prospective franchise owners a uniform franchise disclosure document containing information prescribed by the FTC Rule and the applicable state law.

State laws that regulate the offer and sale of franchises and the franchisor-franchise owner relationship presently exist in a substantial number of states. Most state laws that regulate the offer and sale of franchises require registration of the franchise offering with state authorities. A few require the Debtors to submit a notification filing of the Debtors' intent to offer franchises in the state. Those states that regulate the franchise relationship generally require that the franchisor deal with its franchise owners in good faith, prohibit interference with the right of free association among franchise owners, limit the imposition of unreasonable standards of performance on a franchise owner and regulate discrimination against franchise owners with respect to charges, royalty fees or other fees. Although such laws may restrict a franchisor in the termination of a franchise agreement by, for example, requiring "good cause" to exist as a basis for the termination, advance notice to the franchise owner of the termination, an opportunity to cure a default and a repurchase of inventory or other compensation, these provisions have not had a significant effect on the Debtors' franchise operations.

E. Summary of the Debtors' Prepetition Capital Structure

As of the date hereof, the Debtors' total principal outstanding indebtedness under the First Lien Credit Agreement and Second Lien Credit Agreement was $618,523,773.15 plus accrued and unpaid interest. In addition, the total principal amount outstanding under the Marketing Fund Trusts Credit Agreement was $7,351,872.27 plus accrued and unpaid interest. The description of the obligations under the First Lien Credit Agreement, the Second Lien Credit Agreement and the Marketing Fund Trusts Credit Agreement are set forth below.

[12] Quiz-DIA is a joint venture limited liability company controlled by TQM and governed by an Amended and Restated Joint Venture Operating Agreement.

1. *First Lien Credit Agreement*

The Debtors' first lien indebtedness consists of a term loan (the "Term Loan") in the original principal amount of $452,615,864.52, which is scheduled to mature on January 24, 2017, issued pursuant to the First Lien Credit Agreement between QCE, as borrower, Holdco, the lenders party thereto, the First Lien Agent, Deutsche Bank Securities Inc., as syndication agent, and Credit Suisse Securities (USA) LLC, Wachovia Bank, N.A., and BNP Paribas Securities Corp., as co-documentation agents. The First Lien Credit Agreement is guaranteed by Quiz-DIA and each of the Debtors, except for QAFT, the National Marketing Fund Trust and The Regional Advertising Program Trust. All of the obligations under the First Lien Credit Agreement, including the guarantees of those obligations, are secured by substantially all assets of Quiz-DIA and the Debtors (with the exception of the assets of QAFT, The National Marketing Fund Trust and The Regional Advertising Program Trust). As of March 11, 2014, the total principal amount outstanding under the First Lien Credit Agreement is $444,695,086.92.

Pursuant to the Forbearance Agreement to Amended and Restated Credit Agreement, dated as of December 2, 2013, and as most recently amended as of March 10, 2014 (the "First Lien Forbearance Agreement"), the First Lien Agent and the lenders under the First Lien Credit Agreement comprising the Required Lenders (as defined therein) (the "First Lien Required Lenders") have agreed to forbear until March 31, 2014 from exercising certain of their default-related rights and remedies against the Debtors with respect to certain events of default specified therein, including: (a) failure to make any interest or principal payments payable on or prior to March 31, 2014; (b) failure to comply with the financial performance covenant set forth in the First Lien Credit Agreement; and (c) an event of default as a result of a cross-default under the Second Lien Credit Agreement. Additionally, pursuant to the First Lien Forbearance Agreement, as amended, the First Lien Agent and First Lien Required Lenders have agreed to forbear from exercising their default-related rights and remedies against Quiz-DIA or any of its collateral through the duration of the Chapter 11 Cases. Quiz-DIA has agreed that, upon entry into the DIP Facility by the Debtors, it will be bound by the covenants thereof as if it was a party thereto.

2. *Second Lien Credit Agreement*

The Debtors' second lien indebtedness consists of a term loan in the original principal amount of $139,193,235.59 due on April 19, 2017, issued pursuant to the Second Lien Credit Agreement between QCE, as borrower, Holdco, the lenders party thereto, and the Second Lien Agent. The Second Lien Credit Agreement is guaranteed by the same guarantors under the First Lien Credit Agreement and is secured by a second lien on the same assets that secure the obligations under the First Lien Credit Agreement. As of March 11, 2014, the total principal amount outstanding under the Second Lien Credit Agreement is $173,828,686.23.

Pursuant to the Forbearance Agreement to Credit Agreement, dated as of January 24, 2014, and as most recently amended on March 10, 2014 (the "Second Lien Forbearance Agreement"), the Second Lien Agent and the lenders under the Second Lien Credit Agreement comprising the Required Lenders (as defined therein) (the "Second Lien Required Lenders") have agreed to forbear until March 31, 2014 from exercising certain of their default-related rights and remedies against the Debtors with respect to any failure to make required interest or principal payments payable on or prior to March 31, 2014. Additionally, pursuant to the Second Lien Forbearance Agreement, as amended, the Second Lien Agent and the Second Lien Required Lenders have agreed to forbear from exercising their default-related rights and remedies against Quiz-DIA or any of its collateral through the duration of the Chapter 11 Cases.

3. *Intercreditor Agreement*

On January 24, 2012, QCE entered into an Intercreditor Agreement (as amended, restated, supplemented or otherwise modified from time to time, the "Intercreditor Agreement"), with Goldman Sachs Credit Partners L.P. (which has since been replaced by the First Lien Agent), as collateral agent under the First Lien Credit Agreement, and the Second Lien Agent. The Intercreditor Agreement, among other things, provides that the Second Lien Agent and Second Lien Lenders have Liens and security interests subordinate to the Liens and security interests of the First Lien Agent and First Lien Lenders. The Intercreditor Agreement also governs and limits, among other things: (a) the rights and remedies of the Second Lien Agent and Second Lien Lenders so long as obligations under the First Lien Credit Agreement remain outstanding; and (b) the Second Lien Agent's and Second Lien Lenders' ability to challenge or contest the validity or priority of Liens under the First Lien Credit Agreement.

4. *Marketing Fund Trusts Credit Agreement*

On September 26, 2007, the Marketing Fund Trusts entered into the Marketing Fund Trusts Credit Agreement. The maximum credit extended under the Marketing Fund Trusts Credit Agreement was initially the lesser of $20 million and a borrowing base equal to 75.0% of the aggregate the National and Regional Advertising Fees (as defined in the Marketing Trusts Credit Agreement) for the most recent nine calendar month period. Obligations under the Marketing Fund Trusts Credit Agreement are guaranteed by QCE.

On January 31, 2013, QAFT entered into the fifth omnibus amendment and extension of the term of the Marketing Fund Trusts Credit Agreement (the "Amended Vectra Agreement"). The maximum amount of credit available under the Amended Vectra Agreement was the lesser of (a) $10 million and (b) a borrowing base equal to 100% of the aggregate National and Regional Advertising Fees for the most recent six calendar month period commencing six months after the closing date of the Amended Vectra Agreement. The Amended Vectra Agreement was set to terminate on December 31, 2013. Pursuant to the Forbearance Agreement and Amendment to Credit Agreement, dated as of November 29, 2013, and as most recently amended as of February 28, 2014 (the "Vectra Forbearance Agreement"), Vectra has agreed to forbear, until the earlier of (a) March 31, 2014 and (b) the termination of the First Lien Forbearance Agreement, from exercising certain of its default-related rights and remedies against QAFT with respect to certain events of default specified therein, including: (a) the failure to make any payments under the Amended Vectra Agreement due and payable on December 31, 2013; (b) a cross-default under the First Lien Credit Agreement; (c) failure to comply with certain financial covenants under the Amended Vectra Agreement; and (d) failure to pay down the outstanding amounts under the Amended Vectra Agreement so that the outstanding principal does not exceed the borrowing base. In connection with the Vectra Forbearance Agreement and its subsequent amendments, QAFT has paid down the outstanding principal of the loan, leaving an outstanding principal balance of $7,351,872.27 plus accrued and unpaid interest as of March 11, 2014.

F. Prior and Pending Litigation Proceedings

In the ordinary course of business, the Debtors are, from time to time, the subject of complaints or litigation from customers alleging illness, injury or other food-quality, health or operational concerns and from suppliers alleging breach of contract. The Debtors may also be subject to employee claims based on, among other things, workplace and employment matters, discrimination, harassment or wrongful termination. Moreover, litigation against a franchisee or its affiliates by third parties, whether or not in the ordinary course of business, may include claims against the Debtors by virtue of their relationship with the defendant-franchisee.

The Debtors have also in the past been subject to lawsuits by various current and former franchisees of QFA Royalties and its predecessors in the United States (the "Franchisee Litigations"). The Franchisee Litigations, which contained virtually identical clams, generally alleged that the Debtors made misrepresentations and withheld information from former, current and prospective franchisees regarding projected sales for stores and product mark-ups for mandated goods. Shortly before the commencement of the Chapter 11 Cases, the Debtors reached settlements in principal with respect to most of the remaining Franchisee Litigations in the United States. The Debtors anticipate that these settlements will not require any payment from the Debtors. The Debtors anticipate, although cannot predict with certainty, that to the extent other franchisees assert similar claims or proceedings against the Debtors in the future, such claims or proceedings will not have a material adverse effect on the debtors' business, financial condition or results of operation.

V. EVENTS LEADING TO THE CHAPTER 11 CASES, THE RESTRUCTURING SUPPORT AGREEMENT AND THE SPECIFIED LITIGATION AGREEMENT

A. Events Leading to the Commencement of the Chapter 11 Cases

A number of factors have contributed to the Debtors' decision to pursue a restructuring through the chapter 11 process, including, among other issues, the current economic environment surrounding the restaurant industry, the Debtors' unsustainable capital structure and the effect on the Debtors' business of misconduct by certain former officers, board members and related parties of the Debtors (collectively, the "Specified Litigation Parties") in connection with the 2012 Restructuring.

1. *2006 Leveraged Buyout and Management Turnover*

In its early years, the Debtors' success was attributed to its focus on providing premium, quality products and marketing those products through an extensive advertising campaign. However, in the years leading up to and following the 2006 Leveraged Buyout, the Debtors shifted their focus to expanding their franchising business by aggressively marketing and selling a large number of franchises with limited pre-qualification requirements. Specifically, in selecting franchisees, the Debtors conducted only a limited review of potential franchisees and imposed minimal restrictions with respect to the locations for the franchise stores. Although this aggressive and unfettered selection process led to significant growth of the Debtors' store base, it also left the Debtors' franchise business with a large number of single-unit franchisees who had little or no relevant experience and with stores often in undesirable locations. As a result, the Debtors began to experience poor operational performance and the "Quiznos" brand began to suffer.

These issues were exacerbated by the turnover in the Debtors' management following the 2006 Leveraged Buyout, which led to inconsistent marketing, failed strategic initiatives and customer confusion regarding the "Quiznos" brand. Prior to the buyout, the management team had focused primarily on quality and signature ingredients. After the buyout, however, the new management team primarily focused on price points due to increased competition and attendant pricing pressure. In addition, in an effort to maintain profitability, the Debtors reduced their portion sizes and decreased their advertising expenditure. Finally, the Debtors revamped their menu numerous times, which adversely impacted customer loyalty. The Debtors made all of these changes at a time when the Debtors' business was already struggling, and collectively, these negatively impacted sales and the "Quiznos" brand.

Same store sales declined and average unit volumes ("AUV's") suffered, resulting in increased store closures and making it increasingly difficult to sell and open new locations. For example, in 2007, AUV's declined by 6.1%, and approximately 450 stores closed, with only 225 new stores opened.

The Debtors' struggles were further compounded by the Debtors' lack of necessary systems and infrastructure to monitor and analyze unit-level performance. Specifically, the Debtors (i) had limited ability to monitor franchisees' sales, including potential under-reporting, (ii) had limited ability to identify and resolve revenue and cost problems, (iii) had limited ability to monitor or react to franchisees' overall profitability, and (iv) would rely on self-reporting by the franchisees for sales data (and the corresponding advertising and royalties due). As a result, royalty revenues (which typically constitute a percentage of franchisee revenues) and revenues from food sales suffered, with total revenues declining by 8.8% in 2007, compared to a 12% increase in revenues in 2006. Reduced food sale volumes, in turn, strained the Debtors' ability to effectively manage their supply and distribution channels as the Debtors' purchasing leverage and shipping efficiency decreased. Furthermore, the minimum volume and other threshold requirements in certain contracts and leases limited the Debtors' ability to absorb these top line declines. Finally, the $875 million of debt that was added to the Debtors' capital structure through the 2006 Leveraged Buyout exposed the Debtors to significant financial risks and left them with limited free cash flow to reinvest into the Debtors' business.

2. *Economic Downturn, the 2012 Restructuring and Subsequent Management Changes*

In addition to the foregoing, the Debtors were negatively impacted by the economic downturn in recent years. Specifically, the high unemployment rates have significantly reduced customer traffic in, and therefore affected performance of, the Debtors' stores, which are primarily located in professional office plazas and higher-end retail malls. Furthermore, the economic downturn has caused the Debtors' competitors to focus their marketing efforts on price points and has eroded the consumers' value perceptions of submarine sandwiches in general. Moreover, as the economy declined, the Debtors also began to face increased competition not only from the expansion of existing competitors but also from the new sandwich and fast casual market entrants. Some of these fast casual competitors had much larger store systems, greater marketing resources and/or other economies of scale. Several new entrants into the fast casual market also took advantage of the Debtors' struggles by offering products similar to the Debtors' signature toasted sandwich. The limited number of sophisticated, multi-unit store operators with significant financial resources further impacted the Debtors' competitiveness during this period. As a result, from the end of 2007 through 2011, there were over 3,650 store closures, with net closures of over 2,200 stores. During the same period, the Debtors' store base declined by over 40% and revenues decreased from $774 million in 2007 to $355 million in 2011.

In January 2012, the Debtors underwent the 2012 Restructuring, which is discussed more fully in Section IV.A of this Disclosure Statement. The 2012 Restructuring reduced the debt and interest burden and provided new capital for

the Debtors, which the Debtors intended to use to launch certain new initiatives and facilitate a long term turnaround of the Debtors' business. Among the new initiatives were improvements to the Debtors' menu and a re-launch of the "Quiznos" brand through increased marketing and advertising expenditures. These initiatives, however, proved inadequate to resolve the Debtors' performance and financial problems. Specifically, the initiatives failed to improve the health of the franchisee base, as the initiatives did not mitigate store closure rates or facilitate sales and opening of new store locations. The 2012 Restructuring also failed to address certain of the Debtors' problematic legacy contracts and other liabilities that were a drain on the Debtors' business. In particular, certain contracts were based on volume commitments that were no longer achievable given the Debtors' reduced store count or store-level volume, which require the Debtors to pay significant annual penalties for missed volume commitments. Finally, the Debtors believe that certain of the Debtors' then-existing management engaged in conduct that was detrimental to the Debtors and resulted in unrealistic expectations from the 2012 Restructuring. Despite the 2012 Restructuring, the store count continued to decline, with 416 net closures in 2012 (following 496 net closures in 2011), and revenues further declined from $355 million in 2011 to $299 million in 2012 (or -15.8% year-over-year).

3. *Subsequent Management Changes*

In July 2012, the Debtors hired Stuart K. Mathis as their new President and CEO. By the time Mr. Mathis joined the Debtors, a large portion of the new capital that was made available to the Debtors through the 2012 Restructuring had been spent on the re-launch of the Debtors' brand and menu, leaving limited operational and financial resources after servicing the Debtors' debt obligations. Shortly after assuming his position as CEO, Mr. Mathis almost entirely replaced the Debtors' then-existing senior management team with their current senior management team. The new management team, led by Mr. Mathis, actively pursued a number of operational initiatives in an effort to facilitate a turnaround of the Debtors' business including, among other things: (i) conducting extensive market research and analysis to identify issues and potential strategic opportunities; (ii) strengthening franchisee relationships through food cost reductions and other initiatives to enhance franchisee profitability; (iii) growing the franchise business by increasing master franchising abroad and seeking more sophisticated multi-unit operators in the United States; (iv) continuing menu improvements, with improved product quality and focus on differentiated premium product offerings; (v) improving store-level operations, including product quality/consistency as well as customer service and customer experience; and (vi) investing in sophisticated a new "Point-of-Sales" ("POS") system, which is expected to launch in the summer of 2014, in order to increase operator efficiency and provide better business intelligence to the Debtors' management.

Notwithstanding the foregoing initiatives, and their anticipated long-term benefits, the Debtors' financial performance is unable to support the existing capital structure. The Debtors now have limited liquidity and cannot meet their debt and contractual obligations. Indeed, for the past several months, the Debtors have not been able to pay the cash interest due on the amounts outstanding under the First Lien Credit Agreement and the Second Lien Credit Agreement. Furthermore, the additional credit extended under the Marketing Fund Trusts Credit Agreement for marketing related purposes is currently fully drawn with approximately $7.3 million outstanding and the Debtors are unable to refinance this debt with a third party. Although the Debtors were able to negotiate and obtain forbearances from their respective lenders, such agreements only provide temporary relief and are not a long-term solution to the Debtors' financial difficulties. The Debtors ended 2013 with revenues of $236 million (a 21% decline as compared to 2012) and with a store count of 2,099 (down from 2,577 in 2012). Accordingly, while the Debtors' management team is confident in its planned turnaround initiatives, the success of the Chapter 11 Cases, and the new capital structure that will result therefrom, are integral to the implementation and success of such initiatives.

4. *Investigation Regarding the 2012 Restructuring*

Over the course of approximately the past nine months, the Debtors, with the assistance of Akin Gump Strauss Hauer & Feld, LLP (proposed co-counsel to the Debtors), have conducted an investigation regarding alleged misconduct that arose in connection with the 2012 Restructuring (the "Investigation"). The Investigation has revealed that in connection with the 2012 Restructuring there appears to have been a concerted effort by the Specified Litigation Parties to deceive other members of the Debtors' management, certain minority board members, and the Debtors' then-existing lenders. As a result of this conduct, the Debtors and the Debtors' then-existing lenders—in particular Avenue and Fortress—suffered material damage.

Internal projections and related communications demonstrate that the financial projections created at the direction of the Specified Litigation Parties and provided to the Debtors' then-existing lenders in connection with the

2012 Restructuring were not reasonable and gave the false impression that after the 2012 Restructuring the Debtors could service their debt obligations and sustain their new capital structure. These communications also demonstrate that, at the time, the Specified Litigation Parties pressured the Debtors' management at the time to generate unreasonably aggressive projections for the express purpose of effectuating the 2012 Restructuring. Through these inflated, unsupported and unreasonable projections, the Specified Litigation Parties made it appear that the Debtors could and would achieve results that lacked any reasonable factual basis.

More specifically, the Investigation has revealed that in 2011, prior to implementing the 2012 Restructuring, the Specified Litigation Parties knew that a substantial discrepancy existed between the projected gross profits and related metrics produced by two separate internal forecasting models. Rather than rely on the model that contained accurate information, the Specified Litigation Parties based the projections provided to the Debtors' then-existing lenders on the model that contained inaccurate and inflated data. Thereafter, the Specified Litigation Parties took various steps to conceal from those lenders, as well as other members of management and minority board members, the substantial discrepancy between the two models. For example, the inflated projections did not reflect the likely future impact of certain of the Debtors' key operational changes, and the store count information used for those projections did not accurately reflect stores actually generating revenues or projected to generate revenues in the future. The Investigation has further revealed that the Specified Litigation Parties also restricted the distribution of certain unfavorable performance information, and data and withheld such information and data from certain minority board members and the lenders who financed the 2012 Restructuring.

The misconduct of the Specified Litigation Parties harmed the Debtors because the 2012 Restructuring left the Debtors with an unsustainable debt burden and a capital structure that significantly inhibited growth. In the months and years following the 2012 Restructuring, many of the Debtors' key performance metrics came in below the projected amounts for fiscal years 2012 and 2013, including, but not limited to, total revenue, gross revenue, gross profit, royalty payments, store count, AUV growth, "SNO" count, and "SNO" terminations. As a result, the Debtors sustained losses in the form of lost opportunities, harm to their business and brand, and other losses, all of which likely could have been avoided had the projections used in connection with the 2012 Restructuring accurately reflected the economic realities facing the Debtors at the time.

The Debtors believe that the misconduct of the Specified Litigation Parties harmed Avenue and Fortress, as then-existing lenders, because the inaccurate, inflated, misleading and unreasonable projections influenced Avenue and Fortress' decision to support the 2012 Restructuring and invest in what was an unsustainable capital structure. For example, (i) Avenue and Fortress agreed to exchange $150 million of holdings under the Prior First Lien Credit Facility into holdings under the Second Lien Credit Facility and/or holdings under the Prior Second Lien Credit Facility into Interests of Holdco; and (ii) Avenue agreed to purchase 60% of the Interests of Holdco for $150 million. As a result, Avenue and Fortress have also potentially suffered hundreds of millions of dollars in damages. Had all facts been accurately provided to them, the terms of the 2012 Restructuring, and the Debtors' capital and ownership structure likely would have been materially different.

Based on the foregoing, the Debtors, as well as Avenue and Fortress as Second Lien Lenders and Holders of almost 90% of the equity interests in Holdco, believe that there are colorable claims against the Specified Litigation Parties for, among other things, fraud and breach of fiduciary duty, and intend to pursue legal action against the Specified Litigation Parties, as discussed further in Section V.C. hereof. In connection with such action, the Debtors, Avenue and Fortress will seek to establish, among other things, that the Specified Litigation Parties (i) engaged in fraud and breached their fiduciary duties to the Debtors, which denied the Debtors the opportunity to pursue an alternative restructuring transaction that would have right-sized their capital structure and permitted the Debtors' business to grow; (ii) misrepresented and omitted material information from the documents provided in connection with the 2012 Restructuring, (iii) provided parties in interest with fraudulent and misleading projections in connection with the 2012 Restructuring, (iv) acted intentionally in doing so, (v) induced Avenue and Fortress to consummate the 2012 Restructuring based on these inaccurate projections, information and documents, and (vi) caused Avenue and Fortress substantial harm as a result of their conversion of first lien debt to second lien debt, conversion of substantial debt to equity and (solely with respect to Avenue) the infusion of $150 million into the Debtors. The discussions of the Specified Litigation Claims in this Disclosure Statement or the Plan are not intended to, and shall not in any way, limit or restrict any claims that may be investigated and/or pursued in connection with the Specified Litigation Agreement and the subject matter thereof.

B. Prepetition Restructuring Initiatives and the Restructuring Support Agreement

Faced with the foregoing issues, the Debtors proactively sought to right-size their capital structure and to position themselves for ongoing success in the current industry and economic environment. To this end, beginning in the fall of 2013, the Debtors and their advisors commenced negotiations with the Consenting First Lien Lenders and the Consenting Avenue and Fortress Entities, and their respective advisors, regarding the terms of a potential restructuring of the Debtors' obligations under the prepetition credit facilities. More recently, the Debtors have also engaged in negotiations with Vectra, with respect to the potential restructuring of the indebtedness under the Market Fund Trusts Credit Agreement.

After months of good faith, arm's length negotiations, the Debtors reached an agreement with the Consenting First Lien Lenders and the Consenting Avenue and Fortress Entities with respect to a consensual restructuring on the terms set forth in the Plan, and formalized by the Restructuring Support Agreement. The Plan is materially consistent with the terms of the Restructuring Support Agreement.

Pursuant to the Restructuring Support Agreement, the Consenting Parties have agreed to support the Plan, provided that the Debtors are, among other things, successful in taking the steps necessary to meet the various agreed upon milestones, which include the following:[13]

i. on or before 11:59 p.m. prevailing Eastern Time on the date that is 45 calendar days after the Petition Date, the Bankruptcy Court shall have entered (a) the final DIP Facility Order and (b) the RSA Order (as defined in the Restructuring Support Agreement);

ii. on or before 11:59 p.m. prevailing Eastern Time on the date that is 80 calendar days after the Petition Date, the Bankruptcy Court shall have entered the Confirmation Order; and

iii. on or before 11:59 p.m. prevailing Eastern Time on the date that is 100 calendar days after the Petition Date, substantial consummation (as defined in Bankruptcy Code section 1101) of the Plan shall have occurred.

C. The Specified Litigation Agreement[14]

A key component of the Restructuring Support Agreement and the Plan is the Specified Litigation Agreement, the terms of which have been negotiated between the independent members of the Holdco board of managers, Avenue and Fortress. Pursuant to the Specified Litigation Agreement, the Reorganized Debtors, Avenue and Fortress will jointly pursue the Specified Litigation Claims against the Specified Litigation Parties relating to the 2012 Restructuring. Avenue and Fortress will provide certain funding for pursuit of the Specified Litigation. The Specified Litigation Proceeds will be distributed in accordance with the Specified Litigation Waterfall. See Section 4.5 of the Plan.

Moreover, in consideration of the agreement of the Consenting Existing Equity Holders to cooperate with the pursuit of the Specified Litigation Claims, the Consenting Second Lien Lenders have agreed to transfer up to 20% of their Pro Rata share of the Remaining Equity received pursuant to the Stock in Lieu Election to the Consenting Existing Equity Holders.

The Debtors believe that joint pursuit of the Specified Litigation Claims pursuant to the Specified Litigation Agreement will allow the Debtors (and Unsecured Creditors) to recognize greater value than if the Debtors or Reorganized Debtors independently pursued the Specified Litigation Claims. Pursuant to the Specified Litigation Agreement, the Debtors (and Holders of Allowed Unsecured Claims that do not make the Stock in Lieu Election other than First Lien Deficiency Claims), will share in the proceeds recovered on account of Specified Litigation Claims held

[13] The summary of the terms of the Restructuring Support Agreement contained herein is provided solely for your benefit. To the extent there are any discrepancies between the summary and the Restructuring Support Agreement, the terms of the Restructuring Support Agreement shall govern.

[14] The summary of the terms of the Specified Litigation Agreement contained in this Disclosure Statement is provided solely for your benefit. To the extent there are any discrepancies between the summary and Specified Litigation Agreement, the terms of the Specified Litigation Agreement shall govern.

by the Debtors, as well as those held by Avenue and Fortress. This is significant because the Specified Litigation Claims held by the Debtors may be subject to different, and potentially stronger, defenses than the Specified Litigation Claims held by Avenue and Fortress, and damages may be more difficult to quantify for the Company Specified Litigation Claims as compared to the Specified Litigation Claims held by Avenue and Fortress.

Furthermore, in the absence of the Specified Litigation Agreement, it is uncertain whether the Debtors or Reorganized Debtors would be able to pursue the Specified Litigation Claims independently, due to the potentially extensive costs associated therewith. Under the Specified Litigation Agreement, Avenue and Fortress will provide certain funding for pursuit of the Specified Litigation Claims.

Accordingly, the Debtors believe that entering into the Specified Litigation Agreement is in the best interests of the Debtors' Estates and their creditors because it will allow the Debtors or Reorganized Debtors to maximize the proceeds that they may recover from pursuit of Specified Litigation Claims while minimizing their out-of-pocket costs to pursue such Specified Litigation Claims.

VI. ANTICIPATED EVENTS DURING THE CHAPTER 11 CASES

A. Commencement of Chapter 11 Cases and First Day Orders

To implement the restructuring transactions contemplated in the Plan, each of the Debtors intends to commence a case under chapter 11 of the Bankruptcy Code on the Petition Date. The Debtors may commence the Chapter 11 Cases prior to the Voting Deadline.

On the Petition Date, the Debtors will request to have the Chapter 11 Cases jointly administered for procedural purposes. In addition, the Debtors will request a series of orders from the Bankruptcy Court to minimize any disruption to the Debtors' operations and to facilitate their reorganization. These requests will include, but are not limited to, orders permitting the Debtors to: (i) obtain senior secured postpetition financing (as discussed below); (ii) pay certain employee obligations; (iii) pay insurance obligations; (iv) pay tax obligations; (v) continue certain customer programs; (vi) pay trade vendor obligations; (vii) maintain their cash management system and (viii) assume the Restructuring Support Agreement. Additionally, to expedite the Chapter 11 Cases, the Debtors intend to seek an immediate order setting dates for a combined hearing to (i) approve the adequacy of the Disclosure Statement; (ii) approve the procedures for the Solicitation; and (iii) confirm the Plan. The Debtors will seek the earliest possible date permitted by the applicable rules and the Bankruptcy Court's calendar for such hearing.

B. Financing Facilities

1. *Debtor in Possession Financing*

The Debtors expect to receive debtor in possession financing in the aggregate principal amount of $15 million from the DIP Lenders under the DIP Credit Agreement. This DIP Facility will act as a bridge for the Debtors to implement and consummate the restructuring transactions contemplated in the Plan.

On the Petition Date, the Debtors will seek interim authority to make immediate borrowings under the DIP Facility and, as soon as practicable thereafter, will seek final Bankruptcy Court approval of the DIP Facility. The Debtors believe that the commitment amount of the DIP Facility will satisfy the Debtors' financing needs during the Chapter 11 Cases' expected duration.

2. *Exit Financing*

On the Effective Date, the Reorganized Debtors intend to enter into the New Delayed-Draw Term Facility Agreement, pursuant to which the Debtors will obtain a delayed-draw term loan in the aggregate principal amount of up to $25 million to (a) refinance or retire all outstanding indebtedness under the DIP Facility on the Effective Date, (b) make certain distributions pursuant to the Plan, (c) to repay certain costs and expenses required to be paid in connection with the Debtors' emergence from bankruptcy and (d) for general corporate purposes and to pay fees, commissions and

expenses in connection with the New Delayed-Draw Term Facility Agreement. A form of the New Delayed-Draw Term Facility Agreement will be included in the Plan Supplement.

C. Stay of Pending Litigation Proceedings and Potential Removal of Pending Litigation Proceedings to the Bankruptcy Court

With certain exceptions, the filing of the Chapter 11 Cases would operate as a stay with respect to the commencement or continuation of litigation against the Debtors that was or could have been commenced before the commencement of the Chapter 11 Cases. In addition, the Debtors' liability with respect to litigation that would be stayed by the commencement of the Chapter 11 Cases will be subject to discharge, settlement, and release upon Confirmation of the Plan, with certain exceptions. Therefore, litigation claims against the Debtors may be subject to discharge in connection with the Chapter 11 Cases. This may reduce the Debtors' exposure to losses in connection with the adverse determination of such litigation. Further, the Debtors may exercise their right pursuant to 28 U.S.C. § 1452 to remove any pending litigation proceedings to the Bankruptcy Court.

D. Expected Timetable of the Chapter 11 Cases

The Debtors expect the Chapter 11 Cases to proceed quickly. As described above, the Debtors have been in extensive negotiations with the Consenting Parties and Vectra to deleverage their balance sheet and complete a balance sheet restructuring.

The Debtors cannot assure you, however, that the Bankruptcy Court will enter various orders on the timetable anticipated by the Debtors. On the Petition Date, the Debtors will promptly request the Bankruptcy Court to set a hearing date to approve this Disclosure Statement and to confirm the Plan. If the Plan is confirmed, the Effective Date of the Plan is projected to be as soon as practicable after the date the Bankruptcy Court enters the Confirmation Order and the Confirmation Order becomes a Final Order, and the other conditions to consummation of the Plan set forth in Article VIII of the Plan are satisfied or waived (to the extent permitted under the Plan and applicable law).

VII. SUMMARY OF THE PLAN[15]

A. General Basis for the Plan

The Debtors have determined that prolonged Chapter 11 Cases would damage severely their ongoing business operations and threaten their viability as a going concern. The prepackaged nature of the Plan (as set forth in the Plan and described herein) allows the Debtors to exit chapter 11 quickly, while the provisions of the Plan allow the Debtors to reduce their debt service obligations and position the Debtors for ongoing growth through, among other things, the issuance of New Common Interest, amendment of the First Lien Credit Agreement, execution of the New Delayed-Draw Term Facility Agreement and the amendment of the Marketing Fund Trusts Credit Agreement.

B. Treatment of Unclassified Claims

1. *Administrative Expense Claims.*

Except to the extent that a Holder of an Allowed Administrative Expense Claim and the Debtors or the Reorganized Debtors agree in writing to less favorable treatment for such Claim, the Debtors (or the Reorganized Debtors, as the case may be) shall pay to each Holder, as applicable, of an Allowed Administrative Expense Claim, in full and final satisfaction of its Administrative Expense Claim, Cash in an amount equal to such Claim on, or as soon

[15] This Section VII is intended only to provide a summary of the key terms, structure, classification, treatment, and implementation of the Plan, and is qualified in its entirety by reference to the entire Plan and exhibits thereto. Although the statements contained in this Disclosure Statement include summaries of the provisions contained in the Plan and in documents referred to therein, this Disclosure Statement does not purport to be a precise or complete statement of all such terms and provisions, and should not be relied on for a comprehensive discussion of the Plan. Instead, reference is made to the Plan and all such documents for the full and complete statement of such terms and provisions. The Plan itself (including attachments) will control the treatment of Claims and Interests under the Plan. To the extent there are any inconsistencies between this Section VII and the Plan (including attachments) the latter shall govern.

thereafter as is reasonably practicable, the later of (a) the Effective Date and (b) the first Business Day after the date that is thirty (30) calendar days after the date such Administrative Expense Claim becomes an Allowed Administrative Expense Claim; provided, however, that Allowed Administrative Expense Claims representing liabilities incurred in the ordinary course of business by the Debtors or liabilities arising under loans or advances to or other obligations incurred by the Debtors, whether or not incurred in the ordinary course of business, shall be paid by the Debtors in the ordinary course of business, consistent with past practice and in accordance with the terms and subject to the conditions of any agreements governing, instruments evidencing or other documents relating to such transactions.

2. *Professional Fee Claims.*

All entities seeking allowance by the Bankruptcy Court of Professional Fee Claims shall file their respective final applications for allowance of compensation for services rendered and reimbursement of expenses incurred by the date that is thirty (30) days after the Effective Date. Allowed Professional Fee Claims shall be paid in full (i) upon the later of (A) the Effective Date and (B) the date upon which the order relating to any such Allowed Professional Fee Claim is entered or (ii) upon such other terms as may be mutually agreed upon between the Holder of such an Allowed Professional Fee Claim and the Debtors or, on and after the Effective Date, the Reorganized Debtors. The Reorganized Debtors are authorized to pay compensation for services rendered or reimbursement of expenses incurred after the Effective Date in the ordinary course and without the need for Bankruptcy Court approval.

3. *Priority Tax Claims*.

Except to the extent that a Holder of an Allowed Priority Tax Claim agrees to less favorable treatment, in exchange for full and final satisfaction, settlement release and discharge of each Allowed Priority Tax Claim, each Holder of an Allowed Priority Tax Claim due and payable on or before the Effective Date shall receive, at the option of the Debtors or Reorganized Debtors, one of the following treatments: (a) Cash in an amount equal to the amount of such Allowed Priority Tax Claim, plus interest at the rate determined under applicable nonbankruptcy law and to the extent provided for by Bankruptcy Code section 511, payable on or as soon as practicable following the Effective Date; (b) Cash in an aggregate amount of such allowed Priority Tax Claim payable in installment payments over a period of time not to exceed five years after the Petition Date, pursuant to Bankruptcy Code section 1129(a)(9)(C), plus interest at the rate determined under applicable nonbankruptcy law and to the extent provided for by Bankruptcy Code section 511; or (c) such other treatment as may be agreed upon by such Holder and the Debtors or Reorganized Debtors, as applicable, or otherwise determined by an order of the Bankruptcy Court.

4. *DIP Facility Claims.*

As of the Effective Date, the DIP Facility Claims shall be Allowed and deemed to be Allowed Claims in the full amount outstanding under the DIP Facility Credit Agreement, including principal, interest, fees and expenses. On the Effective Date, all DIP Facility Claims shall be paid in full in Cash, unless previously paid or otherwise agreed to by the Debtors and the Holder of such DIP Facility Claim.

C. Classification and Treatment of Claims and Interests

The Plan provides for the substantive consolidation of the Term Loan Debtors' Estates into a single Estate for Plan purposes only and matters associated with Confirmation and consummation of the Plan. As a result of the substantive consolidation of the Term Loan Debtors' Estates for these limited purposes, each Class of Claims against and Interests in the Term Loan Debtors will be treated as against a single consolidated Estate for Plan purposes without regard to the corporate separateness of the Term Loan Debtors.

Pursuant to Bankruptcy Code sections 1122 and 1123, the following table designates the Classes of Claims and Interests and summarizes the treatment of such Claims and Interests under the Plan. A Claim or Interest is in a particular Class for purposes of voting on, and of receiving distributions pursuant to, the Plan only to the extent that such Claim or Interest is an Allowed Claim or Allowed Interest in that Class and such Claim or Interest has not been paid, released or otherwise settled prior to the Effective Date. A Claim or Interest shall be deemed classified in a particular Class only to the extent that the Claim or Interest qualifies within the description of that Class, and shall be deemed classified in a

different Class to the extent that any remainder of such Claim or Interest qualifies within the description of such different Class.

SUMMARY OF PLAN TREATMENT AND EXPECTED RECOVERIES			
Class	**Designation**	**Plan Treatment**	**Estimated Recovery Under the Plan**
Class A1	First Lien Facility Claims	Holders of Class A1 Claims, in full and complete satisfaction, discharge and release of such Claims shall receive their Pro Rata share of the First Lien Distribution. All Holders of Class A1 Claims shall be deemed to have agreed to forgo any distribution in respect of their First Lien Facility Deficiency Claims if Class A1 votes to accept the Plan.	43-53%
Class A2	Priority Non-Tax Claims against the Term Loan Debtors	Except to the extent that a Holder of an Allowed Class A2 Claim agrees to less favorable treatment with the Debtors or Reorganized Debtors, each Holder of an Allowed Class A2 Claim, in full and complete satisfaction, discharge and release of such Claim, shall be paid in full in Cash on the later of the Distribution Date and that date that is as soon as practicable after the date upon which such Claim becomes an Allowed Class A2 Claim.	100%
Class A3	Other Secured Claims against the Term Loan Debtors	Except to the extent a Holder of an Allowed Class A3 Claim agrees to less favorable treatment with the Debtors or Reorganized Debtors, as applicable, each Holder of an Allowed Class A3 Claim, in full and complete satisfaction, discharge and release of such Claim shall be (i) paid in full in Cash on the later of the Distribution Date and a date that is as soon as practicable after the date upon which such Claim becomes an Allowed Class A3 Claim or (ii) otherwise Unimpaired within the meaning of Bankruptcy Code section 1124.	100%
Class A4	Unsecured Claims against the Term Loan Debtors	Except to the extent a Holder of an Allowed Class A4 Claim agrees to less favorable treatment with the Debtors or Reorganized Debtors, as applicable, in full and complete	0-100%[16]

[16] Recoveries depend on, among other things, (a) the amount of the Company Specified Litigation Proceeds realized by the Reorganized Debtors pursuant to the Specified Litigation Waterfall and (b) the aggregate amount of Allowed Unsecured Claims of those Holders who do not make the Stock in Lieu Election.

SUMMARY OF PLAN TREATMENT AND EXPECTED RECOVERIES			
Class	**Designation**	**Plan Treatment**	**Estimated Recovery Under the Plan**
		satisfaction, discharge and release of such Claims, Holders of Allowed Class A4 Claims shall receive their Pro Rata share of the Company Specified Litigation Proceeds, unless such Holder elects to make the Stock in Lieu Election following receipt of the Stock in Lieu Election Notice. The Second Lien Lenders shall be included in Class A4. The Consenting Second Lien Lenders, with claims in the aggregate principal amount of $173,742,275.38, plus accrued and unpaid interest, as of the Petition Date, have committed to make the Stock in Lieu Election. For the avoidance of doubt (i) the Pro Rata share due to a Holder of an Allowed Class A4 Claim that has not made the Stock in Lieu Election shall be determined by dividing the amount of such Holder's Allowed Class A4 Claim by the aggregate amount of Allowed Class A4 Claims and Allowed Class B4 Claims of all Holders that have not made the Stock in Lieu Election and (ii) the Pro Rata share due to a Holder of an Allowed Class A4 Claim that has made the Stock in Lieu Election shall be determined by dividing the amount of such Holder's Allowed Class A4 Claim by the aggregate amount of Allowed Class A4 Claims and Allowed Class B4 Claims of all Holders that have made the Stock in Lieu Election. For the avoidance of doubt, pursuant to Article 2.7 of the Plan, because Holders of Allowed Class A1 Claims are deemed to forego distributions on account of the First Lien Facility Deficiency Claims, Holders of First Lien Facility Deficiency Claims will not participate in the treatment provided in Article 2.10(b) of the Plan.	0-10%[17]
Class A5	Subordinated Claims against the Term Loan Debtors	Holders of Class A5 Claims shall not receive or retain any property on account of such Class A5 Claims and all such Claims shall be cancelled and discharged.	0%
Class A6(a)	Holdco Interests against the Term Loan Debtors	Holders of Class A6(a) Claims and Interests shall not receive or retain any property on account of such Class A6(a) Claims and Interests and all such Claims and Interests shall	0%

[17] Recoveries depend on the aggregate amount of Allowed Unsecured Claims of those Holders who make the Stock in Lieu Election. Pursuant to the Plan, the Consenting Second Lien Lenders, with claims in the aggregate principal amount of approximately $174 million, plus accrued and unpaid interest as of the Petition Date, have already committed to make the Stock in Lieu Election.

SUMMARY OF PLAN TREATMENT AND EXPECTED RECOVERIES			
Class	**Designation**	**Plan Treatment**	**Estimated Recovery Under the Plan**
		be cancelled and discharged.	
Class A6(b)	Intercompany Interests against the Term Loan Debtors	Class A6(b) Interests shall be Reinstated and the legal, equitable and contractual rights to which Holders of such Allowed Interests are entitled shall remain unaltered so as to maintain the organizational structure of the Debtors as such structure existed on the Petition Date.	100%
Class B1	Marketing Fund Trusts Facility Secured Claim	In full and complete satisfaction of the Class B1 Claim (i) Reorganized QAFT, solely as trustee for the Reorganized Marketing Fund Trusts, and Vectra shall enter into the Amended Marketing Fund Trusts Credit Agreement and (ii) Vectra shall forgo any distribution on account of its Marketing Fund Trust Facility Guaranty Claim.	100%
Class B2	Priority Non-Tax Claims against the Marketing Fund Trusts Debtors	Except to the extent that a Holder of an Allowed Class B2 Claim agrees to less favorable treatment with the Debtors or Reorganized Debtors, each Holder of an Allowed Class B2 Claim, in full and complete satisfaction, discharge and release of such Claim, shall be paid in full in Cash on the later of the Distribution Date and a date that is as soon as practicable after the date upon which such Claim becomes an Class B2 Claim.	100%
Class B3	Other Secured Claims against the Marketing Fund Trusts Debtors	Except to the extent that a Holder of an Allowed Class B3 Claim agrees to less favorable treatment with the Debtors or Reorganized Debtors, as applicable, each Holder of an Allowed Class B3 Claim, in full and complete satisfaction, discharge and release of such Claim shall be (i) paid in full in Cash on the later of the Distribution Date and a date that is as soon as practicable after the date upon which such Claim becomes an Allowed Class B3 Claim or (ii) otherwise Unimpaired within the meaning of Bankruptcy Code section 1124.	100%

SUMMARY OF PLAN TREATMENT AND EXPECTED RECOVERIES			
Class	**Designation**	**Plan Treatment**	**Estimated Recovery Under the Plan**
Class B4	Unsecured Claims against the Marketing Fund Trusts Debtors	Except to the extent a Holder of an Allowed Class B4 Claim agrees to less favorable treatment with the Debtors or Reorganized Debtors, as applicable, in full and complete satisfaction, discharge and release of such Claims, Holders of Allowed Class B4 Claims shall receive their Pro Rata share of the Company Specified Litigation Proceeds, unless such Holder elects to make the Stock in Lieu Election following receipt of the Stock in Lieu Election Notice. For the avoidance of doubt (i) the Pro Rata share due to a Holder of an Allowed Class B4 Claim that has not made the Stock in Lieu Election shall be determined by dividing the amount of such Holder's Allowed Class B4 Claim by the aggregate amount of Allowed Class A4 Claims and Allowed Class B4 Claims of all Holders that have not made the Stock in Lieu Election and (ii) the Pro Rata share due to a Holder of an Allowed Class B4 Claim that has made the Stock in Lieu Election shall be determined by dividing the amount of such Holder's Allowed Class B4 Claim by the aggregate amount of Allowed Class A4 Claims and Allowed Class B4 Claims of all Holders that have made the Stock in Lieu Election.	0-100%[18] 0-10%[19]
Class B5	Interests in the Marketing Fund Trusts Debtors	Class B6 Interests shall be Reinstated and the legal, equitable and contractual rights to which Holders of such Allowed Interests are entitled shall remain unaltered so as to maintain the organizational structure of the Debtors as such structure existed on the Petition Date.	100%

D. Means for Implementation of the Plan

1. *Restructuring Transactions*.

a. Transactions. The Plan contemplates, among other things (i) the amendment and restatement of the First Lien Credit Agreement by the Amended First Lien Credit Agreement; (ii) the execution of the New Delayed-Draw Term Facility Agreement; (iii) the amendment and restatement of the Marketing Fund Trusts Credit

[18] Recoveries depend on, among other things, (a) the amount of the Company Specified Litigation Proceeds realized by the Reorganized Debtors pursuant to the Specified Litigation Waterfall and (b) the aggregate amount of Allowed Unsecured Claims of those Holders who do not make the Stock in Lieu Election.

[19] Recoveries depend on the aggregate amount of Allowed Unsecured Claims of those Holders who make the Stock in Lieu Election. Pursuant to the Plan, the Consenting Second Lien Lenders, with claims in the aggregate principal amount of approximately $174 million, plus accrued and unpaid interest as of the Petition Date, have already committed to make the Stock in Lieu Election.

Agreement by the Amended Marketing Fund Trusts Credit Agreement; (iv) the issuance of New Common Interests; (v) the procurement of the Insurance Coverage; (vi) the adoption of the Amended Corporate Governance Documents and (where required by applicable law) the filing of the Amended Corporate Governance Documents with the applicable authorities of the relevant jurisdictions of organization and (vii) the execution of the Specified Litigation Agreement.

b. Continued Corporate Existence; Vesting of Assets in the Reorganized Debtors. On and after the Effective Date, each of the Reorganized Debtors shall continue to exist as a separate entity in accordance with applicable law in the respective jurisdiction in which it is organized and pursuant to its constituent documents in effect prior to the Effective Date. Notwithstanding anything to the contrary in the Plan, the Unimpaired Claims against a Debtor shall remain the obligations solely of such Debtor or such Reorganized Debtor and shall not become obligations of any other Debtor or Reorganized Debtor by virtue of the Plan, the Chapter 11 Cases, or otherwise. Except as otherwise provided in the Plan, on and after the Effective Date, all property of the Estates of the Debtors, including all claims, rights and causes of action and any property acquired by the Debtors or the Reorganized Debtors under or in connection with the Plan, shall vest in the Reorganized Debtors free and clear of all Claims, Liens, charges, other encumbrances and Interests. On and after the Effective Date, the Reorganized Debtors may operate their businesses and may use, acquire and dispose of property and compromise or settle any Claims without supervision of or approval by the Bankruptcy Court and free and clear of any restrictions of the Bankruptcy Code or the Bankruptcy Rules, other than restrictions expressly imposed by the Plan or the Confirmation Order.

2. ***Substantive Consolidation for Plan Purposes Only***.

The Plan shall serve as a motion by the Debtors seeking entry of a Bankruptcy Court order substantively consolidating the Term Loan Debtors' Estates into a single consolidated Estate, solely for all purposes associated with Confirmation and consummation of the Plan. Upon Confirmation of the Plan, then, for Plan purposes only, on the Effective Date, the Term Loan Debtors shall be deemed merged into Holdco, and (a) all assets and liabilities of the Term Loan Debtors shall be deemed merged into Holdco, (b) all guaranties of any Term Loan Debtor of the payment, performance, or collection of the obligations of another Term Loan Debtor shall be eliminated and cancelled, (c) any obligation of any Term Loan Debtor and all guaranties thereof executed by one or more of the other Term Loan Debtors shall be treated as a single obligation, and such guaranties shall be deemed a single Claim against the consolidated Term Loan Debtors, (d) all joint obligations of two or more Term Loan Debtors, and all multiple Claims against such entities on account of such joint obligations shall be treated and allowed only as a single Claim against the consolidated Term Loan Debtors, and (e) each Claim filed in the Chapter 11 Cases of any Term Loan Debtor shall be deemed filed against the consolidated Term Loan Debtors and a single obligation of the Term Loan Debtors on and after the Effective Date. Entry of the Confirmation Order will constitute the approval, pursuant to section 105(a) of the Bankruptcy Code, effective as of the Effective Date, of the deemed substantive consolidation of the Chapter 11 Cases of the Term Loan Debtors for purposes of voting on, confirmation of, and distributions under the Plan.

Notwithstanding the foregoing, the deemed consolidation and substantive consolidation (each for Plan purposes only) shall not (other than for purposes related to funding distributions under the Plan) affect (a) the legal and organizational structure of the Debtors or the Reorganized Debtors, (b) pre- and post-Petition Date guaranties, Liens and security interests that were required to be maintained (i) in connection with any executory contracts or unexpired leases that were entered into during the Chapter 11 Cases or that have been or will be assumed by the Term Loan Debtors or (ii) pursuant to the Plan, (c) distributions out of any insurance policies or proceeds of such policies, and (d) the tax treatment of the Term Loan Debtors. Furthermore, notwithstanding the foregoing, the deemed consolidation and substantive consolidation (each for Plan purposes only), shall not affect the statutory obligation of each and every Term Loan Debtor to pay quarterly fees to the U.S. Trustee pursuant to 28 U.S.C. §1903(a)(6) and the Plan.

In the event that the Bankruptcy Court does not order such deemed substantive consolidation of the Term Loan Debtors, then except as specifically set forth in the Plan (a) nothing in the Plan or the Disclosure Statement shall constitute or be deemed to constitute an admission that one of the Term Loan Debtors is subject to or liable for any Claim against any other Term Loan Debtor, (b) Claims against multiple Term Loan Debtors shall be treated as separate Claims against each applicable Term Loan Debtor for all purposes (including, without limitation, distributions and voting) and such Claims shall be administered as provided in the Plan, (c) the Term Loan Debtors shall not, nor shall they be required to, resolicit votes with respect to the Plan and (d) the Term Loan Debtors may seek confirmation of the Plan as if the Plan is a separate Plan for each of the Term Loan Debtor.

3. ***New Securities.***

a. Issuance of New Common Interests. On the Effective Date, Reorganized Holdco shall issue 700,000 New Common Interests to the Holders of First Lien Facility Claims on a Pro Rata basis in accordance with Article 2.7 of the Plan and 300,000 New Common Interests shall be reserved by the Reorganized Debtors for distribution to those Holders of Allowed Unsecured Claims that make the Stock in Lieu Election, in each case, subject to dilution by any New Common Interests issued pursuant to the New Management Equity Incentive Plan. Distribution of such New Common Interests pursuant to Articles 2.7 and 4.3 of the Plan shall together constitute the issuance of 100% of the New Common Interests issued as of or reserved for issuance, and shall be deemed issued or reserved for issuance on, the Effective Date pursuant to the Plan.

b. Section 1145 Exemption. Pursuant to Bankruptcy Code section 1145, the offering, issuance and distribution of any New Common Interests to the Holders of First Lien Facility Claims and the Holders of Allowed Unsecured Claims that make the Stock in Lieu Election shall be exempt from, among other things, the registration requirements of section 5 of the Securities Act to the maximum extent permitted thereunder and any other applicable law requiring registration prior to the offering, issuance, distribution, or sale of securities. In addition, except as otherwise provided in the Plan, to the maximum extent provided under Bankruptcy Code section 1145, any and all New Common Interests issued to the Holders of First Lien Facility Claims and Holders of Allowed Unsecured Claims that make the Stock in Lieu Election contemplated by the Plan will be freely tradable by the recipients thereof, subject to: (i) the provisions of Bankruptcy Code section 1145(b)(1) relating to the definition of an underwriter in section 2(a)(11) of the Securities Act, and compliance with any rules and regulations of the United States Securities and Exchange Commission, if any, applicable at the time of any future transfer of such Securities or instruments; (ii) the restrictions, if any, on the transferability of such Securities and instruments; and (iii) applicable regulatory approval.

4. ***Plan Funding.***

a. Amended First Lien Credit Facility. On the Effective Date, the Reorganized Debtors will enter into the Amended First Lien Credit Agreement, with respect to the Amended First Lien Credit Facility in an aggregate amount of $200 million.

b. New Delayed-Draw Term Facility. On the Effective Date, the Reorganized Debtors will enter into the New Delayed-Draw Term Facility Agreement, with respect to the New Delayed-Draw Term Facility in an aggregate amount of up to $25 million.

c. Amended Marketing Fund Trusts Credit Facility. On the Effective Date, Reorganized QAFT, solely in its capacity as trustee for the Reorganized Marketing Fund Trusts, will enter into the Amended Marketing Fund Trusts Credit Agreement.

d. Other Plan Funding. Other than as set forth in Article 4.4(a), (b) and (c) of the Plan, all Cash necessary for the Reorganized Debtors to make payments required by the Plan shall be obtained from the Debtors' Cash balances then on hand, after giving effect to the transactions contemplated in the Plan.

5. ***Specified Litigation Provisions.***

a. Specified Litigation Agreement. On the Effective Date, the Reorganized Debtors, Avenue and Fortress will enter into the Specified Litigation Agreement. Pursuant to the Specified Litigation Agreement (i) the Reorganized Debtors, Avenue and Fortress will jointly pursue the Specified Litigation Claims; (ii) Avenue and Fortress will provide any necessary Cash for the pursuit of the Specified Litigation and (iii) the Specified Litigation Proceeds shall be distributed pursuant to the Specified Litigation Waterfall.

b. Specified Litigation Waterfall. The Specified Litigation Proceeds shall be distributed as follows (the "Specified Litigation Waterfall"): (i) the first $1,600,000 of Specified Litigation Proceeds shall be distributed to the Reorganized Debtors for reimbursement of fees and expenses incurred by the Debtors prepetition in connection with the Specified Litigation (the "Legal Expense Reimbursement"); (ii) any Specified Litigation Proceeds available after payment of the Legal Expense Reimbursement shall be used to reimburse Avenue and

Fortress for payment of any actual out of pocket non-legal expenses (the "Non-Legal Expense Reimbursement"); (iii) the next $16,000,000 of Specified Litigation Proceeds available after payment of the Legal Expense Reimbursement and the Non-Legal Expense Reimbursement shall be distributed 75% to Avenue and Fortress and 25% to the Reorganized Debtors (the "First Round Specified Litigation Proceeds Distribution"); and (iv) any Specified Litigation Proceeds available after payment of the Legal Expense Reimbursement, the Non-Legal Expense Reimbursement and the First Round Specified Litigation Proceeds Distribution shall be distributed 95% to the Avenue and Fortress and 5% to the Reorganized Debtors (the "Second Round Specified Litigation Proceeds Distribution").

c. Use of Company Specified Litigation Proceeds. Subject to the Specified Litigation Waterfall, the Reorganized Debtors shall use the Company Specified Litigation Proceeds (i) for Pro Rata distribution to those Holders of Allowed Unsecured Claims (other than First Lien Deficiency Claims) that have not made the Stock in Lieu Election, until such Holders have been paid in full and (ii) thereafter, for uses to be determined by the New Board of Managers, subject to any applicable requirements or restrictions as may be included in the Amended First Lien Credit Agreement.

6. ***Corporate Governance, Managers, Officers and Corporate Action.***

a. Amended Corporate Governance Documents. On the Effective Date, the Amended Corporate Governance Documents, substantially in forms to be filed with the Plan Supplement, shall be deemed to be valid, binding, and enforceable in accordance with their terms.

b. New Board of Managers. Subject to any requirement of Bankruptcy Court approval pursuant to Bankruptcy Code section 1129(a)(5), as of the Effective Date, the New Board of Managers shall be the persons identified in the Plan Supplement, who will be designated pursuant to the terms of the Amended Operating Agreement and will be initially chosen as follows: (i) four managers will be appointed by the Consenting First Lien Lenders, one of which will be Douglas Benham, (ii) one manager will be appointed by Fortress in its capacity as a Second Lien Lender, (iii) one manager will be appointed by Avenue in its capacity as a Second Lien Lender and (iv) the remaining manager will be the chief executive officer of Reorganized Holdco. Pursuant to Bankruptcy Code section 1129(a)(5), the Debtors shall disclose the identity and affiliations of any person proposed to serve on the New Board of Managers after the Confirmation Date, and to the extent such person is an insider other than by virtue of being a New Board Member, the nature of any compensation for such person. From and after the Effective Date, the members of the board of managers of Reorganized Holdco shall be selected and determined in accordance with the provisions of the Amended Corporate Governance Documents.

c. Officers, Managers and Directors of the Reorganized Debtors. On and after the Effective Date (i) the current managers and directors of the Debtors, other than the current managers of Holdco, shall continue to serve in such capacities with respect to such Reorganized Debtors and (ii) the officers of the Debtors shall continue to serve in their same capacity with the Reorganized Debtors in accordance with the Officers' Employment Agreements, which shall be assumed under the Plan in their current form, or as amended in a manner satisfactory to the Debtors or Reorganized Debtors, such officer and the Requisite Consenting Parties.

7. ***Continuation of Reorganized QAFT as Trustee for the Reorganized Marketing Fund Trusts.***

On and after the Effective Date, Reorganized QAFT shall continue to act as trustee for the Reorganized Marketing Fund Trusts, pursuant to the applicable declarations of trust for the National Marketing Fund Trust and The Regional Advertising Program Trust, respectively.

8. ***New Management Equity Incentive Plan.***

On or as soon as practicable after the Effective Date, Reorganized Holdco shall adopt and implement (as applicable) the New Management Equity Incentive Plan.

9. ***Amendment and Restatement of First Lien Credit Agreement and Marketing Fund Trusts Credit Agreement; Continuation of Liens.***

On the Effective Date, (i) the First Lien Credit Agreement shall be deemed amended and restated in its entirety by the Amended First Lien Credit Agreement, and all Liens securing First Lien Facility Claims including, for the avoidance of doubt, any Liens against the assets of the Non-Debtor Guarantor, shall continue uninterrupted in existence to secure the obligations under the Amended First Lien Credit Agreement in the amount and according to the terms of the Amended First Lien Credit Agreement and (ii) the Marketing Fund Trusts Credit Agreement shall be deemed amended and restated in its entirety by the Amended Marketing Fund Trusts Credit Agreement, and all Liens securing the Marketing Fund Trusts Facility Claims shall continue uninterrupted in existence to secure the Amended Marketing Fund Trusts Credit Agreement in the amount and according to the terms of the Amended Marketing Fund Trusts Credit Agreement.

10. ***Termination of DIP Credit Agreement.***

On the Effective Date, (a) the Reorganized Debtors shall pay, in full, in Cash by wire transfer or immediately available funds, all DIP Facility Claims, unless otherwise agreed to by the Debtors or Reorganized Debtors, as applicable, and the Holder of a DIP Facility Claim and (b) the commitments under the DIP Credit Agreement shall be terminated. Upon payment or satisfaction of all DIP Facility Claims in accordance with the terms thereof, all Liens and security interests granted to secure such obligations shall be deemed terminated and shall be of no further force and effect. Notwithstanding the foregoing, all obligations of the Debtors (if any) to the DIP Agent and the DIP Lenders under the DIP Credit Agreement which are expressly stated in the DIP Credit Agreement as surviving such agreement's termination (including, without limitation, indemnification and expense reimbursement obligations) shall, as so specified, survive without prejudice and remain in full force and effect.

11. ***Cancellation of Notes, Instruments, and Outstanding Equity Interests.***

On the Effective Date, except as otherwise provided for in the Plan or any agreement, instrument or other document incorporated in the Plan or the Plan Supplement, all agreements, stock, instruments, certificates and other documents in respect of the Second Lien Facility Claims, the DIP Facility Claims and the Holdco Interests shall be cancelled, and the obligations of the Debtors or Reorganized Debtors thereunder or in any way related thereto shall be fully released and discharged; provided, however, that the First Lien Credit Agreement, the Second Lien Credit Agreement and the DIP Credit Agreement shall continue in effect solely for the purposes of allowing Holders of Claims arising therefrom to receive distributions under the Plan.

12. ***Cancellation of Liens.***

Except as expressly provided in Article 4.12 of the Plan, on the Effective Date, any Lien securing any Claim shall be deemed released, and the Holder of such Claim shall be authorized and directed to release any collateral or other property of any Debtor (including any cash collateral) held by such Holder and to take such actions as may be requested by the Debtors (or the Reorganized Debtors, as the case may be) to evidence the release of such Lien, including the execution, delivery and filing or recording of such releases as may be requested by the Debtors (or the Reorganized Debtors, as the case may be).

13. ***Corporate Action.***

On and after the Effective Date, or as soon as reasonably practicable thereafter, the Reorganized Debtors may take all actions as may be necessary or appropriate to effect any transactions described in, approved by, contemplated by, or necessary to effectuate the Plan, including: (a) the execution and delivery of appropriate agreements or other documents of merger, consolidation, restructuring, conversion, disposition, transfer, dissolution or liquidation containing terms that are consistent with the terms of the Plan and that satisfy the applicable requirements of applicable law and any other terms to which the applicable entities may agree; (b) the execution and delivery of appropriate instruments of transfer, assignment, assumption or delegation of any asset, property, right, liability, debt or obligation on terms consistent with the terms of the Plan and having other terms for which the applicable parties agree; (c) the filing of appropriate certificates or articles of incorporation, reincorporation, merger, consolidation, conversion or dissolution and the Amended Corporate Governance Documents pursuant to applicable state law; and (d) all other actions that the applicable entities that may be required by applicable law, subject, in each case, to the Amended Corporate Governance Documents. All matters provided for in the Plan involving the corporate structure of the Debtors, and any corporate action required by the Debtors in connection therewith, shall be deemed to have occurred on, and shall be in effect as of,

the Effective Date, without any requirement of further action by the security holders, directors, managers, authorized persons or officers of the Debtors. The authorizations and approvals contemplated by Article 4.14 of the Plan shall be effective notwithstanding any requirements under nonbankruptcy law.

14. ***Effectuating Documents; Further Transactions.***

On and after the Effective Date, the Reorganized Debtors and the officers and members of the boards of mangers or directors thereof, are authorized to and may issue, execute, deliver, file or record such contracts, securities, instruments, releases and other agreements or documents and take such actions as may be necessary or appropriate to effectuate, implement and further evidence the terms and conditions of the Plan and the securities issued pursuant to the Plan in the name of and on behalf of the Reorganized Debtors, without the need for any approvals, authorization, or consents except for those expressly required pursuant to the Plan.

15. ***Exemption from Certain Transfer Taxes and Recording Fees.***

To the fullest extent permitted by Bankruptcy Code section 1146(a), any transfer from a Debtor to a Reorganized Debtor or to any entity pursuant to, in contemplation of, or in connection with the Plan or pursuant to: (a) the issuance, distribution, transfer, or exchange of any debt, securities, or other interest in the Debtors or the Reorganized Debtors; (b) the creation, modification, consolidation, or recording of any mortgage, deed of trust or other security interest, or the securing of additional indebtedness by such or other means; (c) the making, assignment, or recording of any lease or sublease; or (d) the making, delivery, or recording of any deed or other instrument of transfer under, in furtherance of, or in connection with, the Plan, including any deeds, bills of sale, assignments, or other instrument of transfer executed in connection with any transaction arising out of, contemplated by, or in any way related to the Plan, shall not be subject to any document recording tax, stamp tax, conveyance fee, intangibles, or similar tax, mortgage tax, real estate transfer tax, mortgage recording tax, sales or use tax, Uniform Commercial Code filing or recording fee, regulatory filing or recording fee, or other similar tax or governmental assessment, and the appropriate state or local governmental officials or agents shall forego the collection of any such tax or governmental assessment and to accept for filing and recordation any of the foregoing instruments or other documents without the payment of any such tax or governmental assessment.

16. ***No Further Approvals.***

The transactions contemplated by the Plan shall be approved and effective as of the Effective Date without the need for any further state or local regulatory approvals or approvals by any non-Debtor parties, and without any requirement for further action by the Debtors, Reorganized Debtors, or any entity created to effectuate the provisions of the Plan.

17. ***Dissolution of Committee.***

A Creditors Committee, if appointed, shall continue in existence until the Effective Date to exercise those powers and perform those duties specified in Bankruptcy Code section 1103 and shall perform such other duties as it may have been assigned by the Bankruptcy Court prior to the Effective Date. On the Effective Date, the Creditors Committee, if appointed, shall be dissolved and the Creditors Committee's members shall be deemed released of all their duties, responsibilities, and obligations in connection with the Chapter 11 Cases or the Plan and its implementation, and the retention or employment of the Creditors Committee's Professionals shall terminate, except with respect to (a) any Professional Fee Claims and (b) any appeals of the Confirmation Order.

18. ***Pre-Effective Date Injunctions or Stays.***

All injunctions or stays, whether by operation of law or by order of the Bankruptcy Court, provided for in the Chapter 11 Cases pursuant to Bankruptcy Code sections 105 or 362 or otherwise that are in effect on the Confirmation Date shall remain in full force and effect until the Effective Date.

19. ***Intercompany Claims.***

Notwithstanding anything to the contrary in the Plan, Intercompany Claims will be adjusted, continued or discharged to the extent determined appropriate by the Debtors, subject to the consent of the Requisite Consenting Parties, which consent shall not be unreasonably withheld, or, after the Effective Date, the Reorganized Debtors in their sole discretion. Any such transaction may be effected on or subsequent to the Effective Date without any further action by the Debtors or the Reorganized Debtors. Each Debtor that holds an Intercompany Claim shall be entitled to account for such Intercompany Claim in its books and records as an asset of such Debtor. The Debtors, with the consent of the Requisite Consenting Parties, which consent shall not be unreasonably withheld, and, after the Effective Date, the Reorganized Debtors shall have the right to retain any Intercompany Claim, or effect such transfers and setoffs with respect to Intercompany Claims and Intercompany Interests as they may deem appropriate for accounting, tax and commercial business purposes, to the fullest extent permitted by applicable law.

E. Conditions Precedent to Effectiveness of the Plan

1. ***Conditions to the Effective Date.*** Consummation of the Plan and the occurrence of the Effective Date are subject to satisfaction of the following conditions:

a. The Bankruptcy Court shall have entered the Confirmation Order, in form and substance consistent with the Restructuring Support Agreement and reasonably acceptable to the Debtors and the Requisite Consenting Parties, and such Confirmation Order shall have become a Final Order.

b. The Restructuring Support Agreement shall not have been terminated in accordance with the terms thereof, and such Restructuring Support Agreement shall be in full force and effect.

c. The Specified Litigation Agreement shall have been executed.

d. The Amended First Lien Credit Agreement, and all related documents provided for therein or contemplated thereby, in each case, the final form and substance of which shall be acceptable to the Debtors and the Consenting First Lien Lenders, shall have been executed and delivered by all parties thereto, and all conditions precedent thereto shall have been satisfied.

e. The Amended Marketing Fund Trusts Credit Agreement, and all related documents provided for therein or contemplated thereby, in each case, the final form and substance of which shall be acceptable to the Debtors, Vectra and the Requisite Consenting First Lien lenders, shall have been executed and delivered by all parties thereto, and all conditions precedent thereto shall have been satisfied.

f. The New Delayed-Draw Term Facility Agreement, and all related documents provided for therein or contemplated thereby, in each case, the final form and substance of which shall be acceptable to the Debtors and the Requisite Consenting First Lien Lenders, shall have been executed and delivered by all parties thereto, and all conditions precedent thereto shall have been satisfied.

g. Insurance Coverage shall have been obtained for the Reorganized Debtors.

h. The Amended Corporate Governance Documents shall have been adopted and (where required by applicable law) filed with the applicable authorities of the relevant jurisdictions of organization and shall have become effective in accordance with such jurisdictions' corporation or limited liability company laws.

i. All authorizations, consents, certifications, approvals, rulings, no-action letters, opinions or other documents or actions required by any law, regulation or order to be received or to occur in order to implement the Plan on the Effective Date shall have been obtained or shall have occurred unless failure to do so will not have a material adverse effect on the Reorganized Debtors.

j. In accordance with Article 4.6(b) of the Plan, the New Board of Managers shall have been selected and shall have agreed to serve in such capacity.

k. All other documents and agreements necessary to implement the Plan on the Effective Date, in form and substance reasonably acceptable to the Debtors and the Consenting Parties, to the extent required in the Plan or in the Restructuring Support Agreement, shall have been executed and delivered and all other actions required to be taken in connection with the Effective Date shall have occurred.

l. All statutory fees and obligations then due and payable to the Office of the U.S. Trustee shall have been paid and satisfied in full.

m. Subject to Article 10.10 of the Plan, the Consenting First Lien Lender Advisor Fee Claims that remain unpaid as of the Effective Date shall have been paid.

n. Subject to Article 10.11 of the Plan, the Agent Fee Claims that remain unpaid as of the Effective Date shall have been paid.

o. Subject to Article 10.12 of the Plan, the Avenue and Fortress Advisor Fee Claims that remain unpaid as of the Effective Date shall have been paid.

2. *Waiver of Condition.*

The conditions set forth in Article 8.1 of the Plan, other than the condition requiring that the Confirmation Order shall have been entered by the Bankruptcy Court, may be waived in whole or in part by the Debtors, subject to the consent of the Requisite Consenting Parties, which shall not be unreasonably withheld.

3. *Notice of Effective Date.*

The Debtors shall file with the Bankruptcy Court a notice of the occurrence of the Effective Date within a reasonable period of time after the conditions in Article 8.1 of the Plan have been satisfied or waived pursuant to Article 8.2 of the Plan.

4. *Order Denying Confirmation.*

If the Plan is not consummated, then nothing contained in the Plan shall (a) constitute a waiver or release of any Claims against or Interests in the Debtors; (b) prejudice in any manner the rights of the Holder of any Claim against, or Interest in, the Debtors; (c) prejudice in any manner any right, remedy or Claim of the Debtors; (d) be deemed an admission against interest by the Debtors; or (e) constitute a settlement, implicit or otherwise, of any kind whatsoever.

F. Discharge, Release, Injunction and Related Provisions

1. *Discharge of Claims and Termination of Interests.*

a. **As of the Effective Date, except as otherwise provided in the Plan or the Confirmation Order, the rights afforded under the Plan and the treatment of Claims and Interests under the Plan shall be in exchange for and in complete satisfaction, discharge and release of all Claims and satisfaction or termination of all Interests, including any Claims arising under the First Lien Credit Agreement to the extent not reduced and modified by the Amended First Lien Credit Agreement, the Second Lien Credit Agreement, the Marketing Fund Trusts Credit Agreement to the extent not reduced and modified by the Amended Marketing Fund Trusts Credit Agreement, the DIP Facility and the DIP Facility Order. Except as otherwise provided in the Plan or the Confirmation Order, Confirmation shall, as of the Effective Date: (i) discharge the Debtors from all Claims or other debts that arose before the Effective Date, including SARs Claims and Former D&O Indemnification Claims, whether liquidated or unliquidated, fixed or contingent, matured or unmatured, and all debts of the kind specified in Bankruptcy Code sections 502(g), 502(h) or 502(i), in each case whether or not (w) a Proof of Claim is filed or deemed filed pursuant to Bankruptcy Code section 501, (x) a Claim based on such debt is Allowed pursuant to Bankruptcy Code section 502, (y) the Holder of a Claim based on such debt has accepted the Plan or (z) such Claim is listed in the Schedules; and (ii) satisfy, terminate or cancel all Interests and other rights of equity security holders in the Debtors other than the Intercompany Interests.**

b. **As of the Effective Date, except as otherwise provided in the Plan or the Confirmation Order, all Persons shall be precluded from asserting against the Debtors or the Reorganized Debtors, or their respective successors or property, any other or further Claims, demands, debts, rights, causes of action, liabilities or equity interests based upon any act, omission, transaction or other activity of any kind or nature that occurred prior to the Effective Date. In accordance with the foregoing, except as provided in the Plan or the Confirmation Order, the Confirmation Order will be a judicial determination, as of the Effective Date, of a discharge of all such Claims and other debts and liabilities against the Debtors and satisfaction, termination or cancellation of all Interests and other rights of equity security holders in the Debtors, pursuant to Bankruptcy Code sections 524 and 1141, and such discharge will void any judgment obtained against the Debtors or the Reorganized Debtors at any time, to the extent that such judgment relates to a discharged Claim.**

2. ***Injunctions.***

a. **Except as otherwise provided in the Plan or the Confirmation Order, as of the Effective Date, all Persons that have held, currently hold or may hold a Claim or other debt or liability that is discharged or an Interest or other right of an equity security holder that is terminated pursuant to the terms of the Plan are permanently enjoined from taking any of the following actions on account of any such discharged Claims, debts or liabilities or terminated Interests or rights: (i) commencing or continuing in any manner any action or other proceeding against the Debtors or the Reorganized Debtors or their respective property; (ii) enforcing, attaching, collecting or recovering in any manner any judgment, award, decree or order against the Debtors or the Reorganized Debtors or their respective property; (iii) creating, perfecting or enforcing any lien or encumbrance against the Debtors or the Reorganized Debtors or their respective property; (iv) asserting a setoff, right of subrogation or recoupment of any kind against any debt, liability or obligation due to the Debtors or the Reorganized Debtors or their respective property; and (v) commencing or continuing any action, in any manner, in any place that does not comply with or is inconsistent with the provisions of the Plan.**

b. **Except as otherwise provided in the Plan or the Confirmation Order, as of the Effective Date, all Persons that have held, currently hold or may hold a Claim, demand, debt, right, cause of action or liability that is released pursuant to the Plan are permanently enjoined from taking any of the following actions on account of such released Claims, demands, debts, rights, causes of action or liabilities: (i) commencing or continuing in any manner any action or other proceeding; (ii) enforcing, attaching, collecting or recovering in any manner any judgment, award, decree or order; (iii) creating, perfecting or enforcing any lien or encumbrance; (iv) asserting a setoff, right of subrogation or recoupment of any kind against any debt, liability or obligation due to any released Person; and (v) commencing or continuing any action, in any manner, in any place that does not comply with or is inconsistent with the provisions of the Plan.**

c. **In exchange for the distributions pursuant to the Plan, each Holder of an Allowed Claim receiving such distribution pursuant to the Plan will be deemed to have specifically consented to the injunctions set forth in Article 9.2 of the Plan.**

3. ***Releases.***

a. **Debtor Releases. Notwithstanding anything contained in the Plan to the contrary, on the Confirmation Date and effective as of the Effective Date and to the fullest extent authorized by applicable law, for good and valuable consideration provided by each of the Released Parties, the adequacy of which is hereby confirmed, the Released Parties are deemed released and discharged by the Debtors and their Estates from any and all claims, interests, obligations, rights, suits, damages, causes of action, remedies, and liabilities whatsoever, including any derivative claims, whether known or unknown, foreseen or unforeseen, existing or hereinafter arising, in law, equity, or otherwise, based on or relating to, or in any manner arising from, in whole or in part, the Debtors, the Debtors' restructuring, the Chapter 11 Cases, the purchase, sale, or rescission of the purchase or sale of any security of the Debtors, the subject matter of, or the transactions or events giving rise to, any Claim or Interest that is treated in the Plan, the business or contractual arrangements between any Debtor and any Released Party, the restructuring of Claims and Interests prior to or during the Chapter 11 Cases, the negotiation, formulation, or preparation of the Plan, the Disclosure Statement, the Plan Supplement, the Restructuring Support Agreement or any related agreements, instruments, or other documents, upon any other act or omission, transaction, agreement, event, or other occurrence taking place on or before the**

Effective Date, other than claims or liabilities arising out of or relating to any act or omission of a Released Party that constitutes actual fraud, willful misconduct or gross negligence. Notwithstanding anything to the contrary in the foregoing, the release set forth above does not release any obligations arising on or after the Effective Date of any party under the Plan or any document, instrument, or agreement (including those set forth in the Plan Supplement) executed to implement the Plan. For the avoidance of doubt, the Specified Litigation Claims shall not be released pursuant to the Plan, and the Specified Litigation Parties are not Released Parties.

b. **Releases by Plan Support Releasing Parties. Notwithstanding anything contained in the Plan to the contrary, on the Confirmation Date and effective as of the Effective Date and to the fullest extent authorized by applicable law, the Plan Support Releasing Parties are deemed to have released and discharged the Debtors and their Estates and the Released Parties from any and all claims, interests, obligations, rights, suits, damages, causes of action, remedies, and liabilities whatsoever, including any derivative claims, asserted on behalf of any Debtor, whether known or unknown, foreseen or unforeseen, existing or hereinafter arising, in law, equity, or otherwise, that such entity would have been legally entitled to assert (whether individually or collectively), based on or relating to, or in any manner arising from, in whole or in part, the Debtors, the Debtors' restructuring, the Chapter 11 Cases, the purchase, sale, or rescission of the purchase or sale of any security of the Debtors, the subject matter of, or the transactions or events giving rise to, any Claim or Interest that is treated in the Plan, the business or contractual arrangements between any Debtor and any Released Party, the restructuring of Claims and Interests prior to or in the Chapter 11 Cases, the negotiation, formulation, or preparation of the Plan, the Disclosure Statement, the Plan Supplement, the Restructuring Support Agreement or any related agreements, instruments, or other documents, upon any other act or omission, transaction, agreement, event, or other occurrence taking place on or before the Effective Date, other than claims or liabilities arising out of or relating to any act or omission of a Released Party that constitutes actual fraud, willful misconduct, or gross negligence. Notwithstanding anything to the contrary in the foregoing, the release set forth above does not release any obligations arising on or after the Effective Date of any party under the Plan or any document, instrument, or agreement (including those set forth in the Plan Supplement) executed to implement the Plan. For the avoidance of doubt, the Specified Litigation Claims shall not be released pursuant to the Plan, and the Specified Litigation Parties are not Released Parties.**

4. ***Exculpation.***

Notwithstanding anything contained in the Plan to the contrary, on the Confirmation Date and effective as of the Effective Date and to the fullest extent authorized by applicable law, none of the Exculpated Parties, shall have or incur any liability for any claim, cause of action, or other assertion of liability for any act taken or omitted in connection with, or arising out of, the Chapter 11 Cases or the negotiation, formulation, preparation, administration, consummation and/or implementation of the Plan, or any contract, instrument, document, or other agreement entered into pursuant thereto including, without limitation, the Restructuring Support Agreement, through the Effective Date; provided that the foregoing shall not affect the liability of any person that otherwise would result from any such act or omission to the extent such act or omission is determined by a Final Order to have constituted actual fraud, willful misconduct, or gross negligence. The Exculpated Parties shall be entitled to rely upon the advice of counsel with respect to their duties and responsibilities under, or in connection with, the Chapter 11 Cases, the Plan and administration thereof. For the avoidance of doubt, the Specified Litigation Parties are not Exculpated Parties.

5. ***Retention and Enforcement and Release of Causes of Action.***

Except as otherwise provided in the Plan, or in any document, instrument, release or other agreement entered into in connection with the Plan, in accordance with Bankruptcy Code section 1123(b), the Debtors and their Estates shall retain the Causes of Action including, without limitation, the Causes of Action identified in the Plan Supplement (the "Retained Causes of Action"). The Reorganized Debtors, as the successors in interest to the Debtors and their Estates, may enforce, sue on, settle or compromise (or decline to do any of the foregoing) any or all of the Retained Causes of Action. The Debtors or the Reorganized Debtors expressly reserve all rights to prosecute any and all Retained Causes of Action against any Person, except as otherwise expressly provided in the Plan, and no preclusion doctrine, including the doctrines of res judicata, collateral estoppel, issue preclusion, claim preclusion, estoppel (judicial, equitable or otherwise), or laches, shall apply to such Retained Cause of Action upon, after, or as a consequence of Confirmation or the occurrence of the Effective Date. For the avoidance of doubt, the rights of the Debtors and

Reorganized Debtors with respect to the Company Specified Litigation Claims shall be as set forth in the Specified Litigation Agreement and Article 4.5 of the Plan.

VIII. PROJECTED FINANCIAL INFORMATION

Attached hereto as **Exhibit C** are projected consolidated financial statements, which include the following: (a) the Debtors' consolidated, unaudited, preliminary, financial statement information for the fiscal year ended 2013 and (b) consolidated, projected, unaudited, financial statement information of the Reorganized Debtors (collectively, the "Financial Projections") for the period from 2014 through 2019. The Financial Projections are based on an assumed Effective Date of June 30, 2014. To the extent that the Effective Date occurs after June 30, 2014, recoveries on account of Allowed Claims could be impacted.

Creditors and other interested parties should see the below "Risk Factors" for a discussion of certain factors that may affect the future financial performance of the Reorganized Debtors.

IX. RISK FACTORS

Holders of Claims entitled to vote on the Plan should read and consider carefully the risk factors set forth below before voting to accept or reject the Plan. Although there are many risk factors discussed below, these factors should not be regarded as constituting the only risks present in connection with the Debtors' business or the Plan and its implementation.

A. Risks Related to Bankruptcy

1. *Parties in interest may object to the Plan's classification of Claims and Interests.*

Bankruptcy Code section 1122 provides that a plan may place a claim or an interest in a particular class only if such claim or interest is substantially similar to the other claims or interests in such class. The Debtors believe that the classification of the Claims and Interests under the Plan complies with the requirements set forth in the Bankruptcy Code because the Debtors created Classes of Claims and Interests, each encompassing Claims or Interests, as applicable, that are substantially similar to the other Claims and Interests in each such Class. Nevertheless, there can be no assurance that the Bankruptcy Court will reach the same conclusion.

2. *The Debtors may fail to satisfy vote requirements.*

In the event that votes are received in number and amount sufficient to enable the Bankruptcy Court to confirm the Plan, the Debtors intend to seek, as promptly as practicable thereafter, Confirmation of the Plan. In the event that sufficient votes are not received, the Debtors may seek to confirm an alternative chapter 11 plan. There can be no assurance that the terms of any such alternative chapter 11 plan would be similar or as favorable to the Holders of Allowed Claims and Allowed Interests as those proposed in the Plan.

3. *The Debtors may not be able to secure Confirmation of the Plan.*

Bankruptcy Code section 1129 sets forth the requirements for confirmation of a chapter 11 plan, and requires, among other things, a finding by the Bankruptcy Court that: (a) such plan "does not unfairly discriminate" and is "fair and equitable" with respect to any non-accepting classes; (b) confirmation of such plan is not likely to be followed by a liquidation or a need for further financial reorganization unless such liquidation or reorganization is contemplated by the plan; and (c) the value of distributions to non-accepting holders of claims and equity interests within a particular class under such plan will not be less than the value of distributions such holders would receive if the debtors were liquidated under chapter 7 of the Bankruptcy Code.

There can be no assurance that the requisite acceptances to confirm the Plan will be received. Even if the requisite acceptances are received, there can be no assurance that the Bankruptcy Court will confirm the Plan. A non-accepting Holder of an Allowed Claim, or a Holder of Claim or Interest that is deemed to reject the Plan, might challenge either the adequacy of this Disclosure Statement or whether the balloting procedures and voting results satisfy

the requirements of the Bankruptcy Code or Bankruptcy Rules. Even if the Bankruptcy Court determined that this Disclosure Statement, the balloting procedures and voting results were appropriate, the Bankruptcy Court could still decline to confirm the Plan if it found that any of the statutory requirements for Confirmation had not been met. If the Plan is not confirmed, it is unclear what distributions, if any, Holders of Allowed Claims would receive with respect to their Allowed Claims.

The Debtors, subject to the terms and conditions of the Plan and the Restructuring Support Agreement, reserve the right to modify the terms and conditions of the Plan as necessary for Confirmation. Any such modifications could result in a less favorable treatment of any non-accepting Class, as well as of any Classes junior to such non-accepting Class, than the treatment currently provided in the Plan. Such a less favorable treatment could include a distribution of property to the Class affected by the modification of a lesser value than currently provided in the Plan or no distribution of property whatsoever under the Plan.

4. ***The conditions precedent to the Effective Date may not occur.***

As more fully set forth in Article VIII of the Plan, the Effective Date is subject to a number of conditions precedent. If such conditions precedent are not met or waived, the Effective Date will not occur.

5. ***Nonconsensual Confirmation.***

In the event that any Impaired Class of Claims does not vote to accept the Plan, or if an Impaired Class of Claims or Interests is deemed to reject the Plan, the Bankruptcy Court may nevertheless confirm the Plan at the Debtors' request if at least one Impaired Class has accepted the Plan (with such acceptance being determined without including the vote of any "insider" in such class), and, as to each Impaired Class that has not accepted the Plan, the Bankruptcy Court determines that the Plan "does not discriminate unfairly" and is "fair and equitable" with respect to the dissenting Impaired classes. The Debtors intend to seek Confirmation over the deemed rejection of the Plan by Holders of Class A4, A5, A6(a) and B4 Claims. Although the Debtors believe that the Plan satisfies the nonconsensual Confirmation requirements of Bankruptcy Code section 1129(b), there can be no assurance that the Bankruptcy Court will reach the same conclusion. In addition, the pursuit of nonconsensual Confirmation or consummation of the Plan may result in, among other things, delay and increased expenses relating to Professional Fee Claims.

6. ***The Debtors may not be able to achieve their projected financial results.***

The Financial Projections set forth on **Exhibit C** to this Disclosure Statement represent the Debtors' management's best estimate of the Debtors' future financial performance based on currently known facts and assumptions about the Debtors' future operations as well as the U.S. and world economy in general and the industry segments in which the Debtors operate in particular. The Debtors' actual financial results may differ significantly from the Projections. If the Debtors do not achieve their projected financial results, the Debtors may lack sufficient liquidity to continue operating as planned after the Effective Date. Moreover, the financial condition and results of operations of the Reorganized Debtors from and after the Effective Date may not be comparable to the financial condition or results of operations reflected in the Debtors' historical financial statements.

7. ***Certain tax implications of the Chapter 11 Cases.***

Holders of Claims should carefully review Section XIII hereof, "Certain Federal Income Tax Consequences of the Plan," to determine how the tax implications of the Plan and the Chapter 11 Cases may adversely affect the Reorganized Debtors and certain Holders of Claims.

8. ***The Debtors' emergence from chapter 11 is not assured.***

While the Debtors expect to emerge from chapter 11, there can be no assurance that the Debtors will successfully reorganize or when this reorganization will occur, irrespective of the Debtors' obtaining Confirmation of the Plan.

9. *The Debtors may fail to satisfy solicitation requirements.*

Bankruptcy Code section 1126(b) provides that the holder of a claim against, or equity interest in, a debtor who accepts or rejects a plan of reorganization before the commencement of a chapter 11 case is deemed to have accepted or rejected such plan under the Bankruptcy Code so long as the solicitation of such acceptance was made in accordance with applicable non-bankruptcy law governing the adequacy of disclosure in connection with such solicitations, or, if such laws do not exist, such acceptance was solicited after disclosure of "adequate information," as defined in Bankruptcy Code section 1125.

In addition, Bankruptcy Rule 3018(b) states that a holder of a claim or equity interest who has accepted or rejected a plan before the commencement of the case under the Bankruptcy Code shall not be deemed to have accepted or rejected the plan if the court finds that the plan was not transmitted to substantially all creditors and equity security holders of the same class, that an unreasonably short time was prescribed for such creditors and equity security holders to accept or reject the plan, or that the solicitation was not in compliance with Bankruptcy Code section 1126(b).

To satisfy the requirements of Bankruptcy Code section 1126(b) and Bankruptcy Rule 3018(b), the Debtors are attempting to deliver this Disclosure Statement to all Holders of Claims entitled to vote as of March 10, 2014 (the "Voting Record Date"). In that regard, the Debtors believe that the solicitation of votes to accept or reject the Plan is proper under applicable non-bankruptcy law, rules and regulations. The Debtors cannot be certain, however, that the solicitation of acceptances or rejections will be approved by the Bankruptcy Court, and if such approval is not obtained, the Confirmation of the Plan could be denied. If the Bankruptcy Court were to conclude that the Debtors did not satisfy the solicitation requirements then the Debtors may seek to resolicit votes to accept or reject the Plan or to solicit votes to accept or reject the Plan from one or more Classes that were not previously solicited. The Debtors cannot provide any assurances that such a resolicitation would be successful.

10. *Confirmation and consummation may be delayed if the Debtors have to resolicit.*

If the Debtors resolicit acceptances of the Plan from parties entitled to vote thereon, or if the Debtors are required to solicit the votes of the Holders of Claims that have been deemed to reject the Plan, Confirmation of the Plan could be delayed and possibly jeopardized. Nonconfirmation of the Plan could result in an extended chapter 11 proceeding, during which time the Debtors could experience significant deterioration in their relationships with trade vendors and major customers. Furthermore, if the Effective Date is significantly delayed, there is a risk that the Restructuring Support Agreement may expire or be terminated in accordance with its terms.

11. *Litigation of the Specified Litigation Claims may be unsuccessful.*

Notwithstanding the Debtors' belief in the merits Specified Litigation Claims, the outcome of any litigation of the Specified Litigation Claims, and the collectability of any judgment against the Specified Litigation Parties, is uncertain.

B. Risks Related to the Debtors' or the Reorganized Debtors' Business

1. *Further decline in the number of restaurants may adversely affect the Debtors' future revenues.*

The Debtors incurred a net loss in fiscal year 2013 and experienced a decline in revenues in each of the last three fiscal years. The decline in revenue reflects fewer restaurants in operation and lower sales per restaurant. The Debtors' overall restaurant count, including those in domestic and international markets, has declined from 2,992 at the end of 2011, to 2,577 at the end of 2012, to 2,099 at the end of 2013 and, as of March 10, 2014, to 2,037—an overall decline of 955, or 32%—since the end of 2011. These periodic declines are due to weak domestic economic conditions as well as poor location and restaurant-level operational issues. Additionally, given that the majority of restaurants are owned by franchise owners who own two or fewer restaurants, and given the lack of geographical concentration of the Debtors' restaurant base, there may be a lag between franchise owners abandoning a restaurant and the Debtors' confirmation that the restaurant has closed. This can result in an overstatement of open and operating locations at any

point in time. There can be no assurance that the Debtors' restaurant count will not continue to decline, and the Debtors may experience further revenue declines, litigation charges and net losses in the future.

2. *The Debtors' financial results are closely tied to the operating results of their franchisees.*

Significant percentage of the Debtors' revenues are in the form of royalties and food distribution revenue, which are generally based on a percentage of gross sales at franchised restaurants and food distribution sales to the Debtors' franchisees. Accordingly, the Debtors' financial results are highly dependent upon the operational and financial success of their franchisees. If sales volumes or economic conditions deteriorate for franchisees, their financial results may decline and have a material adverse effect on the Debtors' royalty, food distribution sales and other revenues. The Debtors' accounts receivable and related allowance for doubtful accounts may also increase. Many factors that are beyond the Debtors' control could have a material adverse effect on the franchisees' gross sales and, in turn, on the Debtors' financial condition, such as: (a) labor shortages or increased labor costs; (b) franchisees' inability to attract, motivate and retain qualified employees; or (c) local demographic trends and business conditions. In addition, the franchisees' (a) failure to comply with the terms of the applicable franchise agreements or (b) failure to renew their franchise agreements could cause a decline in the Debtors' franchise fees, royalty payments, food distribution revenues and other revenues.

3. *Weak economic conditions may adversely affect consumer spending and negatively impact the Debtors' business, financial position or operations.*

The Debtors believe that their and their franchisees' sales, customer traffic and profitability are strongly correlated to consumer discretionary spending, which is influenced by general economic conditions, unemployment levels and the availability of discretionary income. A protracted economic slowdown, such as the recent global economic crisis, could weaken consumer confidence and lead to decreased discretionary spending. Any reduction in sales at the Debtors' or their franchisees' restaurants will result in lower royalty payments, food distribution revenues and other revenues from franchisees to the Debtors and could have a material adverse effect on the Debtors' profitability. In addition, reduced access to financing by the Debtors or their franchisees on reasonable terms as a result of tightened credit markets could have a material adverse effect on the Debtors' future operations by limiting the Debtors' or their franchises' ability to open new restaurants or causing additional restaurant closures. Any disruption in the global economic environment or financial markets, or continued high unemployment levels, could have a material adverse effect on the Debtors' business, financial position or results of operations.

4. *Potential actions by franchisees could harm the Debtors' business, financial position or results of operations.*

The Debtors' franchisees are contractually obligated to operate their restaurants in accordance with product quality standards and other requirements set forth in the Debtors' franchise agreements with them. The ultimate success and quality of any franchise restaurant rests with the franchisees, as franchisees are independent third parties that own, operate and oversee the daily operations of their restaurants. If the Debtors' franchisees do not successfully operate their restaurants in a manner consistent with the Debtors' required standards, the Debtors' brand's image and reputation could be harmed. In addition, these actions could result in a reduction in franchise fees, royalty payments, food distribution revenues and other revenues paid to the Debtors, which in turn could have a material adverse effect on the Debtors' business, financial position or results of operations. Any disputes with franchisees could also damage the Debtors' brand reputation and/or their relationships with the broader franchisee group.

5. *Harm to the Debtors' brand and reputation for product quality may adversely affect the Debtors' business, financial position or results of operations.*

The Debtors' success is largely dependent upon brand recognition and their reputation for uncompromising quality and taste. Any incident that damages consumer trust in, or affinity for, the Debtors' brand could significantly reduce its value. The Debtors' brand value can be severely damaged even by isolated incidents, particularly if the incidents receive considerable negative publicity or result in litigation. Some of these incidents may relate to restaurant or product quality, the Debtors' relationship with their franchisees, their growth strategies or their development efforts in domestic and international markets. Other incidents may arise from events that are or may be beyond the Debtors' control, such as actions taken (or not taken) by franchisees or employees relating to health, safety, welfare or otherwise;

litigation and claims against the Debtors or their franchisees; security breaches or other fraudulent activities associated with the Debtors' information technology systems; illegal activity targeted at the Debtors or others; or widespread negative publicity relating to food-borne illness, food safety, obesity or other health concerns, whether or not directly related to the Debtors or their products. Any such incidents or reports, whether accurate or not, could damage the Debtors' brand value and severely curtail sales of their food products, or potentially lead to product liability claims. Consumer demand for the Debtors' products, competitive position and brand value could diminish significantly if any of these incidents or other matters create an unfavorable public view of the Debtors or their products, which would likely result in lower sales, lower royalty payments, food distribution revenues and other revenues, and could have a material adverse effect on the Debtors' business, financial position or results of operations.

6. ***Changes in consumer preferences and perceptions could reduce sales and adversely affect revenues.***

The restaurant industry as a whole rests on consumer preferences and perceptions. If changes in nutritional practices or prevailing consumer tastes or behavior, such as health or dietary preferences or technological advances, cause consumers to select alternative food options, the Debtors' and their franchisees' sales would suffer. In addition, new or enhanced technologies and consumer offerings, such as advances or improvements in vending machine and "ready-to-eat" technology and offerings, may be available in the future. The Debtors may not be able to adequately adapt their menu offerings or delivery options to keep pace with developments in consumer preferences, tastes and eating habits, which may result in a reduction in sales of the Debtors' food products and lower royalty payments, and food distribution revenues, and other revenues to the Debtors. As a result, the Debtors' business, financial position or results of operations could be harmed.

7. ***Outbreaks of disease, terrorist attacks, adverse weather conditions or natural disasters may adversely affect the Debtors' business.***

The Debtors' business, financial position or results of operations could be severely impacted by a widespread regional, national or global health epidemic. In addition, consumer preferences could be affected by health concerns about the consumption of certain food items on the Debtors' menu, or by negative publicity concerning food quality, illness and injury generally, government or industry findings about food products the Debtors serve or other health concerns or operating issues stemming from the food served in the Debtors' or their franchisees' restaurants. The occurrence of any of the foregoing could result in a decrease in customer traffic to the Debtors' restaurants and could have a material adverse effect on their sales, results of operations, business and financial condition.

In addition, terrorist attacks or threats or natural disasters could damage the Debtors or their franchisees' restaurants, reduce customer traffic, disrupt the Debtors' supply chain or impact their or their franchisees' ability to supply certain menu items or staff the Debtors' or their franchisees' restaurants. Although the Debtors maintain, and their franchisees are required to maintain, property and business interruption insurance, such coverage may not be sufficient if there is a major disaster or may not continue to be available at reasonable rates or at all.

8. ***Seasonality of the Debtors' business could result in fluctuations in their financial performance from quarter to quarter within a fiscal year.***

The Debtors' business is subject to seasonal fluctuations. Harsh weather conditions can shut-down an entire metropolitan area, resulting in a reduction of sales. The Debtors' system-wide sales are typically higher during the second and third quarters of the fiscal year. Consequently, results of operations for any single quarter are not necessarily indicative of the results that may be achieved for a full fiscal year.

9. ***Increases in the cost of, or interruptions in the supply of, food, beverages and other products and services could have a material adverse effect on the Debtors' revenues.***

As discussed above, AFD supplies substantially all of the ingredients and supplies purchased by the Debtors' franchise system. It acts as a middleman between suppliers of products and services to the U.S. and Canada and the distributor of products and services to the franchisees. To the extent that there are unfavorable variations in price between what AFD pays for ingredients and supplies and what it is able to sell them for, the Debtors' profitability may

be seriously impaired. Prices for certain commodities are also subject to substantial fluctuations. While the Debtors generally enter into pricing agreements of up to one year with their vendors to mitigate the risks related to such fluctuations, such contracts do not fully mitigate commodity price risk. The Debtors' profitability may also be materially adversely affected if the distributors of products and services fail to perform, go bankrupt or otherwise fail to make deliveries to the Debtors' franchisees.

10. ***Intense competition in the QSR restaurant segment could lower the Debtors' revenues.***

The QSR segment of the restaurant industry is intensely competitive, which may affect the Reorganized Debtors' ability to compete successfully for customers within their industry. The Debtors generally operate in markets that contain numerous competitors. In addition, the Debtors compete within the restaurant industry and the QSR segment not only for customers but also for qualified franchisees, management and hourly employees and for retail real estate locations. If the Reorganized Debtors are unable to compete in their markets successfully, they could experience lower demand for their products, downward pressure on prices, the loss of market share and the inability to attract or retain qualified franchisees. Any of these factors could reduce franchise fees, royalty payments, food distribution revenues, and other revenues to the Reorganized Debtors.

11. ***Growth of the Debtors' business is significantly dependent upon continued restaurant development.***

The Debtors' growth relies, in part, upon new restaurant development. The Debtors and their franchisees, however, may face many challenges in opening and operating new restaurants, many of which are not completely controlled by them, including: (a) selection and availability of suitable restaurant locations; (b) availability of acceptable lease and financing terms; (c) construction and development costs, particularly in highly competitive markets; (d) adverse weather conditions or natural disasters; (e) the ability to obtain required domestic or foreign governmental approvals and permits and comply with local, zoning, land use and environmental rules and regulations; (f) consumer tastes in new geographic regions and acceptance of the Debtors' products; (g) obstacles to hiring and training of qualified operating personnel; and (h) successful operation and execution in new and existing markets. The Debtors may be unable to attract new franchisees or retain existing franchisees due to these and other factors, which could slow the growth of the Debtors' business or reduce their revenues. The Debtors' failure to add new restaurants would have a material adverse effect on their ability to increase their revenues and operating income.

12. ***Franchisee support of the Debtors' marketing and advertising programs is critical for the Debtors' success.***

The support of the Debtors' franchisees is critical for the success of the Debtors' marketing programs and any new strategic initiatives the Debtors seek to undertake, and the successful execution of these initiatives will depend on the Debtors' ability to maintain alignment with their franchisees. Although the Debtors believe that their current relationships with their franchisees are generally good, there can be no assurance that the franchisees will continue to support the Debtors' marketing programs and strategic initiatives. The failure of the Debtors' franchisees to support such efforts could have material adverse effect on the Debtors' ability to implement their business strategy and could have a material adverse effect on the Debtors' business, results of operations and financial condition. Moreover, because franchisees are required to pay a marketing and promotion fee based on weekly gross sales, the Debtors' advertising expenditures are dependent upon sales volumes at system-wide restaurants. If sales decline, there will be a reduced amount available for the Debtors' marketing and advertising programs.

13. ***The Debtors may not be able to protect their intellectual property adequately, which could harm the value of their brand and have a material adverse effect on their business.***

The Quiznos' Marks are essential to the Debtors' success and competitive position. The Debtors rely on a combination of protections provided by contracts, as well as copyright, patent, trademark, trade secret, unfair competition and other laws to protect their intellectual property from infringement, misappropriation or dilution. The Debtors have registered certain Marks and have other registration applications pending in the United States and foreign jurisdictions. However, not all of the Marks that the Debtors currently use have been registered in all of the countries in which the Debtors do business, and they may never be registered in all of these countries. Furthermore, the laws of some foreign countries do not protect intellectual property rights to the same extent as U.S. laws. There can be no assurance

that the Debtors will be able to detect unauthorized use of their intellectual property or, if such use is detected, to take appropriate steps to protect or enhance their intellectual property rights. There can also be no assurance that the steps the Debtors take to protect their intellectual property rights will be adequate. If the Debtors are unable to enforce their intellectual property rights successfully, their business, operating results and financial condition may be materially adversely affected.

14. ***Pending and future litigation could adversely affect the Debtors by diverting their financial and management resources.***

There is, or may be in the future, certain litigation that could result in a material judgment against the Debtors or the Reorganized Debtors. Such litigation and any judgment in connection therewith could have a material negative effect on the Debtors or the Reorganized Debtors.

15. ***Regulatory changes and/or failure to comply with existing or future regulations could have a material adverse effect on the Debtors' business.***

The Debtors are subject to state franchise registration requirements, the rules and regulations of the Federal Trade Commission (the "FTC"), various state laws regulating the offer and sale of franchises in the United States through the provision of franchise disclosure documents containing certain mandatory disclosures and certain rules and requirements regulating franchising arrangements in foreign countries. Noncompliance with any of these rules, regulations or requirements may result in a decrease in system-wide sales. Such a decrease would reduce anticipated franchise fees, royalty payments, food distribution revenues and other revenues, which in turn may materially affect the Debtors' ability to pay their outstanding secured indebtedness.

16. ***If the Debtors lose key senior management personnel, the Debtors' business could be disrupted and the Debtors' financial performance could suffer.***

The success of the Debtors' business will continue to depend to a significant extent on the continued services of the Debtors' executive management team and other key personnel who have extensive experience in the franchising and food industries. If the Debtors lose the services of any of these key personnel and fail to manage a smooth transition to, or fail to attract, new personnel, their business could suffer, which would likely decrease their profitability and jeopardize the Debtors' ability to meet their financial targets.

17. ***The Debtors' franchise and master franchise owners' international operations subject the Debtors to additional risks and may have a material adverse effect on the Debtors' profitability.***

The international operations of the Debtors' franchise and master franchise owners may subject the Debtors to additional risks, which differ in each country in which the franchise and master franchise owners operate. Some of the factors impacting the international markets in which the Debtors' or their franchisees operate may include: (a) differing cultures and consumer preferences; (b) recessionary or expansive trends in international markets; (c) changes in foreign currency exchange rates and hyperinflation or deflation in the foreign countries in which our franchise and master franchise owners operate; (d) increases in the taxes paid and other changes in applicable tax laws; (e) legal and regulatory requirements and changes; (f) the inability to procure adequate supplies that meet the Debtors' quality standards and product specifications, or interruptions in the supply of products; and (g) political and economic instability, corruption and anti-American sentiment. Any or all of these factors may reduce franchise fees, royalty payments, food distribution revenues, and other revenues, which could have a material adverse effect on the Debtors' business, financial condition or results of operations.

18. ***The Debtors are subject to a variety of additional risks associated with their franchisees.***

The Debtors are subject to a variety of other risks associated with their franchisees, including, without limitation: (a) a franchisee's bankruptcy; (b) credit, financial or other risks of the owner of an individual franchise that are unrelated to the restaurant's operation; (c) franchisee's exposure to litigation involving customer claims, personal injury claims, environmental claims, employee actions and other claims; (d) location of the franchisee's restaurant(s);

and (e) potential conflicts between the Debtors and the franchise owners. The occurrence of any of the foregoing could have material adverse effect on the Debtors' royalties, revenues and results of operations.

C. Risks Related to the Debtors' Indebtedness and Plan Securities

1. *The outstanding indebtedness may adversely affect the Reorganized Debtors' financial health and operating flexibility.*

The terms of the Amended First Lien Credit Agreement, Amended Marketing Fund Trusts Credit Agreement and the New Delayed-Draw Term Facility Agreement may require the Reorganized Debtors to take, or refrain from taking, certain actions in order to satisfy certain customary affirmative and negative covenants and to meet certain financial ratios and tests, including ratios and tests based on leverage, interest coverage, and net worth. For example, these covenants and other restrictions may limit the ability of the Reorganized Debtors to, among other things, incur indebtedness, create liens on assets, sell assets, manage cash flows, transfer assets to other subsidiaries, make capital expenditures, engage in mergers and acquisitions and make distributions to equity holders. These covenants and other restrictions may adversely affect the financial health and operating flexibility of the Reorganized Debtors by, among other things: (a) limiting the Reorganized Debtors' ability to borrow additional amounts for working capital, capital expenditures, debt service requirements, execution of business strategies, and development or other purposes; (b) limiting the Reorganized Debtors' ability to use operating cash flows in other areas of the business or to pay dividends; (c) increasing the vulnerability of the Reorganized Debtors to general adverse economic and industry conditions, including increases in interest rates; (d) limiting the Reorganized Debtors' ability to capitalize on business opportunities, reinvest in or develop the Reorganized Debtors' assets, and react to competitive pressures and adverse changes in government regulations; (e) limiting the Reorganized Debtors' ability, or increasing the costs, to restructure funded indebtedness; (f) limiting the Reorganized Debtors' ability to enter into marketing transactions by reducing the number of potential counterparties to such transactions as well as the volume of those transactions; and (g) giving secured lenders the ability to foreclose on assets.

2. *Continuing leverage and ability to service their debts.*

The Debtors believe that, following the consummation of the Plan, the Reorganized Debtors will be able to meet their anticipated future operating expenses, capital expenditures, and debt service obligations. However, the Reorganized Debtors' ability to meet their debt service obligations and to carry out capital spending that is important to their growth and productivity will depend on a number of factors, including future operating performance, cash flows, and their ability to achieve their business plan. These factors will be affected by general economic, financial, competitive, regulatory, business, and other factors that are beyond the Reorganized Debtors' control. Accordingly, the Reorganized Debtors cannot provide assurances that they will be able to meet their debt service obligations. In the event the Reorganized Debtors are unable to meet their debt service obligations, the lenders or other holders of indebtedness could declare a default. In the event of such a default: (a) the lenders or other holders of indebtedness could require the Reorganized Debtors to restructure their debt, post additional collateral, enhance their equity and liquidity, increase their interest payments or pay down their indebtedness; (b) the lenders or other holders of indebtedness could elect to declare all the funds borrowed thereunder to be due and payable and, if not paid on demand, institute foreclosure proceedings against the Reorganized Debtors' assets securing such indebtedness; or (c) even if those lenders or other holders do not declare a default, they may be able to cause all of the Reorganized Debtors' available Cash to be used to repay the indebtedness owed to them or restrict the Reorganized Debtors' access to their Cash.

3. *The value of the New Common Interests may be volatile and adversely affected by a number of factors.*

The value of the New Common Interests may be volatile and adversely affected by a number of factors, including many of the risks described in this Disclosure Statement, as well as the Reorganized Debtors' actual results of operations and prospects. If, for example, the Reorganized Debtors fail to comply with the covenants in the Amended First Lien Credit Agreement, Amended Marketing Fund Trusts Credit Agreement or the New Delayed-Draw Term Facility Agreement, resulting in an event of default thereunder, certain of the Reorganized Debtors' outstanding indebtedness could be accelerated, which could have a material adverse effect on the value of the New Common Interests.

4. ***The New Common Interests in Reorganized Holdco will be subordinated to the indebtedness under the Amended First Lien Credit Agreement and the New Delayed-Draw Term Facility Agreement.***

The Term Loan Debtors' existing and future indebtedness under the Amended First Lien Credit Agreement and the New Delayed-Draw Term Facility Agreement and other non-equity claims will rank senior to the Interests in Reorganized Holdco as to rights upon any foreclosure, dissolution, winding up, liquidation or reorganization, or other bankruptcy proceeding. In the event of any distribution or payment of the reorganized Term Loan Debtors' assets under any of the foregoing circumstances, the reorganized Term Loan Debtors' creditors will have a superior claim and interest, as applicable, to the Interests in Reorganized Holdco. If any of the foregoing events occur, there can be no assurance that there will be sufficient assets to warrant any distribution to Holders of Interests in Reorganized Holdco.

5. ***The New Common Interests will not have an established trading market.***

The New Common Interests will not be listed on a national securities exchange. Accordingly, there will be no public market for the New Common Interests and there can be no guarantee that liquid trading markets will develop. In the event a liquid trading market does not develop, the ability to transfer or sell New Common Interests may be substantially limited.

6. ***The issuance of New Common Interests under the New Management Equity Incentive Plan will dilute the New Common Interests in Reorganized Holdco.***

On or as soon as practicable after the Effective Date, Reorganized Holdco will adopt the New Management Equity Incentive Plan pursuant to which New Common Interests will be issuable for grants of options, restricted units or other equity-based awards to management under the New Management Equity Incentive Plan. If the Reorganized Debtors distribute such equity-based awards to management pursuant to the New Management Equity Incentive Plan, it is contemplated that such distributions will dilute the outstanding New Common Interests and the ownership percentage represented by the New Common Interests in Reorganized Holdco distributed under the Plan.

7. ***Certain Holders of New Common Interests may be restricted in their ability to transfer or sell their securities.***

To the extent that the New Common Interests issued under the Plan are covered by Bankruptcy Code section 1145(a)(1), they may be resold by the holders thereof without registration under the Securities Act unless the holder is an "underwriter" as defined in Bankruptcy Code section 1145(b) with respect to such securities. Resales by Persons who receive New Common Interests pursuant to the Plan that are deemed to be "underwriters" would not be exempted by Bankruptcy Code section 1145 from registration under the Securities Act or applicable law. Such Persons would only be permitted to sell such securities without registration if they are able to comply with an applicable exemption from registration, including Rule 144 under the Securities Act.

The New Common Interests will not be registered under the Securities Act or any state securities laws, and the Debtors make no representation regarding the right of any holder of New Common Interests to freely resell the New Common Interests. See Section on "Applicability of Federal and Other Securities Laws" herein.

D. Risks Associated with Financial Information and Projections

1. ***Inherent uncertainty of Debtors' Financial Projections.***

The Financial Projections, attached hereto as **Exhibit C**, were prepared by the Debtors to demonstrate to the Bankruptcy Court the feasibility of the Plan and their ability to continue operations upon emergence from chapter 11. This information was prepared for the limited purpose of furnishing recipients of this Disclosure Statement with adequate information to make an informed judgment regarding acceptance of the Plan, and was not prepared for the purpose of providing the basis for an investment decision relating to the issuance of the New Common Interests. This information was not audited or reviewed by the Debtors' independent public accountants. The Debtors do not intend to update or otherwise revise the Financial Projections, including any revisions to reflect events or circumstances existing

or arising after the date of this Disclosure Statement or to reflect the occurrence of unanticipated events, even if any or all of the underlying assumptions do not come to fruition. Furthermore, the Debtors do not intend to update or revise the Financial Projections to reflect changes in general economic or industry conditions.

At the time they were prepared, the projections reflected numerous assumptions concerning the Debtors' anticipated future performance and with respect to prevailing and anticipated market and economic conditions that were and remain beyond their control and that may not materialize. Projections are inherently subject to substantial and numerous uncertainties and to a wide variety of significant business, economic and competitive risks, and the assumptions underlying the projections and/or valuation estimates may prove to be wrong in material respects. Actual results may vary significantly from those contemplated by the Financial Projections. As a result, such projections are only an estimate and should not be relied upon as necessarily indicative of future, actual recoveries.

The business plan was developed by the Debtors with the help of their advisors. There can be no assurances that the Debtors' business plan will not change, perhaps materially, as a result of decisions management makes after fully evaluating the strategic direction of the Debtors and their business plan. Any deviations from the Debtors' business plan would necessarily cause a deviation from the Financial Projections, and could result in materially different outcomes from those projected.

2. *The financial information contained in this Disclosure Statement has not been audited.*

In preparing this Disclosure Statement, the Debtors relied on financial data derived from their books and records that was available at the time of such preparation. Although the Debtors have used their reasonable business judgment to ensure the accuracy of the financial information provided in this Disclosure Statement, and while the Debtors believe that such financial information fairly reflects the financial condition of the Debtors, the Debtors are unable to represent or warrant that the financial information contained in this Disclosure Statement and attached hereto is without inaccuracies.

X. SOLICITATION AND VOTING PROCEDURES

The following summarizes briefly the procedures to accept or reject the Plan (the "Solicitation Procedures"). Holders of Claims are encouraged to review the relevant provisions of the Bankruptcy Code and/or to consult their own attorneys.

A. The Solicitation Package

The following materials constitute the solicitation package (the "Solicitation Package"):

- the appropriate Ballots and applicable voting instructions (the "Voting Instructions"), including directions for submitting Ballots electronically; and
- this Disclosure Statement with all exhibits, including the Plan, and any other supplements or amendments to these documents.

The voting Classes, Class A1 (First Lien Facility Claims) and Class B1 (Marketing Fund Trusts Facility Secured Claim), shall be served by electronic mail, and where unavailable, by overnight mail, with copies of this Disclosure Statement, Plan and the appropriate Ballot. The Solicitation Package will not be provided to other Classes because all other Classes are either (i) Impaired and deemed to reject the Plan, (ii) Holders of Unsecured Claims against the Debtors who are impaired, entitled to receive distribution on account of such Claims but are deemed to have rejected the Plan; or (iii) Unimpaired and deemed to accept the Plan, and therefore not entitled to vote. **Any party who desires additional copies of these documents may request them from the Balloting Agent by writing to Quiznos Ballot Processing, c/o Prime Clerk LLC, 830 Third Avenue, 9th Floor, New York, New York 10022, calling (855) 388-4579, or by emailing quiznosballots@primeclerk.com.**

B. Voting Deadline

The period during which Ballots with respect to the Plan will be accepted by the Debtors will terminate at **12:00 p.m. (prevailing Eastern Time) on March 14, 2014** for Holders of First Lien Facility Claims and the Marketing Fund Trusts Facility Secured Claim, unless the Debtors, in consultation with the Consenting Parties, extend the date until which Ballots will be accepted; provided, that Holders of Claims who cast a Ballot prior to the time of filing of any of the Debtors' chapter 11 petitions shall not be entitled to change their vote or cast new Ballots after the Chapter 11 Cases are commenced. Except to the extent the Debtors so determine or as permitted by the Bankruptcy Court, Ballots that are received after the Voting Deadline will not be counted or otherwise used by the Debtors in connection with the Debtors' request for Confirmation of the Plan (or any permitted modification thereof).

The Debtors, in consultation with the Consenting Parties, may extend the period of time (on a daily basis, if necessary) during which Ballots will be accepted for any reason, including determining whether or not the requisite number of acceptances have been received. The Debtors will give notice of any extension in a manner deemed reasonable to the Debtors in their discretion.

C. Voting Instructions

Only the Holders of First Lien Facility Claims and the Marketing Fund Trusts Facility Secured Claim as of the Voting Record Date are entitled to vote to accept or reject the Plan, and they may do so by completing the appropriate Ballots and returning them by electronic mail. It is important to follow the specific instructions provided on each Ballot. Ballots should be sent to the Balloting Agent on or before the Voting Deadline to the following address: quiznosballots@primeclerk.com.

The Debtors have engaged the Balloting Agent to assist in the balloting and tabulation process. The Balloting Agent will process and tabulate Ballots for each Class entitled to vote to accept or reject the Plan and the Debtors will file the voting report (the "Voting Report") as soon as practicable.

The deadline by which the Balloting Agent must actually receive your Ballot is **12:00 p.m. (prevailing Eastern Time) on March 14, 2014**.

Any Ballot that is properly executed, but which does not clearly indicate an acceptance or rejection of the Plan or which indicates both an acceptance and a rejection of the Plan, shall not be counted.

Note to Voting Classes

By signing and returning a Ballot, each Holder of a First Lien Facility Claim and Marketing Fund Trusts Facility Secured Claim will be certifying to the Bankruptcy Court and the Debtors that, among other things:

- the undersigned is (a) an "Accredited Investor" as that term is defined by Rule 501 of Regulation D, 17 C.F.R. § 230.501(a), or (b) the authorized signatory for a Holder of a Class A1 First Lien Facility Claim or a Class B1 Marketing Fund Trusts Facility Secured Claim, as applicable, that is an Accredited Investor;

- the Holder has received and reviewed a copy of the Disclosure Statement, the Plan and the remainder of the Solicitation Package and acknowledges that the Solicitation is being made pursuant to the terms and conditions set forth therein;

- the Holder has not relied on any statement made or other information received from any person with respect to the Plan other than the information contained in the Disclosure Statement, Solicitation Package or other publicly available materials;

- the Holder has cast the same vote with respect to all Claims in the particular Class;

- no other Ballots with respect to the same Claim have been cast, or, if any other Ballots have been cast with respect to such Claim, then any such Ballots are thereby revoked, in accordance with the procedures set forth herein;

- the Ballot does not constitute, and shall not be deemed to be, a Proof of Claim or Interest or an assertion or admission of a Claim or Interest; and

- only Holders of Claims in the Voting Classes shall be entitled to vote with regard to such Claims.

D. Voting Tabulation

Unless the Debtors decide otherwise, Ballots received after the Voting Deadline may not be counted. Except as otherwise provided in the Solicitation Procedures, a Ballot will be deemed delivered only when the Balloting Agent actually receives the executed Ballot as instructed in the Voting Instructions. No Ballot should be sent to the Bankruptcy Court, the Debtors, the Debtors' agents (other than the Balloting Agent) or the Debtors' financial or legal advisors. The Debtors expressly reserve the right to amend from time to time the terms of the Plan (subject to compliance with the requirements of Bankruptcy Code section 1127 and the terms of the Plan regarding modifications).

To the extent a Holder holds multiple Claims within a particular Class, the Balloting Agent may, in its discretion, and to the extent possible, aggregate the Claims of any particular Holder within such Class for the purpose of counting votes.

In the event a designation of lack of good faith is requested by a party in interest under Bankruptcy Code section 1126(e), the Bankruptcy Court will determine whether any vote to accept and/or reject the Plan cast with respect to that Claim will be counted for purposes of determining whether the Plan has been accepted and/or rejected.

The Debtors will file with the Bankruptcy Court, as soon as practicable after the Voting Deadline, the Voting Report prepared by the Balloting Agent. The Voting Report shall, among other things, delineate every Ballot that does not conform to the Voting Instructions or that contains any form of irregularity (each a "Defective Ballot"), including, but not limited to, those Ballots that: (i) are received after the Voting Deadline unless the Debtors (in consultation with the Consenting Parties) have granted an extension of the Voting Deadline with respect to such Ballot; (ii) are (in whole or in material part) illegible or unidentifiable; (iii) lack signatures; (iv) lack necessary information; (v) are damaged; (vi) are cast by a person or entity that does not hold a Claim in a Class entitled to vote on the Plan as of the Voting Record Date; (vii) does not indicate an acceptance or a rejection or that indicates both an acceptance and a rejection; (viii) are sent to the Bankruptcy Court, the Debtors, the Debtors' agents, advisors or representatives (other than the Balloting Agent); or (ix) partially accept and partially reject the Plan. The Balloting Agent will attempt to reconcile the amount of any Claim reported on a Ballot with the Debtors' records, but in the event such amount cannot be timely reconciled without undue effort on the part of the Balloting Agent, the amount shown in the Debtors' records shall govern.

XI. CONFIRMATION OF THE PLAN

A. Requirements for Confirmation of the Plan

Among the requirements for Confirmation of the Plan pursuant to Bankruptcy Code section 1129 are: (i) the Plan is in the "best interests" of holders of Claims; (ii) the Plan is feasible and (iii) the Plan is accepted by all Impaired Classes of Claims, or if rejected by an Impaired Class or if an Impaired Class is deemed to reject, the Plan "does not discriminate unfairly" and is "fair and equitable" as to the Class.

At the Confirmation Hearing, the Bankruptcy Court will determine whether the Plan satisfies all of the requirements of Bankruptcy Code section 1129. The Debtors believe that: (i) the Plan satisfies or will satisfy all of the necessary statutory requirements of chapter 11; (ii) the Debtors have complied or will have complied with all of the necessary requirements of chapter 11; and (iii) the Plan has been proposed in good faith.

B. Best Interests of Creditors/Liquidation Analysis

Often called the "best interests" test, Bankruptcy Code section 1129(a)(7) requires that a bankruptcy court find as a condition to confirmation, that a chapter 11 plan provides, with respect to each impaired[20] class of claims and interests, that each holder of an impaired claim or interest in such class either (i) has accepted the plan or (ii) will receive or retain under the plan property of a value that is not less than the amount that the holder would receive or retain if the debtors liquidated under chapter 7.

The Debtors believe that the Plan meets the "best interests of creditors" test of Bankruptcy Code section 1129(a)(7). Attached hereto as **Exhibit D** and incorporated herein by reference is a liquidation analysis (the "Liquidation Analysis") prepared by the Debtors with the assistance of Alvarez & Marsal North America, LLC, the Debtors' restructuring advisor. As reflected in the Liquidation Analysis, the Debtors believe that liquidation under chapter 7 of the Bankruptcy Code of the Debtors' business would result in significantly reduced recoveries for Holders of Impaired Claims or Interests as compared to distributions contemplated under the Plan.

C. Feasibility

Bankruptcy Code section 1129(a)(11) requires that confirmation of the plan of reorganization is not likely to be followed by the liquidation, or the need for further financial reorganization of the debtor, or any successor to the debtor (unless such liquidation or reorganization is proposed in the plan of reorganization).

To determine whether the Plan meets this feasibility requirement, the Debtors have analyzed their ability to meet their respective obligations under the Plan. As part of this analysis, the Debtors have prepared the Financial Projections attached hereto as **Exhibit C** and incorporated herein by reference. Based upon the Financial Projections, the Debtors believe that they will be a viable operation following these Chapter 11 Cases and that the Plan will meet the feasibility requirements of the Bankruptcy Code.

D. Acceptance by Impaired Classes

The Bankruptcy Code requires, as a condition to confirmation, except as described in the following section, that each class of claims or equity interests impaired under a plan, accept the plan. A class that is not impaired under a plan is deemed to have accepted the plan and, therefore, solicitation of acceptances with respect to such a class is not required.

Bankruptcy Code section 1126(c) defines acceptance of a plan by a class of impaired claims as acceptance by holders of at least two-thirds in a dollar amount and more than one-half in a number of allowed claims in that class, counting only those claims that have actually voted to accept or to reject the plan. Thus, a class of claims will have voted to accept the plan only if two-thirds in amount and a majority in number actually cast their ballots in favor of acceptance.

E. Confirmation without Acceptance by All Impaired Classes

Bankruptcy Code section 1129(b) allows a bankruptcy court to confirm a plan even if all impaired classes have not accepted it; provided, however, that the plan has been accepted by at least one impaired class. Pursuant to Bankruptcy Code section 1129(b), notwithstanding an impaired class's rejection or deemed rejection of the plan, the plan will be confirmed, at the plan proponent's request, in a procedure commonly known as a "cramdown" so long as the plan does not "discriminate unfairly" and is "fair and equitable" with respect to each class of claims or equity interests that is impaired under, and has not accepted, the plan.

[20] A class of claims is "impaired" within the meaning of Bankruptcy Code section 1124 unless the plan (i) leaves unaltered the legal, equitable and contractual rights to which the claim or equity interest entitles the holder of such claim or equity interest or (ii) cures any default, reinstates the original terms of such obligation, compensates the holder for certain damages or losses, as applicable, and does not otherwise alter the legal, equitable or contractual rights to which such claim or equity interest entitles the holder of such claim or equity interest.

The Debtors intend to request Confirmation of the Plan, as it may be modified from time to time, under the "cramdown" provision Bankruptcy Code section 1129(b). The Debtors reserve the right, pursuant to the Plan and the Restructuring Support Agreement, to alter, amend, modify, revoke or withdraw the Plan or any Plan Supplement document, including the right to amend or modify it to satisfy the requirements of Bankruptcy Code section 1129(b).

1. *No Unfair Discrimination*

The "unfair discrimination" test applies to classes of claims or interests that are of equal priority and are receiving different treatment under a plan. The test does not require that the treatment be the same or equivalent, but that treatment be "fair." In general, bankruptcy courts consider whether a plan discriminates unfairly in its treatment of classes of claims of equal rank (e.g., classes of the same legal character). Bankruptcy courts will take into account a number of factors in determining whether a plan discriminates unfairly. A plan could treat two classes of unsecured creditors differently without unfairly discriminating against either class. Under the Plan, all Classes are provided treatment that is substantially equivalent to as the treatment that is provided to other Classes that have equal rank.

2. *Fair and Equitable Test*

The "fair and equitable" test applies to classes of different priority and status (e.g., secured versus unsecured) and includes the general requirement that no class of claims receive more than 100% of the amount of the allowed claims in the class. As to the dissenting (or deemed rejecting) class, the test sets different standards depending upon the type of claims or equity interests in the class. A plan is fair and equitable as to a class of unsecured claims that rejects a plan if the plan provides (a) for each holder of a claim included in the rejecting class to receive or retain on account of that claim property that has a value, as of the effective date of the plan, equal to the allowed amount of such claim; or (b) that the holder of any claim or interest that is junior to the claims of such class will not receive or retain on account of such junior claim or interest any property at all.

The Debtors submit that Confirmation of the Plan pursuant to the "cramdown" provisions of Bankruptcy Code section 1129(b) is proper, as the Plan is structured so that it does not "discriminate unfairly" and satisfies the "fair and equitable" requirement. The Debtors believe that the Plan and the treatment of all Classes of Claims and Interests under the Plan satisfy the foregoing requirements for nonconsensual Confirmation of the Plan.

F. Valuation of the Debtors

In conjunction with formulating the Plan and satisfying its obligations under Bankruptcy Code section 1129, the Debtors determined that it was necessary to estimate the post-Confirmation going concern value of the Debtors. Based on the projections and solely for the purposes of the Plan, the Debtors' investment banker, Lazard Frères & Co. has undertaken a valuation analysis (the "Valuation Analysis") to estimate the value available for distribution to Holders of Allowed Claims entitled to receive a distribution under the Plan. The Valuation Analysis is set forth in **Exhibit E** attached hereto and incorporated herein by reference.

XII. APPLICABILITY OF FEDERAL AND OTHER SECURITIES LAWS

A. Plan Securities

The Plan provides for Reorganized Holdco to issue New Common Interests to the Holders of First Lien Facility Claims and to the Holders of Allowed Unsecured Claims that make the Stock in Lieu Election (the "Plan Securities").

The Debtors believe that the Plan Securities constitute "securities," as defined in section 2(a)(1) of the Securities Act, Bankruptcy Code section 101, and applicable state securities laws ("Blue Sky Laws").

B. Issuance and Resale of Plan Securities Under the Plan

1. *Exemptions from Registration*

The Debtors are relying on section 4(a)(2) of the Securities Act, and similar Blue Sky Laws, to exempt from registration under the Securities Act and Blue Sky Laws the offer to certain Holders of First Lien Facility Claims and Allowed Unsecured Claims of Plan Securities prior to the Petition Date, including, without limitation, in connection with the solicitation of votes to accept or reject the Plan. After the Petition Date, the Debtors will rely on Bankruptcy Code section 1145(a) to exempt from registration under the Securities Act and Blue Sky Laws the offer, issuance, and distribution of the Plan Securities.

Section 4(a)(2) of the Securities Act exempts transactions not involving a public offering and section 506 of Regulation D of the Securities Act ("Reg D") provides a safe harbor under section 4(a)(2) for transactions that meet certain requirements, including that the investors participating therein qualify as "accredited investors" as defined in section 501 of Reg. D (17 C.F.R. § 230.501).

Bankruptcy Code section 1145 provides that the registration requirements of section 5 of the Securities Act (and any state Blue Sky Law requirements) shall not apply to the offer or sale of stock, options, warrants, or other securities by a debtor if (a) the offer or sale occurs under a plan of reorganization; (b) the recipients of the securities hold a claim against, an interest in, or claim for administrative expense against, the debtor; and (c) the securities are issued in exchange for a claim against or interest in a debtor or are issued principally in such exchange and partly for Cash and property.

In reliance upon these exemptions, the offer and sale of the Plan Securities will not be registered under the Securities Act or any state Blue Sky Law.

The issuance of the Plan Securities is covered by Bankruptcy Code section 1145 and is deemed a public offering. Accordingly, the Plan Securities may be resold without registration under the Securities Act or other federal securities laws, unless the Holder is an "underwriter" (as discussed below) with respect to such securities, as that term is defined in Bankruptcy Code section 1145. In addition, the Plan Securities generally may be able to be resold without registration under state securities laws pursuant to various exemptions provided by the respective Blue Sky Law of those states; however, the availability of such exemptions cannot be known unless individual state Blue Sky Law provisions are examined. Therefore, recipients of the Plan Securities are advised to consult with their own legal advisors as to the availability of any such exemption from registration under state Blue Sky Law in any given instance and as to any applicable requirements or conditions to such availability.

2. *Resales of Plan Securities; Definition of Underwriter*

If the Holder of the Plan Securities is an underwriter, the Plan Securities may not be resold under the Securities Act and applicable state Blue Sky Law absent an effective registration statement under the Securities Act or pursuant to an applicable exemption from registration, including Rule 144 promulgated under the Securities Act. Bankruptcy Code section 1145(b)(1) defines an "underwriter" as one who, except with respect to "ordinary trading transactions of an entity that is not an issuer," (a) purchases a claim against, interest in, or claim for an administrative expense in the case concerning, the debtor, if such purchase is with a view to distribution of any security received or to be received in exchange for such claim or interest; (b) offers to sell securities offered or sold under a plan for the holders of such securities; (c) offers to buy securities offered or sold under a plan from the holders of such securities, if such offer to buy is (i) with a view to distribution of such securities and (ii) under an agreement made in connection with the plan, with the consummation of the plan, or with the offer or sale of securities under the plan; or (d) is an issuer of the securities within the meaning of section 2(a)(11) of the Securities Act. In addition, a Person who receives a fee in exchange for purchasing an issuer's securities could also be considered an underwriter within the meaning of section 2(a)(11) of the Securities Act.

The definition of an "issuer" for purposes of whether a Person is an underwriter under Bankruptcy Code section 1145(b)(1)(D), by reference to section 2(a)(11) of the Securities Act, includes as "statutory underwriters" all persons who, directly or indirectly, through one or more intermediaries, control, are controlled by, or are under common control

with, an issuer of securities. The reference to "issuer," as used in the definition of "underwriter" contained in section 2(a)(11), is intended to cover "controlling persons" of the issuer of the securities. "Control," as defined in Rule 405 of the Securities Act, means the possession, directly or indirectly, of the power to direct or cause the direction of the management and policies of a Person, whether through the ownership of voting securities, by contract, or otherwise. Accordingly, an officer or director of a reorganized debtor or its successor under a plan of reorganization may be deemed to be a "controlling Person" of such debtor or successor, particularly if the management position or directorship is coupled with ownership of a significant percentage of the reorganized debtor's or its successor's voting securities. Moreover, the legislative history of Bankruptcy Code section 1145 suggests that a creditor who owns ten percent (10%) or more of a class of voting securities of a reorganized debtor may be presumed to be a "controlling person" and, therefore, an underwriter.

Under certain circumstances, Holders of Plan Securities who are deemed to be "underwriters" may be entitled to resell their Plan Securities pursuant to the limited safe harbor resale provisions of Rule 144. Generally, Rule 144 would permit the public sale of securities received by such person if current information regarding the issuer is publicly available and if volume limitations, manner of sale requirements and certain other conditions are met. However, the Debtors do not presently intend to make publicly available the requisite current information regarding the Debtors, and as a result, Rule 144 will not be available for resales of Plan Securities by Persons deemed to be underwriters. Whether any particular Person would be deemed to be an "underwriter" (including whether such Person is a "controlling person") with respect to the Plan Securities would depend upon various facts and circumstances applicable to that Person. Accordingly, the Debtors express no view whether any Person would be deemed an "underwriter" with respect to the Plan Securities. In view of the complex nature of the question of whether a particular Person may be an "underwriter," the Debtors make no representations concerning the right of any Person to freely resell Plan Securities. Accordingly, the Debtors recommend that potential recipients of Plan Securities consult their own counsel concerning their ability to freely trade such securities without compliance with the federal and state securities laws.

C. Listing of New Common Interests

The Debtors shall not be obligated to list the New Common Interests on a national securities exchange.

XIII. CERTAIN U.S. FEDERAL INCOME TAX CONSEQUENCES OF THE PLAN

The following is a summary of certain U.S. federal income tax consequences of the Plan to the Debtors and certain Holders of Claims. This summary is based on the Internal Revenue Code of 1986, as amended (the "Tax Code"), Treasury regulations thereunder, and administrative and judicial interpretations and practice, all as in effect on the date of this Disclosure Statement and all of which are subject to change, with possible retroactive effect. Due to the lack of definitive judicial and administrative authority in a number of areas, substantial uncertainty may exist with respect to some of the tax consequences described below. No opinion of counsel has been obtained, and the Debtors do not intend to seek a ruling from the Internal Revenue Service (the "IRS") as to any of the tax consequences of the Plan discussed below. Events occurring after the date of this Disclosure Statement, including changes in law and changes in administrative positions, could affect the U.S. federal income tax consequences of the restructuring transactions. No representations are being made regarding the particular tax consequences of the confirmation and consummation of the Offer or the Plan to the Debtors or any Holder of a Claim. There can be no assurance that the IRS will not challenge one or more of the tax consequences of the Plan described below.

This summary does not apply to Holders of Claims that are otherwise subject to special treatment under U.S. federal income tax law (including, for example, banks, governmental authorities or agencies, financial institutions, insurance companies, pass-through entities, tax-exempt organizations, brokers and dealers in securities, mutual funds, small business investment companies, employees, persons who receive their Claims pursuant to the exercise of an employee stock option or otherwise as compensation, persons holding Claims that are a hedge against, or that are hedged against, currency risk or that are part of a straddle, constructive sale, or conversion transaction and regulated investment companies). The following discussion assumes that Holders of Claims hold such Claims as "capital assets" within the meaning of section 1221 of the Tax Code. Moreover, this summary does not purport to cover all aspects of U.S. federal income taxation that may apply to the Debtors and Holders of Claims based upon their particular circumstances. Additionally, this summary does not discuss any tax consequences that may arise under any laws other than U.S. federal income tax law, including under state, local, estate, gift, non-U.S. or any other applicable tax law.

For purposes of this summary, a "U.S. Holder" means a Holder of a Claim that, in any case, is, for U.S. federal income tax purposes: (i) an individual that is a citizen or resident of the United States; (ii) a corporation, or other entity treated as a corporation for U.S. federal income tax purposes, created or organized in or under the laws of the United States, any state thereof or the District of Columbia; (iii) an estate, the income of which is subject to U.S. federal income taxation regardless of its source; or (iv) a trust, if (a) a court within the United States is able to exercise primary supervision over its administration and one or more United States persons have the authority to control all of the substantial decisions of such trust, or (b) it has a valid election in effect under applicable Treasury regulations to be treated as a U.S. person. A "Non-U.S. Holder" means a Holder of a Claim that is not a U.S. Holder and is, for U.S. federal income tax purposes, an individual, corporation (or other entity treated as a corporation for U.S. federal income tax purposes), estate or trust.

If an entity taxable as a partnership for U.S. federal income tax purposes holds a Claim, the U.S. federal income tax treatment of a partner (or other owner) of the entity generally will depend on the status of the partner (or other owner) and the activities of the entity. Such partner (or other owner) should consult its tax advisor as to the tax consequences of the Plan.

The U.S. federal income tax consequences of the Plan are complex. The following summary is for informational purposes only and is not a substitute for careful tax planning and advice based on the individual circumstances pertaining to a Holder of a Claim. All Holders of Claims are urged to consult their own tax advisors as to the consequences of the restructuring described in the Plan under federal, state, local, non-U.S. and any other applicable tax laws.

IRS Circular 230 Disclosure. To ensure compliance with requirements imposed by the IRS, any tax advice contained in this Disclosure Statement (including any attachments) is not intended or written to be used, and cannot be used, by any taxpayer for the purpose of avoiding tax-related penalties under the Tax Code. Tax advice contained in this Disclosure Statement (including any attachments) is written to support the promotion or marketing of the transactions described in this Disclosure Statement. Each taxpayer should seek advice based on the taxpayer's particular circumstances from an independent tax advisor.

A. U.S. Federal Income Tax Consequences to the Debtors Under the Plan

For U.S. federal income tax purposes, the Debtors are Holdco and certain of its subsidiaries (collectively, the "QCE Consolidated Group"). The Debtors have consolidated estimated net operating loss ("NOL") carryforwards as of December 31, 2013, of approximately $181 million. However, the QCE Consolidated Group's NOLs are subject to audit and possible challenge by the IRS. Accordingly, the amount of the QCE Consolidated Group's NOLs ultimately may vary from the amounts set forth above.

1. *Cancellation of Indebtedness Income*

Generally, a corporation will recognize cancellation of debt ("COD") income upon satisfaction of its outstanding indebtedness for total consideration less than the amount of such indebtedness. The amount of COD income, in general, is the excess of (a) the adjusted issue price of the indebtedness satisfied, over (b) the sum of (x) the amount of cash paid, and (y) the issue price of any new indebtedness of the taxpayer issued and (z) fair market value of any other new consideration (including stock of the debtor) given in satisfaction of such indebtedness at the time of the exchange.

A corporation will not, however, be required to include any amount of COD income in gross income if the corporation is a debtor under the jurisdiction of a court in a case under chapter 11 of the Bankruptcy Code and the discharge of debt occurs pursuant to that proceeding (the "Section 108(a) Bankruptcy Exception"). Instead, as a consequence of such exclusion, the debtor must reduce its tax attributes by the amount of COD income excluded from gross income. Under section 108(b) of the Tax Code, a debtor that excludes COD income from gross income under the Section 108(a) Bankruptcy Exception generally must reduce certain tax attributes by the amount of the excluded COD income. In general, tax attributes are reduced in the following order: (a) NOLs and NOL carryforwards, (b) general business and minimum tax credit carryforwards, (c) capital loss carryforwards, (d) basis of the debtor's assets, and (e) foreign tax credit carryforwards. A debtor's tax basis in its assets generally may not be reduced below the amount of liabilities remaining immediately after the discharge of indebtedness. If a debtor with excluded COD income is a

member of a consolidated group, Treasury regulations address the application of the rules for the reduction of tax attributes (the "Consolidated Attribute Reduction Rules"). If the debtor is a member of a consolidated group and is required to reduce its basis in the stock of another group member, a "look-through rule" generally requires a corresponding reduction in the tax attributes of the lower-tier member. If the amount of a debtor's excluded COD income exceeds the amount of attribute reduction resulting from the application of the foregoing rules, certain other tax attributes of the consolidated group may also be subject to reduction. NOLs for the taxable year of the discharge and NOL carryovers to such year generally are the first attributes subject to reduction. However, a debtor may elect under section 108(b)(5) of the Tax Code (the "Section 108(b)(5) Election") to reduce its basis in its depreciable property first. If the debtor is a member of a consolidated group, the debtor may treat stock in another group member as depreciable property for purposes of the Section 108(b)(5) Election, provided the lower-tier member consents to a corresponding reduction in its basis in its depreciable property. If a debtor makes a Section 108(b)(5) Election, the limitation on reducing the debtor's basis in its assets below the amount of its remaining liabilities does not apply.

The Debtors expect to realize a significant amount of COD income as a result of the Plan. The amount of COD income will depend upon, among other things, the fair market value of the New Common Interests, which may not be determined until after the Effective Date of the Plan. Pursuant to the Section 108(a) Bankruptcy Exception, the Debtors will not include this COD income in gross income. Instead, the Debtors will be required to reduce their tax attributes in accordance with the Consolidated Attribute Reduction Rules after determining the taxable income (or loss) of the QCE Consolidated Group for the taxable year of discharge.

Under the Consolidated Attribute Reduction Rules, the Debtors' excluded COD income will be applied to reduce their NOLs and, if necessary, other tax attributes, including the Debtors' tax basis in their assets. The Debtors currently anticipate that the application of Consolidated Attribute Reduction Rules (unless a Section 108(b)(5) Election is made) will result in the elimination of the QCE Consolidated Group's consolidated NOLs and a reduction of the basis in their assets.

The extent to which NOLs and other tax attributes remain following the application of the Consolidated Attribute Reduction Rules will depend upon a number of factors, including the amount of COD income that is actually incurred and whether the Debtors make the Section 108(b)(5) Election. The Debtors have not yet determined whether they will make the Section 108(b)(5) Election.

2. *Potential Limitations on NOL Carryforwards and Other Tax Attributes*

a. Limitation on NOLs and Other Tax Attributes

Under section 382 of the Tax Code, if a "loss corporation" (generally, a corporation with NOLs and/or built-in losses) undergoes an "ownership change," the amount of its pre-change losses (including certain losses or deductions which are "built-in," *i.e.*, economically accrued but unrecognized as of the date of the ownership change) that may be utilized to offset future taxable income generally are subject to an annual limitation. Similar rules apply to a corporation's capital loss carryforwards and tax credits.

The Debtors' issuance of New Common Interests of Reorganized Holdco pursuant to the Plan is expected to result in an ownership change for purposes of section 382 of the Tax Code. Accordingly, subject to the discussion below of certain special bankruptcy exceptions in Section XIII.A.2, the QCE Consolidated Group's pre-change losses may be subject to an annual limitation. This limitation applies in addition to, and not in lieu of, any other limitation that may already or in the future be in effect and the attribute reduction that may result from COD.

b. General Section 382 Limitation

In general, the amount of the annual limitation to which a corporation that undergoes an ownership change will be subject is equal to the product of (i) the fair market value of the stock of the loss corporation (or, in the case of a consolidated group, generally the stock of the common parent) immediately before the ownership change (with certain adjustments) and (ii) the "long term tax exempt rate" in effect for the month in which the ownership change occurs (*e.g.*, 3.56% for ownership changes occurring in March 2014). As noted below in Section XIII.A.2.d, if a corporation (or a consolidated group) in bankruptcy undergoes an ownership change pursuant to a confirmed bankruptcy plan, the fair

market value of the stock of the corporation is generally determined immediately after (rather than before) the ownership change, after giving effect to the discharge of creditors' claims but subject to certain adjustments. In no event, however, can the stock value for this purpose exceed the pre-change gross value of the corporation's assets. If a loss corporation has a net unrealized built-in gain ("NUBIG") immediately prior to the ownership change, the annual limitation may be increased as certain gains are recognized during the five-year period beginning on the date of the ownership change (the "Recognition Period"). If a loss corporation has a net unrealized built-in loss ("NUBIL") immediately prior to the ownership change, certain losses recognized during the Recognition Period also would be subject to the annual limitation and thus may reduce the amount of pre-change NOLs that could be used by the loss corporation during the Recognition Period.

Any portion of the annual limitation that is not used in a given year may be carried forward, thereby adding to the annual limitation for the subsequent taxable year. However, if the corporation (or the consolidated group) does not continue its historic business or use a significant portion of its historic assets in a new business for at least two years after the ownership change, unless the corporation qualifies for certain bankruptcy exceptions discussed below in Section XIII.A.2.d, the annual limitation resulting from the ownership change is reduced to zero, thereby precluding any utilization of the corporation's pre-change losses, absent any increases due to recognized built-in gains ("RBIGs"). In addition, if a redemption or other corporate contraction occurs in connection with the ownership change of the loss corporation (or the consolidated group), or if the loss corporation (or the consolidated group) has substantial nonbusiness assets, the annual limitation is reduced to take the redemption, other corporate contraction or nonbusiness assets into account. Furthermore, if the corporation (or the consolidated group) undergoes a second ownership change, the second ownership change may result in a lesser (but never a greater) annual limitation with respect to any losses that existed at the time of the first ownership change.

c. Built-in Gains and Losses

A NUBIG or NUBIL is generally the difference between the fair market value of a loss corporation's assets and its tax basis in the assets, subject to a statutorily-defined threshold amount. The amount of a loss corporation's NUBIG or NUBIL must be adjusted for built-in items of income or deduction that would be attributable to a pre-change period if recognized during the Recognition Period. The NUBIG or NUBIL of a consolidated group generally is calculated on a consolidated basis, subject to special rules.

If a loss corporation has a NUBIG immediately prior to an ownership change, any RBIGs will increase the annual limitation in the taxable year the RBIG is recognized. An RBIG generally is any gain (and certain income) with respect to an asset held immediately before the date of the ownership change that is recognized during the Recognition Period to the extent of the fair market value of the asset over its tax basis immediately prior to the ownership change. However, the aggregate amount of all RBIGs that are recognized during the Recognition Period may not exceed the NUBIG. On the other hand, if a loss corporation has a NUBIL immediately prior to an ownership change, any recognized built-in losses ("RBILs") will be subject to the annual limitation in the same manner as pre-change NOLs. An RBIL generally is any loss (and certain deductions) with respect to an asset held immediately before the date of the ownership change that is recognized during the Recognition Period to the extent of the excess of the tax basis of the asset over its fair market value immediately prior to the ownership change. However, the aggregate amount of all RBILS that are recognized during the Recognition Period may not exceed the NUBIL. RBIGs and RBILs may be recognized during the Recognition Period for depreciable and amortizable assets that are not actually disposed. The Debtors believe that the QCE Consolidated Group will have a NUBIL on the Effective Date and RBILs recognized during the Recognition Period on amortizable assets.

d. Special Bankruptcy Exceptions

An exception to the foregoing annual limitation rules generally applies when existing shareholders and "qualified creditors" of a debtor corporation under the jurisdiction of a court in a chapter 11 case receive, in respect of their shares and Claims, at least 50% of the vote and value of the stock of the reorganized debtor (or a controlling corporation if also in chapter 11) pursuant to a confirmed plan (the "Section 382(l)(5) Exception"). Under the Section 382(l)(5) Exception, a debtor's pre-change losses are not limited on an annual basis, but instead NOL carryforwards will be reduced by the amount of any interest deductions claimed during the three taxable years preceding the effective date of the plan of reorganization, and during the part of the taxable year prior to and including the effective date of the plan of reorganization, in respect of all debt converted into stock in the reorganization. If the Section 382(l)(5) Exception

applies and a debtor undergoes another ownership change within two years after the effective date of the plan of reorganization, then the debtor's pre-change losses effectively are eliminated in their entirety. For purposes of the Section 382(l)(5) Exception, a "qualified creditor" generally consists of certain long-term creditors (who held the claims continuously for at least 18 months prior to the filing of the bankruptcy petition), historic trade creditors or creditors receiving less than 5% of the stock of the debtor in a bankruptcy case. If a debtor qualifies for the Section 382(l)(5) Exception, the exception applies unless the debtor affirmatively elects for it not to apply.

Where the Section 382(l)(5) Exception is not applicable to a corporation in bankruptcy (either because the debtor does not qualify for it or the debtor otherwise elects not to utilize the Section 382(l)(5) Exception), a second special rule will generally apply (the "Section 382(l)(6) Exception"). Under the Section 382(l)(6) Exception, the annual limitation will be calculated by reference to the lesser of the value of the debtor corporation's new stock (with certain adjustments) immediately after the ownership change or the value of such debtor corporation's assets (determined without regard to liabilities) immediately before the ownership change. This differs from the ordinary rule that requires the fair market value of a debtor corporation that undergoes an ownership change to be determined before the events giving rise to the change. The Section 382(l)(6) Exception also differs from the Section 382(l)(5) Exception in that under it the debtor corporation is not required to reduce its NOL carryforwards by the amount of interest deductions claimed within the prior three-year period, and the debtor may undergo a change of ownership within two years of the Effective Date without triggering the elimination of its pre-change losses.

e. Application of Section 382 to the Debtors

Based upon certain preliminary calculations, the Debtors believe that it may be beneficial for them to qualify for, and utilize, the Section 382(l)(5) Exception if the Debtors qualify for the exception. While the Debtors estimate that they have approximately $181 million of consolidated NOLs as of December 31, 2013, interest deductions attributable to debt that will be equitized will reduce the NOLs that would be available under the Section 382(l)(5) Exception.

It is possible that the Debtors will not qualify for the Section 382(l)(5) Exception. Alternatively, the Debtors may decide to elect out of the Section 382(l)(5) Exception, particularly if it appears likely that another ownership change will occur within two years after the Reorganization. In either case, the Debtors expect that their use of the pre-change losses after the Effective Date will be subject to limitations based on the rules discussed above, but taking into account the Section 382(l)(6) Exception. Regardless of whether the Debtors take advantage of the Section 382(l)(6) Exception or the Section 382(l)(5) Exception, the Debtors' use of their pre-change losses after the Effective Date may be adversely affected if an ownership change within the meaning of section 382 of the Tax Code were to occur after the Effective Date.

The Debtors have not yet determined whether they will affirmatively elect not to apply the Section 382(l)(5) Exception. As explained above, if the Debtors do utilize the Section 382(l)(5) Exception and another ownership change were to occur within the two-year period after consummation of the Plan, then the Debtors' pre-change losses would effectively be eliminated. If the Section 382(l)(5) Exception applies, New Common Interests may be subject to certain trading restrictions. Such trading restrictions would generally apply only to a person who owns 4.75% or more of the New Common Interests.

f. Other Provisions

Aside from the objective limitations of section 382 of the Tax Code, the IRS may disallow the subsequent use of a corporation's pre-change losses following an acquisition of control of a corporation by one or more persons if the principal purpose of the acquisition is the avoidance or evasion of tax by securing a tax benefit which such person(s) or the corporation would not otherwise enjoy. Other provisions of the Tax Code may also preclude the use of a corporation's NOLs and certain tax attributes in other ways under certain circumstances.

3. *Alternative Minimum Tax*

In general, a federal alternative minimum tax ("AMT") is imposed on a corporation's alternative minimum taxable income ("AMTI") each year at a 20% rate to the extent that such tax exceeds the corporation's regular federal income tax for such year. AMTI is generally equal to regular taxable income with certain adjustments. For purposes of

computing AMTI, certain tax deductions and other beneficial allowances are modified or eliminated. In particular, even though a corporation may otherwise be able to offset all of its taxable income for regular tax purposes by available NOLs, only 90% of a corporation's AMTI generally may be offset by its AMT NOLs.

In addition, if a corporation (or a consolidated group) undergoes an ownership change within the meaning of section 382 of the Tax Code and has a NUBIL at the time of such change, the corporation's (or the consolidated group's) aggregate basis in its assets would be reduced for certain AMT purposes to reflect the fair market value of such assets as of the date of the ownership change.

Any AMT that a corporation pays generally will be allowed as a nonrefundable credit against its regular federal income tax liability in future years when the corporation is not subject to the AMT. Any unused credit may be carried forward indefinitely.

B. U.S. Federal Income Tax Consequences to U.S. Holders Under the Plan

The U.S. federal income tax consequences of the Plan to U.S. Holders of Claims (including the character, amount and timing of income, gain or loss recognized) generally will depend upon, among other factors: (i) the manner in which the U.S. Holder acquired a Claim; (ii) the length of time a Claim has been held; (iii) whether the Claim was acquired at a discount; (iv) whether the U.S. Holder has taken a bad debt deduction in the current or prior years; (v) whether the U.S. Holder has previously included accrued but unpaid interest with respect to a Claim; (vi) the U.S. Holder's method of tax accounting; (vii) whether the U.S. Holder will realize foreign currency exchange gain or loss with respect to a Claim; and (viii) whether the Debtors reorganize as is expected. Therefore, U.S. Holders of Claims are urged to consult their tax advisors for information that may be relevant to their specific situation and circumstances and the particular tax consequences to such holders as a result thereof.

1. *Treatment of a Debt Instrument as a Security*

The U.S. federal income tax consequences to U.S. Holders of First Lien Facility Claims and Second Lien Facility Claims will depend, in part, on whether a debt instrument exchanged is treated as a "security" under the reorganization provisions of the Tax Code. Whether a debt instrument constitutes a security for U.S. federal income tax purposes is determined based on all the relevant facts and circumstances, but most authorities have held that the length of the term of a debt instrument is an important factor in determining whether such instrument is a security for U.S. federal income tax purposes. These authorities have indicated that a term of less than five years is evidence that the instrument is not a security, whereas a term of ten years or more is evidence that it is a security. There are numerous other factors that could be taken into account in determining whether a debt instrument is a security, including the security for payment, the creditworthiness of the obligor, the subordination or lack thereof to other creditors, the right to vote or otherwise participate in the management of the obligor, convertibility of the instrument into an equity interest of the obligor, whether payments of interest are fixed, variable or contingent, and whether such payments are made on a current basis or accrued.

Amounts borrowed under the First Lien Credit Agreement are required to be repaid on January 24, 2017, the fifth anniversary of the amendment on January 24, 2012. The initial term of the Second Lien Credit Agreement is approximately five years, three months. The Amended First Lien Credit Agreement will have a term of five years. Although there is no assurance that the IRS will agree with such characterization, the Debtors expect to take the position that debt under each of the First Lien Credit Agreement, the Second Lien Credit Agreement and the Amended First Lien Credit Agreement constitutes a security for U.S. federal income tax purposes.

2. *Treatment of U.S. Holders of First Lien Facility Claims*

A U.S. Holder of a First Lien Facility Claim will realize gain or loss in an amount equal to the difference between (a) the sum of (i) the fair market value of the New Common Interests and (ii) the issue price of the U.S. Holder's interest in the Amended First Lien Credit Facility, and (b) the U.S. Holder's adjusted tax basis in its First Lien Facility Claim surrendered in the exchange, determined immediately prior to the Effective Date.

The analysis of the tax consequences of exchanging the First Lien Credit Facility depends on whether the First Lien Credit Facility and the Amended First Lien Credit Facility are treated as securities for U.S. federal income tax purposes. If the First Lien Credit Facility is treated as a security, the exchange of First Lien Facility Claims for New Common Interests and the Amended First Lien Credit Facility should be treated as a recapitalization, and therefore a reorganization, under section 368(a)(1)(E) of the Tax Code. If the Amended First Lien Credit Facility is also treated as a security, except to the extent that any portion of the New Common Interests and Amended First Lien Credit Facility received are allocable to accrued but untaxed interest (discussed below in Section XIII.B.5.a), a U.S. Holder should not recognize taxable gain or loss with respect to this exchange. A U.S. Holder's tax basis in its New Common Interests and its interest in the Amended First Lien Credit Facility received in exchange for the First Lien Facility Claim should be equal to such Holder's tax basis in such Claim surrendered therefor. A U.S. Holder's holding period for its New Common Interests and its interest in the Amended First Lien Credit Facility should include the holding period for the surrendered Claim.

If the Amended First Lien Credit Facility is not treated as a security, a U.S. Holder of a First Lien Facility Claim who recognizes gain on the exchange of such Claims for New Common Interests and the Amended First Lien Credit Facility should be required to recognize the lesser of (a) the amount of gain realized on such exchange and (b) the issue price of the U.S. Holder's interest in the Amended First Lien Credit Facility. A U.S. Holder of such First Lien Facility Claim who realizes a loss on the exchange will not be permitted to recognize such loss, except to the extent of any loss attributable to accrued but untaxed interest (discussed below in Section XIII.B.5.a). A U.S. Holder's tax basis in its New Common Interests should be equal to such Holder's tax basis in the First Lien Facility Claim surrendered therefor, increased by the amount of gain recognized on the exchange, if any, and reduced by the fair market value of the U.S. Holder's interest in the Amended First Lien Credit Facility. A U.S. Holder's holding period for its New Common Interests should include the holding period for the surrendered First Lien Facility Claim. A U.S. Holder's tax basis in its interest in the Amended First Lien Credit Facility will equal the issue price of the U.S. Holder's interest in the Amended First Lien Credit Facility. A U.S. Holder's holding period for its interest in the Amended First Lien Credit Facility received on the Effective Date should begin on the day following the Effective Date.

If the First Lien Credit Facility is not treated as a security for U.S. federal income tax purposes, a U.S. Holder of First Lien Facility Claim should be treated as exchanging such Claims for the New Common Interests and its interest in the Amended First Lien Credit Facility in a fully taxable exchange. A U.S. Holder who is subject to this treatment should recognize gain or loss equal to the difference between (a) the fair market value of any New Common Interests and the issue price of the Amended First Lien Credit Facility received, and (b) such Holder's adjusted tax basis in its First Lien Facility Claim. If recognized gain is capital in nature, it generally would be long-term capital gain if the U.S. Holder held its First Lien Facility Claim for more than one year at the time of the exchange. The deductibility of capital losses is subject to certain limitations discussed below in Section XIII.B.5.d. A U.S. Holder's tax basis in the New Common Interests and Amended First Lien Credit Facility should equal the fair market value of such interests and the adjusted issue price of the debt received. A U.S. Holder's holding period for the New Common Interests and Amended First Lien Credit Facility received on the Effective Date should begin on the day following the Effective Date.

To the extent that a portion of the New Common Interests and Amended First Lien Credit Facility received in exchange for a U.S. Holder's First Lien Facility Claim is allocable to accrued but untaxed interest, the U.S. Holder may recognize ordinary income (see the discussions of "accrued interest" and "market discount" below in Sections XIII.B.5.a–b). The tax basis of any portion of the New Common Interests and Amended First Lien Credit Facility treated as received in satisfaction of accrued but untaxed interest should equal the amount of such accrued but untaxed interest, and the holding period for any such New Common Interests and Amended First Lien Credit Facility should not include the holding period of the surrendered First Lien Facility Claim.

3. *Treatment of U.S. Holders of Second Lien Facility Claims*

A U.S. Holder of a Second Lien Facility Claim will realize gain or loss in an amount equal to the difference between (a) the fair market value of the New Common Interests or the interest in the Company Specified Litigation Proceeds received, and (b) the U.S. Holder's adjusted tax basis in its Second Lien Facility Claim surrendered in the exchange, determined immediately prior to the Effective Date. Whether a U.S. Holder of a Second Lien Facility Claim recognizes such gain or loss will depend on, among other things, whether (a) such Second Lien Facility Claim is treated as a security for U.S. federal income tax purposes and (b) such U.S. Holder has otherwise made the Stock in Lieu Election.

If a U.S. Holder has made a Stock in Lieu Election and the debt under the Second Lien Credit Agreement is treated as a security for U.S. federal income tax purposes, the exchange of such U.S. Holder's Second Lien Facility Claim for New Common Interests should be treated as a recapitalization, and therefore a reorganization, under section 368(a)(1)(E) of the Tax Code. As a result, except to the extent of any loss attributable to accrued but untaxed interest (discussed below in Section XIII.B.5.a), a U.S. Holder should not recognize taxable gain or loss with respect to this exchange. A U.S. Holder's tax basis in its New Common Interests received in exchange for its Second Lien Facility Claim should be equal to such U.S. Holder's tax basis in such Claim surrendered therefor. A U.S. Holder's holding period for its New Common Interests should include the holding period for the surrendered Second Lien Facility Claim.

If a U.S. Holder has made a Stock in Lieu Election but the debt under the Second Lien Credit Agreement is not treated as a security for U.S. federal income tax purposes, the exchange of such U.S. Holder's Second Lien Facility Claim for New Common Interests will be treated as a fully taxable exchange. A U.S. Holder who is subject to this treatment should recognize taxable gain or loss equal to the gain or loss realized. If recognized gain is capital in nature, it generally would be long-term capital gain if the U.S. Holder held its Second Lien Facility Claim for more than one year at the time of the exchange. The deductibility of capital losses is subject to certain limitations discussed below in Section XIII.B.5.d. A U.S. Holder's tax basis in its New Common Interests should equal the fair market value of such shares received. A U.S. Holder's holding period for its New Common Interests received on the Effective Date should begin on the day following the Effective Date.

If a U.S. Holder has not made a Stock in Lieu Election, the exchange of such U.S. Holder's Second Lien Facility Claim for an interest in the Company Specified Litigation Proceeds will be treated as a fully taxable exchange. A U.S. Holder who is subject to this treatment should recognize taxable gain or loss equal to the gain or loss realized. If recognized gain is capital in nature, it generally would be long-term capital gain if the U.S. Holder held its Second Lien Facility Claim for more than one year at the time of the exchange. The deductibility of capital losses is subject to certain limitations discussed below in Section XIII.B.5.d. A U.S. Holder's tax basis in its interest in the Company Specified Litigation Proceeds should equal the fair market value of such shares received. A U.S. Holder's holding period for its interest in the Company Specified Litigation Proceeds received on the Effective Date should begin on the day following the Effective Date.

To the extent that a portion of the New Common Interests received in exchange for a U.S. Holder's Second Lien Facility Claim is allocable to accrued but untaxed interest, the U.S. Holder may recognize ordinary income (see the discussions of "accrued interest" and "market discount" below in Sections XIII.B.5.a–b). The tax basis of any New Common Interests treated as received in satisfaction of accrued but untaxed interest should equal the amount of such accrued but untaxed interest, and the holding period for any such New Common Interests should not include the holding period of the surrendered Claim.

Avenue and Fortress will receive 75% of the First Round Specified Litigation Proceeds Distribution and 95% of the Second Round Specified Litigation Proceeds Distribution (the "Avenue and Fortress Litigation Proceeds") in the Specified Litigation Waterfall pursuant to the Specified Litigation Agreement. The Debtors intend to take the position that Avenue and Fortress will receive the Avenue and Fortress Litigation Proceeds in their capacities as parties to the Specified Litigation Agreement, in consideration for their obligations under the Specified Litigation Agreement (including providing certain funding for the pursuit of the Specified Litigation), and not as Holders of Claims or Interests. The IRS could, however, take a different position that might adversely impact the tax consequences to the Debtors, Avenue and Fortress.

4. *Treatment of the U.S. Holder of the Marketing Fund Trusts Facility Secured Claim*

A U.S. Holder of a Marketing Fund Trusts Facility Secured Claim will generally recognize gain or loss as a result of the exchange in an amount equal to the difference between (a) the issue price of the interest received by the U.S. Holder in the Amended Marketing Fund Trusts Credit Facility, and (b) such U.S. Holder's adjusted tax basis in its Marketing Fund Trusts Facility Secured Claim surrendered, determined immediately prior to the Effective Date. The Debtors anticipate that, to the extent that a U.S. Holder of a Marketing Fund Trusts Facility Secured Claim has held the debt underlying such Claim since it was issued, no gain or loss should be recognized on the exchange.

5. ***Other Considerations for U.S. Holders***

a. Accrued Interest

A portion of the consideration received by U.S. Holders of Claims may be attributable to accrued but untaxed interest on such Claims. Any such amount should be taxable to that U.S. Holder as interest income if such accrued interest has not been previously included in the U.S. Holder's gross income for U.S. federal income tax purposes. However, the IRS has privately ruled that a holder of a security of a corporate issuer, in an otherwise tax-free exchange, could not claim a current deduction with respect to any unpaid OID. Accordingly, it is also unclear whether, by analogy, a U.S. Holder that disposes of a Claim that does not constitute a security in a taxable transaction would be required to recognize a capital loss, rather than an ordinary loss, with respect to previously included OID that is not paid in full.

If the fair value of the consideration is not sufficient to fully satisfy all principal and interest on the Claims, the extent to which such consideration will be attributable to accrued but untaxed interest is uncertain. Under the Plan, the aggregate consideration to be distributed to U.S. Holders of Claims in each Class will be allocated first to the principal amount of Allowed Claims, with any excess allocated to untaxed interest that accrued on such Claims, if any. Certain legislative history indicates that an allocation of consideration as between principal and interest provided in a Chapter 11 plan of reorganization is binding for U.S. federal income tax purposes, while certain Treasury regulations treat payments as allocated first to any accrued but untaxed interest. The IRS could take the position that the consideration received by U.S. Holders should be allocated in some way other than as provided in the Plan. U.S. Holders should consult their own tax advisors regarding the proper allocation of the consideration received by them under the Plan between principal and accrued but untaxed interest.

b. Market Discount

Under the "market discount" provisions of the Tax Code, some or all of any gain realized by a U.S. Holder may be treated as ordinary income (instead of capital gain), to the extent of the amount of market discount on the debt constituting the exchanged Claim. In general, a debt instrument is considered to have been acquired with market discount if it is acquired other than on original issue and if the U.S. Holder's adjusted tax basis in such instrument is less than (i) the sum of all remaining payments to be made on the debt instrument, excluding "qualified stated interest," or (ii) in the case of a debt instrument issued with "original issue discount" ("OID"), its adjusted issue price, in each case, by at least a *de minimis* amount (equal to the product of 0.25% of the sum of all remaining payments to be made on the debt instrument, excluding qualified stated interest, and the number of remaining whole years to maturity).

Any gain recognized by a U.S. Holder on the taxable disposition of debt instruments that it acquired with market discount should be treated as ordinary income to the extent of the market discount that accrued thereon while such debt instruments were considered to be held by the U.S. Holder (unless such U.S. Holder elected to include market discount in income as it accrued). To the extent that the debt instruments that were acquired with market discount are exchanged in a tax-free transaction for other property, any market discount that accrued on such debt instruments (*i.e.*, up to the time of the exchange) but was not recognized by the U.S. Holder is carried over to the property received therefor and any gain recognized on the subsequent sale, exchange, redemption or other disposition of such property is treated as ordinary income to the extent of such accrued, but not recognized, market discount.

c. Acquisition Premium

If the Amended First Lien Credit Facility is not treated as a "contingent payment debt instrument" ("CPDI) and a U.S. Holder's initial tax basis in its interest in the Amended First Lien Credit Facility is less than or equal to the stated redemption price at maturity of such interest, but greater than the issue price of such interest, the U.S. Holder will be treated as acquiring the Amended First Lien Credit Facility at an "acquisition premium." Unless an election is made, the U.S. Holder generally will reduce the amount of OID otherwise includible in gross income for an accrual period by an amount equal to the amount of OID otherwise includible in gross income multiplied by a fraction, the numerator of which is the excess of the U.S. Holder's initial tax basis in its interest in the Amended First Lien Credit Facility over such interest's issue price and the denominator of which is the excess of the sum of all amounts payable on such interest over the interest's issue price.

d. Limitation on Use of Capital Losses

U.S. Holders who recognize capital losses as a result of the distributions under the Plan will be subject to limits on their use of capital losses. For U.S. Holders other than corporations, capital losses may be used to offset any capital gains (without regard to holding periods) plus ordinary income to the extent of the lesser of (i) $3,000 ($1,500 for married individuals filing separate returns), or (ii) the excess of the capital losses over the capital gains. Non-corporate U.S. Holders may carry over unused capital losses and apply them to capital gains and a portion of their ordinary income, through losses from the sale or exchange of capital assets may only be used to offset capital gains. For corporate U.S. Holders, capital losses may only be used to offset capital gains. U.S. Holders who have more capital losses than can be used in a tax year may be allowed to carry over the excess capital losses for use in succeeding tax years. For corporate U.S. Holders, unused capital losses may be carried forward for the five years following the capital loss year or carried back to the three years preceding the capital loss year. Non-corporate U.S. Holders may carry over unused capital losses for an unlimited number of years.

e. Net Investment Income Tax

Certain U.S. Holders that are individuals, estates or trusts are required to pay an additional 3.8% Medicare tax on "unearned" net investment income (*i.e.*., income received from, *inter alia*, the sale or other disposition of certain capital assets). Holders that are individuals, estates or trusts should consult their tax advisors regarding the effect, if any, of this tax provision on their ownership and disposition of any consideration to be received under the Plan.

6. *Consequences of Ownership and Disposition of the Amended First Lien Credit Facility*

a. Classification of the Amended First Lien Credit Facility

The U.S. federal income tax consequences of owning and disposing of the Amended First Lien Credit Facility depends in part on whether the Amended First Lien Credit Facility is treated as a CPDI under applicable Treasury regulations (the "CPD Regulations") and whether the Amended First Lien Credit Facility, or the First Lien Credit Facility for which it is exchanged, is traded on an established market for U.S. federal income tax purposes.

Because the Amended First Lien Credit Facility provides for one or more contingent payments (*i.e.*, the PIK toggle and excess cash flow sweep) and there is more than a remote likelihood that U.S. Holders of the Amended First Lien Credit Facility will receive one or more such payments, the Debtors expect to treat the Amended First Lien Credit Facility as a CPDI. The treatment of the Amended First Lien Credit Facility under the CPD Regulations depends on whether the face amount of the Amended First Lien Credit Facility will exceed its "issue price," which in turn depends on whether the Amended First Lien Credit Facility, or a substantial amount of the First Lien Credit Facility for which the Amended First Lien Credit Facility is exchanged, is traded on an established market.

The Amended First Lien Credit Facility will be treated as traded on an established market for U.S. federal income tax purposes only if such debt is traded on an established market during the 31-day period ending 15 days after the exchange date. Pursuant to applicable Treasury regulations, an "established market" need not be a formal market. The Amended First Lien Credit Facility will be considered trade on established market if (i) there is a price for an executed purchase or sale of the Amended First Lien Credit Facility that is reasonably available within a reasonable period of time after the sale; (ii) there is at least one price quote for the Amended First Lien Credit Facility from at least one reasonably identifiable broker, dealer or pricing service, which price quote is substantially the same as the price for which the person receiving the quoted price could purchase or sell the Amended First Lien Credit Facility (a "Firm Quote"); or (iii) there is at least one price quote for the Amended First Lien Credit Facility other than a Firm Quote, available from at least one such broker, dealer, or pricing service.

It is possible that the Amended First Lien Credit Facility will be treated for U.S. federal income tax purposes as traded on an established market. If so, the issue price of the Amended First Lien Credit Facility would equal its fair market value on the exchange date. If the Amended First Lien Credit Facility is not treated, but a substantial amount of the First Lien Credit Facility is treated, for U.S. federal income tax purposes as traded on an established market, the issue price of the Amended First Lien Credit Facility will equal the fair market value of such First Lien Credit Facility received in exchange therefor on the exchange date. If neither the Amended First Lien Credit Facility nor a substantial

amount of the First Lien Credit Facility is considered traded on an established market, the issue price for the Amended First Lien Credit Facility should be the stated principal amount of the Amended First Lien Credit Facility.

Whether or not the Debtors treat the Amended First Lien Credit Facility as traded on an established market, there can be no assurance that the IRS will not successfully assert a contrary position, in which event the consequences of the ownership and disposition of the Amended First Lien Credit Facility would materially differ from the discussion herein. The remainder of this discussion assumes that either the Amended First Lien Credit Facility or the First Lien Credit Facility will be treated as traded on an established market, that the Amended First Lien Credit Facility's issue price accordingly will be less than the face amount of the Amended First Lien Credit Facility, and that the Amended First Lien Credit Facility is not marketed or sold in substantial part to persons for whom the inclusion of interest under the CPD Regulations is not expected to have a substantial effect on their U.S. tax liability.

There is more than a remote likelihood that U.S. Holders of the Amended First Lien Credit Facility will receive payments pursuant to the excess cash flow sweep. This likelihood creates a contingency as to the timing of payments under the Amended First Lien Credit Facility (such that, depending on the timing of payments, the implied yield of the instrument could change), and it is assumed that it is expected that the face amount of the Amended First Lien Credit Facility will exceed its issue price. Although there remains some uncertainty as to the required treatment of timing contingencies due to an excess cash flow sweep in light of the fact that the CPD Regulations have reserved a place for the possible issuance of special rules with respect to the treatment of payments that are contingent only as to timing, a debt instrument subject to contingencies due to a PIK toggle, such as that provided for in the Amended First Lien Credit Facility, is *per se* considered a CPDI. Accordingly, the Debtors expect to treat the Amended First Lien Credit Facility as a CPDI.

The taxation of CPDIs is complex but, in general, the rules applicable to such instruments could require U.S. Holders to accrue ordinary income at a higher rate than the stated interest rate and the rate that would otherwise be imputed under the OID rules, and to treat as ordinary income (rather than capital gain) any gain recognized on the taxable disposition of their interests in the Amended First Lien Credit Facility. The remainder of this discussion assumes that the Debtors' determination that the Amended First Lien Credit Facility is a CPDI is correct. U.S. Holders should consult their own tax advisors regarding the application of the CPD Regulations to the Amended First Lien Credit Facility.

b. OID Calculations and Inclusions

Under the CPD Regulations, the Debtors must construct a projected payment schedule for the Amended First Lien Credit Facility. U.S. Holders of the Amended First Lien Credit Facility generally must recognize all interest income with respect to such debt on a constant yield basis at a rate determined based on the projected payment schedule for the Amended First Lien Credit Facility, subject to certain adjustments if actual contingent payments differ from those projected. In particular, the projected payment schedule generally will be determined by including each noncontingent payment and the "expected value" as of the issue date of each projected contingent payment of principal and interest on the Amended First Lien Credit Facility, adjusted as necessary so that the projected payments discounted at the "comparable yield" (which is the greater of the yield at which the Debtor would issue a fixed-rate debt instrument with terms and conditions similar to those of the Amended First Lien Credit Facility, as applicable, or the applicable federal rate) equals the issue price for the Amended First Lien Credit Facility.

The amount of interest that will be treated as accruing on the Amended First Lien Credit Facility during an accrual period is the product of the comparable yield and the Amended First Lien Credit Facility's "adjusted issue price" at the beginning of such accrual period. The adjusted issue price of the Amended First Lien Credit Facility will be the issue price of the Amended First Lien Credit Facility (determined as indicated above in Section XIII.B.6.a), increased by interest previously accrued on such debt (determined without adjustments for differences between the projected payment schedule and the actual payments on such debt), and decreased by the amount of any noncontingent payments and the projected amount of any contingent payments previously made on the Amended First Lien Credit Facility.

Except for adjustments made for differences between actual and projected payments, the amount of interest included in income by a U.S. Holder of the Amended First Lien Credit Facility is the portion that accrues while the respective Holder holds the Amended First Lien Credit Facility (with the amount attributable to each accrual period allocated ratably to each day in such period). If actual payments differ from projected payments, then the U.S. Holder

generally will be required in any given taxable year either to include additional interest in gross income (*i.e.*, where the actual payments exceed projected payments in such taxable year) or to reduce the amount of interest income otherwise accounted for on the Amended First Lien Credit Facility (*i.e.*, where the actual payments are less than the projected payments in such taxable year). If the negative adjustment exceeds the interest for the taxable year that otherwise would have been accounted for on the Amended First Lien Credit Facility, the excess will be treated as ordinary loss. However, the amount treated as an ordinary loss in any taxable year is limited to the amount by which the U.S. Holder's total interest inclusions on such Amended First Lien Credit Facility exceed the total amount of the net negative adjustments the U.S. Holder treated as ordinary loss on such debt in prior taxable years. Any remaining excess will be a negative adjustment carryforward and may be used to offset interest income in succeeding years. If the Amended First Lien Credit Facility is sold, exchanged or retired, any negative adjustment carryforward from the prior year will reduce the U.S. Holder's amount realized on the sale, exchange or retirement.

The yield, timing and amounts set forth on the projected payment schedules are for U.S. federal income tax purposes only and are not assurances by the Debtors with respect to any aspect of the Amended First Lien Credit Facility. After issuance, any U.S. Holder of the Amended First Lien Credit Facility may obtain the comparable yield, projected payment schedule, issue price, amount of OID and issue date for the Amended First Lien Credit Facility by writing to the Debtors. For U.S. federal income tax purposes, a U.S. Holder generally must use the Debtors' comparable yield and projected payment schedule for the Amended First Lien Credit Facility in determining the amount and accrual of OID on such debt unless such schedule is unreasonable and the U.S. Holder explicitly discloses in accordance with the CPD Regulations its differing position and why the Debtors' schedule is unreasonable. The IRS generally is bound by the Debtors' comparable yield and projected payment schedule unless either is unreasonable.

If either the Amended First Lien Credit Facility or the First Lien Credit Facility is not traded on an established market during the relevant period and the issue price of the Amended First Lien Credit Facility is not equal to their principal amount, and the Debtors determine as of the issue date of the Amended First Lien Credit Facility that a single payment schedule is significantly more likely than not to occur, the yield and maturity of the Amended First Lien Credit Facility will be determined based on that payment schedule pursuant to special rules under section 1.1272-1(c) of the Treasury Regulations (the "Alternative Payment Schedule Rules"). The Reorganized Debtors' determination that the Amended First Lien Credit Facility is subject to the Alternative Payment Schedule Rules would be binding on each U.S. Holder. The Reorganized Debtors' determination, however, is not binding on the IRS, and if the IRS were to challenge this determination, a U.S. Holder might be required to treat the Amended First Lien Credit Facility as subject to the CPD Regulations. The Debtors do not currently anticipate that a single payment schedule is significantly more likely than not to occur and, while not free from doubt, do not anticipate that the Alternative Payment Schedule Rules will apply.

c. Sale, Retirement or Other Taxable Disposition

A U.S. Holder of an interest in the Amended First Lien Credit Facility will recognize gain or loss upon the sale, redemption, retirement or other taxable disposition of such interest equal to the difference between the amount realized upon the disposition (less any portion allocable to accrued interest that has not yet been included in income by the U.S. Holder, which generally will be taxable as ordinary income) and the U.S. Holder's adjusted tax basis in such interest.

If the Amended First Lien Credit Facility is treated as a CPDI, gain or loss on the sale, redemption, retirement or other taxable disposition of an interest in the Amended First Lien Credit Facility generally will be subject to the following rules: (i) gain will be treated as interest income, taxable as ordinary income, (ii) loss will be treated as ordinary loss to the extent of the U.S. Holder's prior net OID inclusions with respect to its interest in the Amended First Lien Credit Facility, and (iii) any remaining loss will be treated as capital loss.

If the Amended First Lien Credit Facility is not treated as a CPDI then, subject to certain exceptions, any gain or loss on the sale, redemption, retirement or other taxable disposition of interests in the Amended First Lien Credit Facility generally will be capital gain or loss, and will be long-term capital gain or loss if the U.S. Holder has held its interest in the Amended First Lien Credit Facility for more than one year as of the date of disposition. U.S. Holders should consult their tax advisors regarding the applicable tax rates and netting rules for capital gains and losses. There are limitations on the deduction of capital losses by both corporate and noncorporate taxpayers.

C. U.S. Federal Income Tax Considerations for Non-U.S. Holders

The rules governing U.S. federal income taxation of a Non-U.S. Holder are complex. The following discussion includes only certain U.S. federal income tax consequences of the restructuring to Non-U.S. Holders. The discussion does not include any non-U.S. tax considerations. Non-U.S. Holders should consult with their own tax advisors to determine the effect of U.S. federal, state, and local tax laws, as well as any other applicable non-U.S. tax laws and/or treaties, with regard to their participation in the transactions contemplated by the Plan, their ownership of Claims, and the ownership and disposition of the Amended First Lien Credit Facility, New Common Interests, and other consideration, as applicable.

Whether a Non-U.S. Holder realizes gain or loss on the exchange and the amount of such gain or loss is determined in the same manner as set forth above in connection with U.S. Holders.

1. *Gain Recognition*

Any gain realized by a Non-U.S. Holder on the exchange of its Claim generally will not be subject to U.S. federal income taxation unless (a) the Non-U.S. Holder is an individual who was present in the United States for 183 days or more during the taxable year in which the restructuring transactions occur and certain other conditions are met or (b) such gain is effectively connected with the conduct by such Non-U.S. Holder of a trade or business in the United States (and if an income tax treaty applies, such gain is attributable to a permanent establishment maintained by such Non-U.S. Holder in the United States).

If the first exception applies, to the extent that any gain is taxable and does not qualify for deferral as described in Sections XIII.B.2–3 above, the Non-U.S. Holder generally will be subject to U.S. federal income tax at a rate of 30% (or at a reduced rate or exemption from tax under an applicable income tax treaty) on the amount by which such Non-U.S. Holder's capital gains allocable to U.S. sources exceed capital losses allocable to U.S. sources during the taxable year of the exchange. If the second exception applies, the Non-U.S. Holder generally will be subject to U.S. federal income tax with respect to any gain realized on the exchange if such gain is effectively connected with the Non-U.S. Holder's conduct of a trade or business in the United States in the same manner as a U.S. Holder. In order to claim an exemption from withholding tax, such Non-U.S. Holder will be required to provide a properly executed IRS Form W-8ECI (or such successor form as the IRS designates). In addition, if such Non-U.S. Holder is a corporation, it may be subject to a branch profits tax equal to 30% (or such lower rate provided by an applicable income tax treaty) of its effectively connected earnings and profits for the taxable year, subject to certain adjustments.

2. *Interest*

Payments to a Non-U.S. Holder that are attributable to interest (including OID), or to accrued but untaxed interest, generally will not be subject to U.S. federal income or withholding tax, provided that the withholding agent has received or receives, prior to payment, appropriate documentation (generally, IRS Form W-8BEN) establishing that the Non-U.S. Holder is not a U.S. person. Interest income will also include any gain from the sale, redemption, retirement or other taxable disposition of an interest in the Amended First Lien Credit Facility that is treated as interest income (discussed above in Section XIII.B.6.c). Interest income, however, may be subject to U.S. income or withholding tax if:

(i) the Non-U.S. Holder actually or constructively owns 10% or more of the total combined voting power of all classes of Reorganized Holdco's stock entitled to vote;

(ii) the Non-U.S. Holder is a "controlled foreign corporation" that is a "related person" with respect to Reorganized Holdco (each, within the meaning of the Tax Code);

(iii) the Non-U.S. Holder is not a bank receiving interest described in section 881(c)(3)(A) of the Tax Code; or

(iv) such interest is effectively connected with the conduct by the Non-U.S. Holder of a trade or business within the United States (in which case, provided the Non-U.S. Holder provides a properly executed IRS Form W-8ECI (or successor form) to the withholding agent, the Non-U.S. Holder (x) generally will not be

subject to withholding tax, but (y) will be subject to U.S. federal income tax in the same manner as a U.S. Holder (unless an applicable income tax treaty provides otherwise), and a Non-U.S. Holder that is a corporation for U.S. federal income tax purposes may also be subject to a branch profits tax with respect to such Non-U.S. Holder's effectively connected earnings and profits that are attributable to the accrued but untaxed interest at a rate of 30% (or at a reduced rate or exemption from tax under an applicable income tax treaty)).

A Non-U.S. Holder that does not qualify for exemption from withholding tax with respect to interest (including OID) or accrued but untaxed interest that is not effectively connected income generally will be subject to withholding of U.S. federal income tax at a 30% rate (or at a reduced rate or exemption from tax under an applicable income tax treaty) on payments that are attributable to such interest or accrued but untaxed interest. For purposes of providing a properly executed IRS Form W-8BEN, special procedures are provided under applicable Treasury regulations for payments through qualified foreign intermediaries or certain financial institutions that hold customers' securities in the ordinary course of their trade or business.

3. ***U.S. Federal Income Tax Consequences to Non-U.S. Holders of Owning and Disposing of New Common Interests***

a. Dividends on New Common Interests

Any distributions made with respect to New Common Interests will constitute dividends for U.S. federal income tax purposes to the extent of Reorganized Holdco's current or accumulated earnings and profits as determined under U.S. federal income tax principles. Except as described below, dividends paid with respect to New Common Interests held by a Non-U.S. Holder that are not effectively connected with a Non-U.S. Holder's conduct of a U.S. trade or business (or if an income tax treaty applies, are not attributable to a permanent establishment maintained by such Non-U.S. Holder in the United States) will be subject to U.S. federal withholding tax at a rate of 30% (or lower treaty rate or exemption from tax, if applicable). A Non-U.S. Holder generally will be required to satisfy certain IRS certification requirements in order to claim a reduction of or exemption from withholding under a tax treaty by filing IRS Form W-8BEN (or a successor form) upon which the Non-U.S. Holder certifies, under penalties of perjury, its status as a non-U.S. person and its entitlement to the lower treaty rate or exemption from tax with respect to such payments. Dividends paid with respect to New Common Interests held by a Non-U.S. Holder that are effectively connected with a Non-U.S. Holder's conduct of a U.S. trade or business (and if an income tax treaty applies, are attributable to a permanent establishment maintained by such Non-U.S. Holder in the United States) generally will be subject to U.S. federal income tax in the same manner as a U.S. Holder, and a Non-U.S. Holder that is a corporation for U.S. federal income tax purposes may also be subject to a branch profits tax with respect to such Non-U.S. Holder's effectively connected earnings and profits that are attributable to the dividends at a rate of 30% (or at a reduced rate or exemption from tax under an applicable income tax treaty).

b. Sale, Redemption, or Repurchase of New Common Interests

A Non-U.S. Holder generally will not be subject to U.S. federal income tax with respect to any gain realized on the sale or other taxable disposition (including a cash redemption) of New Common Interests, unless:

(i) such Non-U.S. Holder is an individual who is present in the United States for 183 days or more in the taxable year of disposition or who is subject to special rules applicable to former citizens and residents of the United States; or

(ii) such gain is effectively connected with such Non-U.S. Holder's conduct of a U.S. trade or business (and if an income tax treaty applies, such gain is attributable to a permanent establishment maintained by such Non-U.S. Holder in the United States); or

(iii) Reorganized Holdco is or has been during a specified testing period a "U.S. real property holding corporation" for U.S. federal income tax purposes.

If the first exception applies, the Non-U.S. Holder generally will be subject to U.S. federal income tax at a rate of 30% (or at a reduced rate or exemption from tax under an applicable income tax treaty) on the amount by which such

Non-U.S. Holder's capital gains allocable to U.S. sources exceed capital losses allocable to U.S. sources during the taxable year of disposition of New Common Interests. If the second exception applies, the Non-U.S. Holder generally will be subject to U.S. federal income tax with respect to such gain in the same manner as a U.S. Holder, and a Non-U.S. Holder that is a corporation for U.S. federal income tax purposes may also be subject to a branch profits tax with respect to earnings and profits effectively connected with a U.S. trade or business that are attributable to such gains at a rate of 30% (or at a reduced rate or exemption from tax under an applicable income tax treaty). The Debtors consider it unlikely that, based on current business plans and operations, Reorganized Holdco is or should become a "U.S. real property holding corporation" in the future.

4. *FATCA*

Under the Foreign Account Tax Compliance Act ("FATCA"), foreign financial institutions and certain other foreign entities must report certain information with respect to their U.S. account holders and investors or be subject to withholding on the receipt of "withholdable payments." For this purpose, "withholdable payments" are generally U.S.-source payments of fixed or determinable, annual or periodical income (including dividends, if any, on New Common Interests and interest on the Amended First Lien Credit Facility), and also include gross proceeds from the sale of any property of a type which can produce U.S. source interest or dividends (which would include New Common Interests and the Amended First Lien Credit Facility). FATCA withholding will apply even if the applicable payment would not otherwise be subject to U.S. federal nonresident withholding tax.

As currently proposed, FATCA withholding rules would apply to U.S.-source payments on obligations issued after July 1, 2014, and to payments of gross proceeds from the sale or other disposition of property of a type which can produce U.S.-source interest or dividends that occurs after December 31, 2016. Although administrative guidance and Treasury regulations have been issued, the exact scope of these rules remains unclear and potentially subject to material changes.

Each Non-U.S. Holder should consult its own tax advisor regarding the possible impact of these rules on such Non-U.S. Holder's ownership of New Common Interests.

D. Information Reporting and Withholding

All distributions to Holders of Claims under the Plan are subject to any applicable tax withholding, including employment tax withholding. Under U.S. federal income tax law, interest, dividends and other reportable payments may, under certain circumstances, be subject to "backup withholding" at the then-applicable withholding rate (currently 28%). Backup withholding generally applies if a Holder (i) fails to furnish its social security number or other taxpayer identification number ("TIN"), (ii) furnishes an incorrect TIN, (iii) fails properly to report interest or dividends, or (iv) under certain circumstances, fails to provide a certified statement, signed under penalty of perjury, that the TIN provided is its correct TIN and that it is a U.S. person not subject to backup withholding. Backup withholding is not an additional tax but merely an advance payment, which may be refunded to the extent it results in an overpayment of tax and if the appropriate information is supplied to the IRS. Certain Persons are exempt from backup withholding, including, in certain circumstances, corporations and financial institutions.

The foregoing summary has been provided for informational purposes only and does not discuss all aspects of U.S. federal income taxation that may be relevant to a particular Holder of a Claim in light of such Holder's circumstances and income tax situation. All Holders of Claims should consult with their tax advisors as to the particular tax consequences to them under the Plan, including the applicability and effect of any state, local, non-U.S. or other applicable tax laws.

XIV. CONCLUSION AND RECOMMENDATION

All Holders of Claims entitled to vote are urged to vote to accept the Plan and to evidence such acceptance by returning their Ballots so that they will actually be received by the Voting Deadline.

Dated: March 11, 2014

Respectfully submitted,

QCE Finance LLC
American Food Distributors LLC
QCE LLC
QAFT, Inc.
QFA Royalties LLC
QIP Holder LLC
Quiz-CAN LLC
Quizno's Canada Holding LLC
Quiznos Global LLC
Restaurant Realty LLC
National Marketing Fund Trust
The Regional Advertising Program Trust
The Quizno's Master LLC
The Quizno's Operating Company LLC
TQSC II LLC

By: */s/ Stuart K. Mathis*
Name: Stuart K. Mathis
Title: Chief Executive Officer

Exhibit A to Disclosure Statement

Plan of Reorganization

IN THE UNITED STATES BANKRUPTCY COURT
FOR THE DISTRICT OF DELAWARE

In re:	)	Chapter 11
QCE FINANCE LLC, *et al.*,[1]	)	Case No. 14-_____ ( )
Debtors.	)	Joint Administration Requested

DEBTORS' JOINT PREPACKAGED CHAPTER 11 PLAN OF REORGANIZATION

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Philip C. Dublin (*pro hac vice* admission pending)
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Dated: March 14, 2014

[1] The Debtors in these cases, along with the last four digits of each Debtor's federal tax identification number, are: QCE Finance LLC (7897); American Food Distributors LLC (8099); National Marketing Fund Trust (4951); QAFT, Inc. (6947); QCE LLC (2969); QFA Royalties LLC (2402); QIP Holder LLC (2353); Quiz-CAN LLC (7714); Quizno's Canada Holding LLC (3220); Quiznos Global LLC (2772); The Quizno's Master LLC (3148); The Quizno's Operating Company LLC (8945); The Regional Advertising Program Trust (2035); Restaurant Realty LLC (8293); and TQSC II LLC (8683). The Debtors' corporate headquarters are located at, and the mailing address for each Debtor is, 1001 17th Street, Suite 200, Denver, Colorado 80202.

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INTRODUCTION

QCE Finance LLC and certain of its direct and indirect subsidiaries, as debtors and debtors in possession in the above-captioned cases, propose the following joint plan of reorganization for the resolution of the outstanding Claims against, and Interests in, the Debtors. Reference is made to the Disclosure Statement (defined below), distributed contemporaneously herewith, for a discussion of (a) the Debtors' history, businesses, properties and operations, and projections for those operations, (b) a summary and analysis of the Plan, (c) the debt instruments, securities and other entitlements to be issued under the Plan and (d) certain matters related to the Confirmation and consummation of the Plan. Each of the Debtors is a proponent of the Plan within the meaning of Bankruptcy Code section 1129. Subject to certain restrictions and requirements set forth in Bankruptcy Code section 1127 and Bankruptcy Rule 3019, the Debtors reserve the right to alter, amend, modify, revoke or withdraw the Plan, subject to the terms of the Restructuring Support Agreement and the terms of the Plan.

ARTICLE I
DEFINITIONS AND RULES OF INTERPRETATION

A. Rules of Interpretation and Governing Law. For purposes of this document: (a) in the appropriate context, each term, whether stated in the singular or the plural, shall include both the singular and the plural, and pronouns stated in the masculine, feminine or neuter gender shall include the masculine, feminine and neuter gender; (b) any reference herein to a contract, lease, instrument, release, indenture or other agreement or document being in a particular form or on particular terms and conditions means that the referenced document shall be substantially in that form or substantially on those terms and conditions; (c) any reference herein to an existing document or exhibit having been filed or to be filed shall mean that document or exhibit, as it may thereafter be amended, modified or supplemented; (d) unless otherwise specified, all references herein to "Articles" are references to Articles hereof or hereto; (e) unless otherwise stated, the words ''herein,'' "hereof" and ''hereto'' refer to the Plan in its entirety rather than to a particular portion of the Plan; (f) captions and headings to Articles are inserted for convenience of reference only and are not intended to be a part of or to affect the interpretation hereof; (g) the rules of construction set forth in Bankruptcy Code section 102 shall apply; and (h) any term used in capitalized form herein that is not otherwise defined, but that is used in the Bankruptcy Code or the Bankruptcy Rules, shall have the meaning assigned to that term in the Bankruptcy Code or the Bankruptcy Rules, as the case may be.

Except to the extent that the Bankruptcy Code or Bankruptcy Rules apply, and subject to the provisions of any contract, lease, instrument, release, indenture or other agreement or document entered into expressly in connection herewith, the rights and obligations arising hereunder shall be governed by, and construed and enforced in accordance with, the laws of the state of Delaware, without giving effect to the principles of conflict of laws thereof.

B. Definitions. The following terms (which appear in the Plan as capitalized terms) shall have the meanings set forth below. A term used in the Plan and not defined in the Plan but that is defined in the Bankruptcy Code shall have the meaning set forth in the Bankruptcy Code.

1.1 "Administrative Expense Claim" means a Claim for costs and expenses of administration of the Chapter 11 Cases that is Allowed under Bankruptcy Code sections 503(b), 507(a), or 1114(e)(2), including, without limitation, (a) any actual and necessary expenses of preserving the Estates; (b) any actual and necessary expenses of operating the Debtors' business; (c) any actual indebtedness or obligations incurred or assumed by the Debtors during the pendency of the Chapter 11 Cases in connection with the conduct of their businesses; (d) any actual expenses necessary or appropriate to facilitate or effectuate the Plan; (e) any amount required to be paid under Bankruptcy Code section 365(b)(1) in connection with the assumption of executory contacts or unexpired leases; (f) all allowances of compensation or reimbursement of expenses to the extent allowed by the Bankruptcy Court under Bankruptcy Code sections 328, 330(a), 331 or 503(b)(2), (3), (4) or (5); (g) Claims arising under Bankruptcy Code section 503(b)(9); and (h) all fees and charges payable pursuant to section 1930 of title 28 of the United States Code.

1.2 "Agent Fee Claims" means unpaid and reasonable and documented fees and expenses incurred through the Effective Date of the First Lien Agent and the Second Lien Agent, including, in both cases, any professional fees.

1.3 "Allowed" means, with reference to any Claim or Interest, or any portion thereof, in any Class or category specified, against or of a Debtor, (a) a Claim or Interest that has been listed by such Debtor in the Schedules, as such Schedules may be amended by the Debtors from time to time in accordance with Bankruptcy Rule 1009, as liquidated in amount and not disputed or contingent and for which no contrary Proof of Claim has been filed; (b) a Claim or Interest for which a Proof of Claim has been timely filed in a liquidated amount and not contingent and as to which no objection to allowance, to alter priority, or request for estimation has been timely interposed and not withdrawn within the applicable period of limitation fixed by the Plan or applicable law; (c) a Claim or Interest as to which any objection has been settled, waived, withdrawn or denied by a Final Order to the extent such Final Order provides for the allowance of all or a portion of such Claim or Interest; or (d) a Claim or Interest that is expressly allowed (i) pursuant to a Final Order, (ii) pursuant to an agreement between the Holder of such Claim or Interest and the Debtors or the Reorganized Debtors, as applicable or (iii) pursuant to the terms of the Plan. Unless otherwise specified in the Plan or in an order of the Bankruptcy Court allowing such Claim or Interest, "Allowed" in reference to a Claim shall not include (a) any interest on the amount of such Claim accruing from and after the Petition Date; (b) any punitive or exemplary damages; or (c) any fine, penalty or forfeiture. Any Claim listed in the Schedules as disputed, contingent, or unliquidated, and for which no Proof of Claim has been timely filed, is not considered Allowed and shall be expunged without further action and without any further notice to or action, order, or approval of the Bankruptcy Court.

1.4 "Allowed Claim" means a Claim or any portion thereof, without duplication, that has been Allowed.

1.5 "Allowed Interest" means an Interest or any portion thereof, without duplication, that has been Allowed.

1.6 "Amended Corporate Governance Documents" means the Amended Operating Agreement and any amended certificates of formation, bylaws, or other operating agreements as may be necessary for the Reorganized Debtors, which shall be in form and substance reasonably acceptable to the Debtors and the Requisite Consenting Parties and substantially final forms of which shall be included in the Plan Supplement.

1.7 "Amended First Lien Credit Agreement" means that certain Amended and Restated Credit Agreement, dated as of the Effective Date (as may be further amended from time to time), among Reorganized Holdco, as borrower, the lenders party thereto, Wilmington Trust, National Association, as administrative agent, and any and all other loan documents evidencing obligations of the Reorganized Debtors and the Non-Debtor Guarantor arising thereunder, including any and all guaranty, security and collateral documents, the terms of which shall be materially consistent with the terms as set forth in the Restructuring Support Agreement, and the form and substance of which shall be acceptable to the Debtors and the Requisite Consenting First Lien Lenders.

1.8 "Amended First Lien Credit Facility" means the First Lien Credit Facility as amended and restated in its entirety as of the Effective Date with an aggregate principal amount outstanding of $200 million on the terms and conditions set forth in the Amended First Lien Credit Agreement.

1.9 "Amended Marketing Fund Trusts Credit Agreement" means that certain Amended and Restated Marketing Fund Trusts Credit Agreement, dated as of the Effective Date (as may be further amended from time to time), among Reorganized QAFT, solely in its capacity as Trustee for the Reorganized Marketing Fund Trusts, as borrower, the lenders party thereto, and Vectra, as administrative agent, and any and all other loan documents evidencing the obligations of the Reorganized Marketing Fund Trust Debtors arising thereunder, including any and all guaranty, security and collateral documents, the terms of which shall be materially consistent with the terms as set forth in Annex A attached hereto and the form and substance of which shall be reasonably acceptable to the Debtors, Vectra and the Requisite Consenting First Lien Lenders.

1.10 "Amended Marketing Fund Trusts Credit Facility" means the Marketing Fund Trusts Credit Facility as it will be amended and restated in its entirety as of the Effective Date, on the terms and conditions set forth in the Amended Marketing Fund Trusts Credit Agreement.

1.11 "Amended Operating Agreement" means the amended and restated limited liability company agreement with respect to Reorganized Holdco, which shall be in form and substance reasonably acceptable to the Debtors and the Requisite Consenting Parties.

1.12 "Article" means any article of the Plan.

1.13 "Avenue" means certain controlled affiliates, managed accounts or funds of Avenue Capital Management II, L.P. that are Holders of Claims against or Interests in the Debtors.

1.14 "Avenue and Fortress Advisor Fee Claims" means unpaid and reasonable and documented fees and expenses incurred through the Effective Date of Skadden Arps Slate Meagher & Flom, O'Melveny & Myers LLP, Rothschild Inc. and one local counsel for the Consenting Avenue and Fortress Entities.

1.15 "Avoidance Actions" means any and all actual or potential claims and causes of action to avoid a transfer of property or an obligation incurred by the Debtors pursuant to any applicable Bankruptcy Code section, including Bankruptcy Code sections 502, 510, 542, 544, 545, 547 through 553, and 724(a) or under similar or related state or federal statutes and common law, including fraudulent transfer laws.

1.16 "Bankruptcy Code" means title 11 of the United States Code, as now in effect or hereafter amended.

1.17 "Bankruptcy Court" means the United States Bankruptcy Court for the District of Delaware having jurisdiction over the Chapter 11 Cases and, to the extent of any withdrawal of the reference made pursuant to section 157 of title 28 of the United States Code, the unit of such District Court pursuant to section 151 of title 28 of the United States Code.

1.18 "Bankruptcy Rules" means (a) the Federal Rules of Bankruptcy Procedure promulgated under section 2075 of title 28 of the United States Code and (b) the general and local rules of the Bankruptcy Court, as now in effect or hereafter amended.

1.19 "Business Day" means any day other than a Saturday, Sunday, or "legal holiday" as such term is defined in Bankruptcy Rule 9006(a).

1.20 "Cash" means cash and cash equivalents, in legal tender of the United States of America.

1.21 "Causes of Action" means all actions, causes of action (including Avoidance Actions), liabilities, obligations, rights, suits, debts, damages, judgments, remedies, demands, setoffs, defenses, recoupments, crossclaims, counterclaims, third-party claims, indemnity claims, contribution claims or any other claims whatsoever, in each case held by the Debtors or any of the Debtors, whether disputed or undisputed, suspected or unsuspected, foreseen or unforeseen, direct or indirect, choate or inchoate, existing or hereafter arising, in law, equity or otherwise, based in whole or in part upon any act or omission or other event occurring prior to the Petition Date or during the course of the Chapter 11 Cases, including through the Effective Date.

1.22 "Chapter 11 Cases" means (a) when used with reference to a particular Debtor, the chapter 11 case filed for that Debtor under chapter 11 of the Bankruptcy Code in the Bankruptcy Court and (b) when used with reference to all Debtors, the jointly administered chapter 11 cases for all of the Debtors.

1.23 "Claim" means "claim" as defined in Bankruptcy Code section 101(5), as supplemented by Bankruptcy Code section 102(2), against any of the Debtors, whether or not asserted.

1.24 "Claims and Noticing Agent" means Prime Clerk LLC, employed by the Debtors as the official claims, noticing, and balloting agent in the Chapter 11 Cases pursuant to an order of the Bankruptcy Court.

1.25 "Claims Objection Deadline" means the first Business Day that is one hundred and twenty (120) days after the Effective Date, or such other later date that the Bankruptcy Court may establish upon a

motion by the Reorganized Debtors, which motion may be approved without a hearing and without notice to any party.

1.26 "Class" means each category of Holders of Claims or Interests established under Article II of the Plan pursuant to Bankruptcy Code section 1122.

1.27 "Company Specified Litigation Claims" means those Specified Litigation Claims held by the Debtors and/or Reorganized Debtors against the Specified Litigation Parties.

1.28 "Company Specified Litigation Proceeds" means the Specified Litigation Proceeds allocable to the Debtors or Reorganized Debtors in the First Round Specified Litigation Proceeds Distribution and the Second Round Specified Litigation Proceeds Distribution.

1.29 "Confirmation" means the entry, within the meaning of Bankruptcy Rules 5003 and 9021, of the Confirmation Order by the Bankruptcy Court.

1.30 "Confirmation Date" means the date upon which Confirmation occurs.

1.31 "Confirmation Hearing" means the hearing held by the Bankruptcy Court pursuant to Bankruptcy Code section 1128 to consider confirmation of the Plan, as such hearing may be adjourned or continued from time to time.

1.32 "Confirmation Order" means the order of the Bankruptcy Court confirming the Plan pursuant to Bankruptcy Code section 1129.

1.33 "Consenting Avenue and Fortress Entities" means the Consenting Second Lien Lenders and the Consenting Existing Equity Holders.

1.34 "Consenting Existing Equity Holders" means Avenue and Fortress in their capacity as Holders of Holdco Interests.

1.35 "Consenting First Lien Lenders Advisor Fee Claims" means unpaid and reasonable and documented fees and expenses incurred through the Effective Date of Milbank Tweed Hadley & McCloy LLP, Houlihan Lokey Capital, Inc. and local counsel for the Consenting First Lien Lenders.

1.36 "Consenting First Lien Lenders" means (a) Oaktree Capital Management L.P , (b) Caspian Capital LP and (c) MSD Credit Opportunity Master Fund, L.P., and each of their respective controlled affiliates, managed accounts or funds that are Holders of First Lien Facility Claims.

1.37 "Consenting Parties" means the Consenting First Lien Lenders and the Consenting Avenue and Fortress Entities.

1.38 "Consenting Second Lien Lenders" means Avenue and Fortress in their capacity as Second Lien Lenders.

1.39 "Creditors Committee" means, if one is appointed, the official committee of unsecured creditors appointed by the U.S. Trustee pursuant to Bankruptcy Code section 1102(a), as it may be reconstituted from time to time.

1.40 "Debtors" means, collectively, QCE Finance LLC; American Food Distributors LLC; QAFT, Inc.; Quiznos Global LLC; QCE LLC; QFA Royalties LLC; QIP Holder LLC; Quiz-CAN LLC; Quizno's Canada Holding LLC; Restaurant Realty LLC; National Marketing Fund Trust; Regional Advertising Program Trust; The Quizno's Master LLC; The Quizno's Operating Company LLC; and TQSC II LLC.

1.41 "Deferred Compensation Plans" means collectively (a) The QCE LLC Key Management Wealth Building Program, restated effective as of January 1, 2009; (b) The Quizno's Master LLC Amended Director, Advisor and Executive SAR and Deferred Compensation Plan, effective as of December 1, 2000 (as restated January 1, 2003); and (c) The Quizno's Corporation Deferred Bonus Plan, effective as of October 1, 2001, each as may be further amended, restated, supplemented or modified from time to time.

1.42 "DIP Agent" means Wilmington Trust, National Association, in its capacity as administrative agent and collateral agent for the DIP Facility.

1.43 "DIP Credit Agreement" means that certain Debtor In Possession Credit Agreement, dated as of March [ ], 2014, among the Debtors, the DIP Agent, and the DIP Lenders and any and all other loan documents evidencing obligations of the Debtors arising thereunder, including any and all guaranty, security and collateral documents.

1.44 "DIP Facility" means the $15 million debtor in possession credit facility established pursuant to the DIP Credit Agreement.

1.45 "DIP Facility Claims" means the Claims of the DIP Agent and the DIP Lenders arising under the DIP Credit Agreement and the DIP Facility Order.

1.46 "DIP Facility Order" means, as applicable, the interim and final order(s) of the Bankruptcy Court authorizing the Debtors to enter into and make borrowings under the DIP Credit Agreement, and granting certain rights, protections and liens to and for the benefit of the DIP Lenders.

1.47 "DIP Lenders" means the lenders and financial institutions from time to time party to the DIP Facility and defined as "Lenders" thereunder.

1.48 "Disclosure Statement" means the disclosure statement for the Plan, including, without limitation, all exhibits and schedules thereto, as amended, supplemented or modified from time to time, that was prepared and distributed those creditors entitled to vote on the Plan in accordance with Bankruptcy Code section 1126(b), Bankruptcy Rule 3018, and other applicable law.

1.49 "Disputed" means, with respect to any Claim or Interest, any (a) Claim that is listed on the Schedules as unliquidated, disputed or contingent; (b) Claim or Interest as to which the Debtors or any other party in interest have interposed a timely objection or request for estimation in accordance with the Bankruptcy Code, the Bankruptcy Rules and any orders of the Bankruptcy Court or which is otherwise disputed by the Debtors in accordance with applicable law, which objection, request for estimation or dispute has not been withdrawn or determined by a Final Order; (c) any Claim evidenced by a Proof of Claim which amends a Claim scheduled by the Debtors as contingent, unliquidated, or disputed; or (d) any Claim or Interest that is not an Allowed Claim or Allowed Interest.

1.50 "Disputed Agent Fee Claim" means the portion of any Agent Fee Claims that may be disputed by the Debtors or Reorganized Debtors.

1.51 "Disputed Avenue and Fortress Advisor Fee Claim" means the portion of any Avenue and Fortress Advisor Fee Claims that may be disputed by the Debtors or Reorganized Debtors.

1.52 "Disputed Consenting First Lien Lender Advisor Fee Claim" means the portion of any Consenting First Lien Lender Advisor Fee Claim that may be disputed by the Debtors or Reorganized Debtors.

1.53 "Distribution Date" means the date upon which the initial distributions will be made to certain Holders of Allowed Claims pursuant to Article 7.1 of the Plan.

1.54 "Distribution Record Date" means the Confirmation Date.

1.55 "Distribution Reserves" means the Proceeds Distribution Reserve and the Remaining Equity Issuance Reserve.

1.56 "E&O and D&O Insureds" has the meaning set forth in Article 5.9 of the Plan.

1.57 "Effective Date" means the date on which the Plan shall take effect, which date shall be a Business Day on or after the Confirmation Date on which (a) no stay of the Confirmation Order is in effect and (b) the conditions to the effectiveness of the Plan specified in Article 8.1 of the Plan have been satisfied, or if capable of being waived, waived in accordance with the terms of the Plan.

1.58 "Employee Benefits Programs" has the meaning set forth in Article 5.8 of the Plan.

1.59 "Estate" means, as to each Debtor, the estate created for that Debtor in its Chapter 11 Case pursuant to Bankruptcy Code section 541.

1.60 "Estimated Amount" has the meaning set forth in Article 6.2 of the Plan.

1.61 "Exculpated Parties" means, collectively: (a) the Consenting First Lien Lenders; (b) the First Lien Agent; (c) the Consenting Second Lien Lenders; (d) the Second Lien Agent; (e) the Consenting Existing Equity Holders; (f) Vectra; (g) the DIP Agent; (h) the DIP Lenders; and (i) with respect to the foregoing entities in clauses (a) through (h), their respective current and former equityholders, affiliates, subsidiaries, officers, directors, principals, members, managers, employees, funds, agents, financial advisors, attorneys, accountants, investment bankers, consultants, representatives, and other professionals; and (j) the Debtors' and Non-Debtor Affiliates' respective current officers, directors, principals, members, employees, agents, financial advisors, attorneys, accountants, investment bankers, consultants, representatives, and other professionals of the Debtors that served in such capacities during the Chapter 11 Cases.

1.62 "Exhibit" means an exhibit annexed to the Plan, to any Plan Supplement, or to the Disclosure Statement.

1.63 "Final Order" means (a) an order or judgment of the Bankruptcy Court or any other court or adjudicative body as to which the time to appeal, petition for certiorari, or move for reargument or rehearing has expired and as to which no appeal, petition for certiorari, or other proceedings for reargument or rehearing shall then be pending, or (b) in the event that an appeal, writ of certiorari, reargument, or rehearing thereof has been taken or sought, such order of the Bankruptcy Court or any other court or adjudicative body shall have been affirmed by the highest court to which such order was appealed, or certiorari has been denied, or from which reargument or rehearing was sought, and the time to take any further appeal, petition for certiorari or move for reargument or rehearing shall have expired; provided, that no order shall fail to be a Final Order solely because of the possibility that a motion pursuant to Bankruptcy Code section 502(j), Rule 59 or Rule 60 of the Federal Rules of Civil Procedure or Bankruptcy Rule 9024 may be filed with respect to such order.

1.64 "First Lien Agent" means Wilmington Trust, National Association as successor administrative agent under the First Lien Credit Agreement, and its successors and assigns.

1.65 "First Lien Credit Agreement" means that certain Amended and Restated Credit Agreement, originally dated as of May 5, 2006 and amended and restated as of January 24, 2012, among QCE LLC, as borrower, Holdco, the lenders party thereto, Goldman Sachs Credit Partners L.P., as administrative agent, Deutsche Bank Securities Inc., as syndication agent, and Credit Suisse Securities (USA) LLC, Wachovia Bank, N.A., and BNP Paribas Securities Corp., as co-documentation agents (as amended, supplemented, or modified from time to time) and any and all other loan documents evidencing obligations of the Debtors and the Non-Debtor Guarantor arising thereunder, including any and all guaranty, security and collateral documents.

1.66 "First Lien Credit Facility" means that term loan credit facility provided by the First Lien Credit Agreement.

1.67 "First Lien Distribution" means (i) the rights of the First Lien Lenders under the Amended First Lien Credit Facility and (ii) 100% of the New Common Interests issued as of the Effective Date, subject to dilution by any New Common Interests issued under the New Management Equity Incentive Plan or by the Remaining Equity to be distributed to Holders of Allowed Unsecured Claims that make the Stock in Lieu Election.

1.68 "First Lien Facility Claims" means the First Lien Facility Secured Claims and the First Lien Facility Deficiency Claims.

1.69 "First Lien Facility Guarantor" means any Debtor or Non-Debtor Guarantor that has guaranteed the obligations of QCE LLC under the First Lien Credit Agreement.

1.70 "First Lien Facility Secured Claims" means any and all Secured Claims for principal and interest of the First Lien Lenders against any of the Debtors or the Non-Debtor Guarantor arising under or relating to the First Lien Credit Agreement, including the First Lien Facility Guaranty Secured Claims.

1.71 "First Lien Facility Deficiency Claims" means any and all Unsecured Claims for principal and interest of the First Lien Lenders against any of the Debtors or the Non-Debtor Guarantor, arising under or relating to the First Lien Credit Agreement, including the First Lien Facility Guaranty Deficiency Claims.

1.72 "First Lien Facility Guaranty Secured Claims" means any and all Secured Claims for principal and interest of the First Lien Lenders against any First Lien Facility Guarantor arising under or relating to the First Lien Credit Agreement.

1.73 "First Lien Facility Guaranty Deficiency Claims" means any and all Unsecured Claims for principal and interest of the First Lien Lenders against any First Lien Facility Guarantor arising under or relating to the First Lien Credit Agreement.

1.74 "First Lien Lenders" means the financial institutions or other Persons that are lenders under the First Lien Credit Agreement.

1.75 "First Round Specified Litigation Proceeds Distribution" has the meaning as set forth in Article 4.5(b) of the Plan.

1.76 "Former D&O Indemnification Claim" means any Claim for indemnification, advancement and/or reimbursement of Greg MacDonald, Dennis Smythe and former directors, officers, members, managers or employees and agents of the Debtors, serving only prior to January 24, 2012, arising from indemnification and/or reimbursement provisions in place at the commencement of the Chapter 11 Cases, whether in the certificates of incorporation, codes of regulation, bylaws, limited liability company agreements, operating agreements, limited liability partnership agreements, any other organizational documents, board resolutions, or contracts, or otherwise.

1.77 "Fortress" means certain controlled affiliates, managed accounts or funds of Fortress Investment Group that are Holders of Claims against or Interests in the Debtors.

1.78 "Holdco" means QCE Finance LLC.

1.79 "Holdco Interests" means any and all Interests in Holdco.

1.80 "Holder" means a holder of a Claim against or Interest in a Debtor.

1.81 "Impaired" means impaired within the meaning of Bankruptcy Code section 1124.

1.82 "Indemnity Obligations" has the meaning set forth in Article 5.9 of the Plan.

1.83 "Insurance Coverage" has the meaning set forth in Article 5.9 of the Plan.

1.84 "Intercompany Claim" means any Claim held by a Debtor or any Non-Debtor Affiliate against any Debtor; provided, however, that a Joint Venture Claim is not an Intercompany Claim.

1.85 "Intercompany Interest" means Interests in any Debtor held by another Debtor.

1.86 "Interest" means any equity security in the Debtors represented by any issued outstanding common interests, preferred interests, or other instrument evidencing an ownership interest prior to the Effective Date, whether or not transferable, and any option, warrant, or right, contractual or otherwise, to acquire, sell or subscribe for any such interest and whether certificated or not certificated.

1.87 "Joint Venture Claim" means any Claim held or asserted by or on behalf of Seattle Area Directorship II LLC against any Debtor.

1.88 "Lease Promissory Note" means that certain Subordinated Unsecured Promissory Note, dated January 24, 2012, between QCE LLC, as maker, and MG 1005 LLC, as payee, in the principal amount of $3,625,000.000, with a maturity date of May 31, 2019.

1.89 "Lease Promissory Note Claim" means any Unsecured Claim against QCE LLC arising from or relating to the Lease Promissory Note

1.90 "Legal Expense Reimbursement" has the meaning as set forth in Article 4.5(b) of the Plan.

1.91 "Lien" has the meaning set forth in Bankruptcy Code section 101(37).

1.92 "Marketing Fund Trusts" means the National Marketing Fund Trust and the Regional Advertising Program Trust.

1.93 "Marketing Fund Trusts Credit Agreement" means that certain Credit Agreement, dated as of September 26, 2007, among QAFT, solely in its capacity as Trustee for the Marketing Fund Trusts, as borrowers, the lenders party thereto, and Vectra, as administrative agent (as amended, supplemented, or modified from time to time) and any and all other loan documents evidencing obligations of the Debtors arising thereunder, including any and all guaranty, security and collateral documents.

1.94 "Marketing Fund Trusts Debtors" means QAFT and the Marketing Fund Trusts.

1.95 "Marketing Fund Trusts Facility Claims" means the Marketing Fund Trusts Facility Secured Claim and the Marketing Fund Trusts Facility Guaranty Claim.

1.96 "Marketing Fund Trusts Facility Guarantor" means QCE LLC as guarantor of the obligations of the Marketing Fund Trusts under the Marketing Fund Trusts Credit Agreement.

1.97 "Marketing Fund Trusts Facility Guaranty Claim" means any and all claims of Vectra against the Marketing Fund Trusts Facility Guarantor for obligations arising under or related to the Marketing Fund Trusts Credit Agreement.

1.98 "Marketing Fund Trusts Facility Secured Claim" means the Secured Claim of Vectra against the Marketing Fund Trusts arising under or relating to the Marketing Fund Trusts Credit Agreement.

1.99 "National Marketing Fund Trust" means that certain trust as established pursuant to that certain Restated Declaration of Trust of the National Marketing Fund Trust, effective June 17, 2005, as amended by the Amendment to the Restated Declaration of Trust of the National Marketing Fund Trust.

1.100 "New Board Member" means a member of the New Board of Managers appointed as of the Effective Date.

1.101 "New Board of Managers" means the board of managers of Reorganized Holdco.

1.102 "New Common Interests" means the common interests in Reorganized Holdco which, as of the Effective Date, shall consist of 1,000,000 common interests issued under Article 4.3(a) Plan.

1.103 "New Delayed-Draw Term Facility" means the revolving delayed draw facility on the terms and conditions terms set forth in the New Delayed-Draw Term Facility Agreement.

1.104 "New Delayed-Draw Term Facility Agreement" means that certain credit agreement, dated as of the Effective Date, by and among the Reorganized Debtors and the Consenting First Lien Lenders, together with all documents, instruments and agreements executed in connection therewith or related thereto, for the provision of the New Delayed-Draw Term Facility, the terms of which shall be materially consistent with the terms as set forth in the Restructuring Support Agreement and the form and substance of which shall be acceptable to the Debtors and the Requisite Consenting First Lien Lenders.

1.105 "New Management Equity Incentive Plan" means an equity incentive plan, option plan, unit plan, restricted equity incentive plan or other similar management incentive award plan which shall provide for grants of options and/or restricted units/equity reserved for management, directors, and employees. The amount, form, exercise price, allocation and vesting of such equity-based awards, and any limitations thereon, shall be determined and approved by the New Board of Managers and implemented after the Effective Date; provided, however, that such terms shall be materially consistent with the terms as set forth in the Restructuring Support Agreement.

1.106 "Non-Debtor Affiliates" means Canada Food Distribution Company, the Seattle Area Directorship II LLC, QCE Gift Card LLC, Quizmark LLC, Quiz-DIA LLC, Quizno's Canada Advertising Fund Inc., Quizno's Canada Operating Company Inc., Quizno's Canada Restaurant Corporation and Quizno's Canada Real Estate Corporation.

1.107 "Non-Debtor Guarantor" means Quiz-DIA LLC.

1.108 "Non-Legal Expense Reimbursement" has the meaning as set forth in Article 4.5(b) of the Plan.

1.109 "Officers' Employment Agreements" mean the agreements that govern the terms of the employment relationship between the Debtors and the current officers of the Debtors.

1.110 "Other Secured Claim" means a Claim, other than a First Lien Facility Secured Claim, Marketing Fund Trusts Facility Secured Claim, DIP Facility Claim, or Priority Tax Claim that is secured by a valid, perfected and enforceable Lien on property in which a Debtor's Estate has an interest or that is subject to setoff under Bankruptcy Code section 553, to the extent of the value of the Claim Holder's interest in the applicable Estate's interest in such property or to the extent of the amount subject to setoff, as applicable, as determined by a Final Order of the Bankruptcy Court pursuant to Bankruptcy Code section 506(a).

1.111 "Person" means any person, including, without limitation, any individual, partnership, joint venture, venture capital fund, association, corporation, union, limited liability company, limited liability partnership, unlimited liability company, trust, trustee, executor, administrator, legal personal representative, estate, group, unincorporated association or organization or governmental unit.

1.112 "Petition Date" means March [14], 2014.

1.113 "Plan" means this chapter 11 plan (including the Plan Supplement), either in its present form or as it may be altered, amended, modified or supplemented from time to time in accordance herewith, the Bankruptcy Code and the Bankruptcy Rules, subject to the terms of the Restructuring Support Agreement.

1.114 "Plan Supplement" means the compilation of documents and forms of documents, schedules and exhibits to the Plan, to be filed no later than seven (7) days prior to the deadline for objections to the Plan as established by the Bankruptcy Court, as amended, supplemented, or modified from time to time in accordance with the terms of the Plan, the Restructuring Support Agreement, the Bankruptcy Code and the Bankruptcy Rules, including: (a) to the extent known, the identity of the members of the New Board of Managers and the nature and compensation for any New Board Member who is an "insider" under Bankruptcy Code section 101(31); (b) the Schedule of Rejected Executory Contracts and Unexpired Leases; (c) Schedule of Proposed Cure Amounts; (d) a schedule of the Retained Causes of Action; (e) the applicable Amended Corporate Governance Documents; (f) the Amended First Lien Credit Agreement; (g) the Amended Marketing Fund Trusts Credit Agreement; (h) the New Delayed-Draw Term Facility Agreement and (h) the Specified Litigation Agreement.

1.115 "Plan Support Releasing Parties" means, collectively, (a) the Consenting First Lien Lenders; (b) the First Lien Agent; (c) the Consenting Second Lien Lenders; (d) the Second Lien Agent; (e) the Consenting Existing Equity Holders; (f) Vectra; (g) the DIP Agent; (h) the DIP Lenders; and (i) the Creditors Committee and the members of the Creditors Committee.

1.116 "Priority Non-Tax Claims" means a Claim to the extent that it is of the kind described in, and entitled to priority under, Bankruptcy Code section 507(a)(3), (4), (5) or (6), but other than any Priority Tax Claim.

1.117 "Priority Tax Claim" means a Claim to the extent that it is of the kind described in, and entitled to priority under, Bankruptcy Code section 507(a)(8).

1.118 "Proceeds Distribution Reserve" has the meaning set forth in Article 6.2 of the Plan.

1.119 "Professional" means (a) any professional employed in these Chapter 11 Cases pursuant to Bankruptcy Code sections 327, 328 or 1103 and (b) any professional or other entity seeking compensation or reimbursement of expenses in connection with the Chapter 11 Cases pursuant to Bankruptcy Code section 503(b)(4).

1.120 "Professional Fee Claims" means Administrative Expense Claims of a Professional for compensation for services rendered or reimbursement of costs, expenses, or other charges incurred on or after the Petition Date and prior to and including the Effective Date.

1.121 "Proof of Claim" means a proof of claim filed by a Holder of a Claim against any Debtor (as may be amended and supplemented from time to time pursuant to the Bankruptcy Code or Bankruptcy Rules) on or before the applicable Claims bar date, or such other time as may be permitted by the Bankruptcy Court or agreed to by the Debtors.

1.122 "Pro Rata" means the proportion by dollar amount that an Allowed Claim in a particular Class bears to the aggregate dollar amount of Allowed Claims in that Class, or the proportion by dollar amount that an Allowed Claim entitled to share in the same recovery as other Allowed Claims bears to the aggregate dollar amount of Allowed Claims entitled to share in that same recovery under the Plan.

1.123 "QAFT" means QAFT, Inc.

1.124 "Regional Advertising Program Trust" means that certain trust as established pursuant to the Restated Declaration of Trust of the Regional Advertising Program Trust, effective June 17, 2005, as amended by the Amendment to the Restated Declaration of Trust of the Regional Advertising Program Trust.

1.125 "Reinstated" means (a) leaving unaltered the legal, equitable and contractual rights to which a Claim or Interest entitles the Holder of such Claim or Interest so as to leave such Claim or Interest

Unimpaired, or (b) notwithstanding any contractual provision or applicable law that entitles the Holder of such Claim or Interest to demand or receive accelerated payment of such Claim or Interest after the occurrence of a default, (i) curing any such default that occurred before or after the Petition Date, other than a default of a kind specified in Bankruptcy Code section 365(b)(2), (ii) reinstating the maturity of such Claim or Interest as such maturity existed before such default, (iii) compensating the Holder of a Claim or Interest for any damages incurred as a result of any reasonable reliance by such Holder of a Claim or Interest on such contractual provision or such applicable law, and (iv) not otherwise altering the legal, equitable, or contractual rights to which such Claim or Interest entitles the Holder of such Claim or Interest.

1.126 "Released Party" means, each of: (a) the Consenting First Lien Lenders; (b) the First Lien Agent; (c) the Consenting Second Lien Lenders; (d) the Second Lien Agent; (e) the Consenting Existing Equity Holders; (f) Vectra; (g) the DIP Agent; (h) the DIP Lenders; (i) with respect to the foregoing entities in clauses (a) through (h), their respective current and former equityholders, affiliates, subsidiaries, officers, directors, principals, members, managers, employees, funds, agents, financial advisors, attorneys, accountants, investment bankers, consultants, representatives, and other professionals; (j) the Non-Debtors Affiliates and (k) the Debtors' and the Non-Debtor Affiliates' respective current and former officers, directors, principals, members, employees, agents, financial advisors, attorneys, accountants, investment bankers, consultants, representatives, and other professionals that served in such capacities during the Chapter 11 Cases; provided, however, that no Specified Litigation Party shall constitute a Released Party, nor shall any Holder of a Former D&O Indemnification Claim constitute a Released Party.

1.127 "Remaining Equity" means 30% of the New Common Interests reserved as of the Effective Date (subject to dilution by any New Common Interests issued under the New Management Equity Incentive Plan) that shall be distributable to the Holders of Allowed Unsecured Claims that make the Stock in Lieu Election.

1.128 "Remaining Equity Issuance Reserve" has the meaning set forth in Article 6.2 of the Plan.

1.129 "Reorganized Debtors" means, on and after the Effective Date, collectively, all of the Debtors that are reorganized under and pursuant to the Plan.

1.130 "Reorganized Holdco" means, on and after the Effective Date, Holdco as reorganized under and pursuant to the Plan.

1.131 "Reorganized Marketing Fund Trusts" means, on and after the Effective Date, the Marketing Fund Trusts as reorganized under and pursuant to the Plan.

1.132 "Reorganized QAFT" means, on and after the Effective Date, QAFT as reorganized under and pursuant to the Plan.

1.133 "Requisite Consenting Existing Equity Holders" has the meaning set forth in the Restructuring Term Sheet.

1.134 "Requisite Consenting First Lien Lenders" has the meaning set forth in the Restructuring Support Agreement.

1.135 "Requisite Consenting Lenders" has the meaning set forth in the Restructuring Support Agreement.

1.136 "Requisite Consenting Parties" has the meaning set forth in the Restructuring Support Agreement.

1.137 "Requisite Consenting Second Lien Lenders" has the meaning set forth in the Restructuring Agreement.

1.138 "Restructuring Support Agreement" means the agreement, including all exhibits and supplements annexed thereto, dated as of March 11, 2014 (as it may be amended, supplemented or otherwise modified from time to time, both as to substance and parties thereto) among the Debtors and the Consenting Parties, a copy of which is attached as Exhibit B to the Disclosure Statement.

1.139 "Retained Causes of Action" has the meaning set forth in Article 9.5 of the Plan.

1.140 "SARs Claims" means Unsecured Claims arising under the Deferred Compensation Plans and the SARs Settlement Agreements.

1.141 "SARs Settlement Agreements" means those certain amended and restated deferred compensation settlement agreements, executed in or around January 2012, as between certain participants in the Deferred Compensation Plans, QCE LLC and The Quiznos Master LLC.

1.142 "Schedule of Proposed Cure Amounts" means the schedule listing those executory contracts and unexpired leases to be assumed by the Debtors pursuant to the Plan, with respect which the proposed cure amount is greater than zero, and which identifies such proposed cure amount.

1.143 "Schedule of Rejected Executory Contracts and Unexpired Leases" means the schedule of contracts and/or leases to be rejected or repudiated by the Debtors pursuant to the Plan in the form filed as part of the Plan Supplement, as the same may be amended, modified, or supplemented from time to time.

1.144 "Schedules" means the schedules of assets and liabilities, schedules of executory contracts, and the statement of financial affairs filed by the Debtors pursuant to Bankruptcy Code section 521, the Official Bankruptcy Forms and the Bankruptcy Rules, and any and all amendments thereto.

1.145 "Second Lien Agent" means U.S. Bank National Association, as administrative agent under the Second Lien Credit Agreement, and is successors and assigns.

1.146 "Second Lien Credit Agreement" means that certain Credit Agreement, dated as of January 24, 2012, among QCE LLC, as borrower, Holdco, the lenders party thereto, and U.S. Bank National Association, as administrative agent (as amended, supplemented, or modified from time to time), and any and all other loan documents evidencing obligations of the Debtors and the Non-Debtor Guarantor arising thereunder, including any and all guaranty, security and collateral documents.

1.147 "Second Lien Credit Facility Guarantor" means any Debtor or Non-Debtor Guarantor that has guaranteed the obligations of QCE LLC under the Second Lien Credit Agreement.

1.148 "Second Lien Facility Claims" means any and all Claims for principal and interest of the Second Lien Lenders, all of which shall be Unsecured Claims, against any of the Debtors or the Non-Debtor Guarantor arising under or relating to the Second Lien Credit Agreement, including the Second Lien Credit Facility Guaranty Claims.

1.149 "Second Lien Facility Guaranty Claims" mean any and all Claims for principal and interest of the Second Lien Lenders, all of which shall be Unsecured Claims, against any Second Lien Credit Facility Guarantor, arising under or related to the Second Lien Credit Agreement.

1.150 "Second Lien Lenders" means the financial institutions or other Persons that are lenders under the Second Lien Credit Agreement.

1.151 "Second Round Specified Litigation Proceeds Distribution" has the meaning as set forth in Article 4.5(b) of the Plan.

1.152 "Secured" means when referring to a Claim: (a) secured by a Lien on property in which an Estate has an interest, which Lien is valid, perfected and enforceable pursuant to applicable law or by reason of a

Bankruptcy Court order, or that is subject to setoff pursuant to Bankruptcy Code section 553, to the extent of the value of the creditor's interest in an Estate's interest in such property or to the extent of the amount subject to setoff, as applicable, as determined pursuant to Bankruptcy Code section 506(a) or (b) Allowed as such pursuant to the Plan.

1.153 "Securities" means any instruments that qualify under section 2(a)(1) of the Securities Act, including the New Common Interests.

1.154 "Securities Act" means the Securities Act of 1933, 15 U.S.C. §§ 77a-77aa, as now in effect or hereafter amended.

1.155 "Specified Litigation Agreement" means that certain agreement entered into between the Reorganized Debtors, Avenue and Fortress, the terms of which shall be consistent with the terms as set forth in the Restructuring Support Agreement and the form and substance of which shall be acceptable to the Debtors, Avenue and Fortress and included in the Plan Supplement.

1.156 "Specified Litigation Claims" means all claims and causes of action made, or which could be made, on behalf of the Debtors, Avenue and/or Fortress against the Specified Litigation Parties.

1.157 "Specified Litigation Parties" means Greg MacDonald, Dennis Smythe, Richard E. Schaden, Richard F. Schaden, Frederick H. Schaden, Andrew R. Lee, Patrick E. Meyers, John M. Moore, Thomas M. Ryan, and/or any other former directors, officers, managers, equity owners, agents and/or employees of the Debtors that served in any such capacities only prior to January 24, 2012, and any entities related to or affiliated with any of the foregoing, including, but not limited to, Cervantes Capital LLC and Consumer Capital Partners.

1.158 "Specified Litigation Proceeds" means any proceeds recovered in connection with the Specified Litigation Claims.

1.159 "Specified Litigation Waterfall" has the meaning set forth in the Specified Litigation Agreement, as described in Article 4.5(b) of the Plan.

1.160 "Stock in Lieu Election" has the meaning set forth in Article 2.10 of the Plan.

1.161 "Stock in Lieu Election Deadline" means the deadline for Holders of Unsecured Claims entitled to make the Stock in Lieu Election to make such election.

1.162 "Stock in Lieu Election Notice" means that notice which provides Holders of Unsecured Claims with no less than thirty (30) days' notice of (a) their right submit written notice of their Stock in Lieu Election and (b) the Stock in Lieu Election Deadline, the form of which shall be reasonably acceptable to the Debtors and the Requisite Consenting Parties and approved by an order of the Bankruptcy Court.

1.163 "Subordinated Claims" means the Former D&O Indemnification Claims and any other Claim that is subject to contractual, legal and/or equitable subordination, whether arising under general principles of equitable subordination, Bankruptcy Code sections 510(b) or 510(c), or otherwise.

1.164 "Taxes" means any federal, state, county or local taxes, charges, fees, levies, other assessments, or withholding taxes or charges imposed by any governmental unit, and includes any interest and penalties (civil or criminal) on or additions to any such taxes and any expenses incurred in connection with the determination, settlement or litigation of any tax liability.

1.165 "Term Loan Debtors" means, collectively, all Debtors that are not Marketing Fund Trusts Debtors.

1.166 "Unclassified Claims" means Administrative Expense Claims, Priority Tax Claims and DIP Facility Claims.

1.167 "Unimpaired" means, with respect to a Claim, Interest, or Class of Claims or Class of Interests, not "impaired" within the meaning of Bankruptcy Code sections 1123(a)(4) and 1124.

1.168 "U.S. Trustee" means the United States Trustee for the District of Delaware.

1.169 "Unsecured Claim" means any First Lien Facility Deficiency Claim, Second Lien Facility Claim, the Marketing Fund Trusts Facility Guaranty Claim, SARs Claim, Lease Promissory Note Claim and any other Claim that is not an Administrative Expense, Intercompany Claim, a Priority Tax Claim, a Priority Non-Tax Claim, a First Lien Facility Secured Claim, a Marketing Fund Trusts Facility Secured Claim, or an Other Secured Claim.

1.170 "Unsecured Creditor Company Specified Litigation Proceeds Distribution Date" means the date, pursuant to Article 7.1 of the Plan, upon which the initial distributions of Company Specified Litigation Proceeds will be made to those Holders of Allowed Unsecured Claims entitled to make the Stock in Lieu Election that did not make such election.

1.171 "Unsecured Creditor Remaining Equity Distribution Date" means the date, pursuant to Article 7.1 of the Plan, upon which the initial distributions of Remaining Equity will be made to those Holders of Allowed Unsecured Claims that have made the Stock in Lieu Election.

1.172 "Vectra" means Vectra Bank Colorado, National Association.

1.173 "Voting Deadline" means 12:00 p.m., prevailing Eastern Time, on March 14, 2014.

ARTICLE II
CLASSIFICATION AND TREATMENT OF CLAIMS AND INTERESTS

A. Unclassified Claims.

2.1 **Administrative Expense Claims**. Except to the extent that a holder of an Allowed Administrative Expense Claim and the Debtors or the Reorganized Debtors agree in writing to less favorable treatment for such Claim, the Debtors (or the Reorganized Debtors, as the case may be) shall pay to each holder, as applicable, of an Allowed Administrative Expense Claim, in full and final satisfaction of its Administrative Expense Claim, Cash in an amount equal to such Claim on, or as soon thereafter as is reasonably practicable, the later of (a) the Effective Date and (b) the first Business Day after the date that is thirty (30) calendar days after the date such Administrative Expense Claim becomes an Allowed Administrative Expense Claim; provided, however, that Allowed Administrative Expense Claims representing liabilities incurred in the ordinary course of business by the Debtors or liabilities arising under loans or advances to or other obligations incurred by the Debtors, whether or not incurred in the ordinary course of business, shall be paid by the Debtors in the ordinary course of business, consistent with past practice and in accordance with the terms and subject to the conditions of any agreements governing, instruments evidencing or other documents relating to such transactions.

2.2 **Professional Fee Claims**. All entities seeking allowance by the Bankruptcy Court of Professional Fee Claims shall file their respective final applications for allowance of compensation for services rendered and reimbursement of expenses incurred by the date that is thirty (30) days after the Effective Date. Allowed Professional Fee Claims shall be paid in full (i) upon the later of (A) the Effective Date and (B) the date upon which the order relating to any such Allowed Professional Fee Claim is entered or (ii) upon such other terms as may be mutually agreed upon between the holder of such an Allowed Professional Fee Claim and the Debtors or, on and after the Effective Date, the Reorganized Debtors. The Reorganized Debtors are authorized to pay compensation for services rendered or reimbursement of expenses incurred after the Effective Date in the ordinary course and without the need for Bankruptcy Court approval.

2.3 **Priority Tax Claims**. Except to the extent that a Holder of an Allowed Priority Tax Claim agrees to less favorable treatment, in exchange for full and final satisfaction, settlement release and discharge of each Allowed Priority Tax Claim, each Holder of an Allowed Priority Tax Claim due and payable on or before

the Effective Date shall receive, at the option of the Debtors or Reorganized Debtors, one of the following treatments: (a) Cash in an amount equal to the amount of such Allowed Priority Tax Claim, plus interest at the rate determined under applicable nonbankruptcy law and to the extent provided for by Bankruptcy Code section 511, payable on or as soon as practicable following the Effective Date; (b) Cash in an aggregate amount of such allowed Priority Tax Claim payable in installment payments over a period of time not to exceed five years after the Petition Date, pursuant to Bankruptcy Code section 1129(a)(9)(C), plus interest at the rate determined under applicable nonbankruptcy law and to the extent provided for by Bankruptcy Code section 511; or (c) such other treatment as may be agreed upon by such Holder and the Debtors or Reorganized Debtors, as applicable, or otherwise determined by an order of the Bankruptcy Court.

2.4 **DIP Facility Claims**. As of the Effective Date, the DIP Facility Claims shall be Allowed and deemed to be Allowed Claims in the full amount outstanding under the DIP Facility Credit Agreement, including principal, interest, fees and expenses. On the Effective Date all DIP Facility Claims shall be paid in full in Cash, unless previously paid or otherwise agreed to by the Debtors and the Holder of such DIP Facility Claim.

B. General Rules.

2.5 **Substantive Consolidation of the Term Debtors For Plan Purposes Only.** Pursuant to Article 4.2, the Plan provides for the substantive consolidation of the Term Loan Debtors' Estates into a single Estate for Plan purposes only and matters associated with Confirmation and consummation of the Plan. As a result of the substantive consolidation of the Term Loan Debtors' Estates for these limited purposes, each Class of Claims against and Interests in the Term Loan Debtors will be treated as against a single consolidated Estate for Plan purposes without regard to the corporate separateness of the Term Loan Debtors.

2.6 **Classification**. Pursuant to Bankruptcy Code sections 1122 and 1123, the following designates the Classes of Claims and Interests under the Plan. A Claim or Interest is in a particular Class for purposes of voting on, and of receiving distributions pursuant to, the Plan only to the extent that such Claim or Interest is an Allowed Claim or Allowed Interest in that Class and such Claim or Interest has not been paid, released or otherwise settled prior to the Effective Date. A Claim or Interest shall be deemed classified in a particular Class only to the extent that the Claim or Interest qualifies within the description of that Class, and shall be deemed classified in a different Class to the extent that any remainder of such Claim or Interest qualifies within the description of such different Class.

C. Summary of Classification for the Term Loan Debtors.

Class	Designation	Impairment	Entitled to Vote
Class A1	First Lien Facility Claims	Impaired	Yes
Class A2	Priority Non-Tax Claims	Unimpaired	No (deemed to accept)
Class A3	Other Secured Claims	Unimpaired	No (deemed to accept)
Class A4	Unsecured Claims	Impaired	No (deemed to reject)
Class A5	Subordinated Claims	Impaired	No (deemed to reject)
Class A6(a)	Holdco Interests	Impaired	No (deemed to reject)

Class	Designation	Impairment	Entitled to Vote
Class A6(b)	Intercompany Interests	Unimpaired	No (deemed to accept)

D. Summary of Classification for the Marketing Fund Trusts Debtors.

Class	Designation	Impairment	Entitled to Vote
Class B1	Marketing Fund Trusts Facility Secured Claim	Impaired	Yes
Class B2	Priority Non-Tax Claims	Unimpaired	No (deemed to accept)
Class B3	Other Secured Claims	Unimpaired	No (deemed to accept)
Class B4	Unsecured Claims	Impaired	No (deemed to reject)
Class B5	Interests in the Marketing Fund Trusts Debtors	Unimpaired	No (deemed to accept)

E. Classified Claims and Interests Against the Term Loan Debtors.

2.7 **Class A1 – First Lien Facility Claims**.

(a) Classification. Class A1 consists of all First Lien Facility Claims against the Term Loan Debtors.

(b) Allowance. Class A1 Claims shall be Allowed Claims pursuant to the Plan in the aggregate principal amount of $444,695,086.92, plus accrued and unpaid interest as of the Petition Date.

(c) Treatment. Holders of Class A1 Claims, in full and complete satisfaction, discharge and release of such Claims shall receive their Pro Rata share of the First Lien Distribution. Upon acceptance of the Plan by Class A1, all Holders of Class A1 Claims shall be deemed to have agreed to forgo any distribution in respect of their First Lien Facility Deficiency Claims.

(d) Impairment and Voting. Class A1 Claims are Impaired and the Holders thereof are entitled to vote on the Plan.

2.8 **Class A2 – Priority Non-Tax Claims**.

(a) Classification. Class A2 consists of all Priority Non-Tax Claims against the Term Loan Debtors.

(b) Treatment. Except to the extent that a Holder of an Allowed Class A2 Claim agrees to less favorable treatment with the Debtors or Reorganized Debtors, each Holder of an Allowed Class A2 Claim, in full and complete satisfaction, discharge and release of such Claim, shall be paid in full in Cash on the later of the Distribution Date and that date that is as soon as practicable after the date upon which such Claim becomes an Allowed Class A2 Claim.

(c) Impairment and Voting. Class A2 Claims are Unimpaired and the Holders thereof are not entitled to vote on the Plan.

2.9 **Class A3 – Other Secured Claims**.

(a) Classification. Class A3 consists of all Other Secured Claims against the Term Loan Debtors.

(b) Treatment. Except to the extent a Holder of an Allowed Class A3 Claim agrees to less favorable treatment with the Debtors or Reorganized Debtors, as applicable, each Holder of an Allowed Class A3 Claim, in full and complete satisfaction, discharge and release of such Claim shall be (i) paid in full in Cash on the later of the Distribution Date and a date that is as soon as practicable after the date upon which such Claim becomes an Allowed Class A3 Claim or (ii) otherwise Unimpaired within the meaning of Bankruptcy Code section 1124.

(c) Impairment and Voting. Class A3 Claims are Unimpaired and the Holders thereof are not entitled to vote on the Plan.

2.10 **Class A4 – Unsecured Claims**.

(a) Classification. Class A4 consists of all Unsecured Claims against the Term Loan Debtors.

(b) Treatment. Except to the extent a Holder of an Allowed Class A4 Claim agrees to less favorable treatment with the Debtors or Reorganized Debtors, as applicable, in full and complete satisfaction, discharge and release of such Claims, Holders of Allowed Class A4 Claims shall receive their Pro Rata share of the Company Specified Litigation Proceeds, unless such Holder elects to receive its Pro Rata share of the Remaining Equity (the "Stock in Lieu Election"), following receipt of the Stock in Lieu Election Notice. The Second Lien Lenders shall be deemed to have Allowed Class A4 Claims in the aggregate principal amount of $173,828,686.23, plus accrued and unpaid interest as of the Petition Date, and the Consenting Second Lien Lenders, with aggregate claims in the aggregate principal amount of $173,742,275.38, plus accrued and unpaid interest as of the Petition Date, have committed to make the Stock in Lieu Election. For the avoidance of doubt (i) the Pro Rata share due to a Holder of an Allowed Class A4 Claim that has not made the Stock in Lieu Election shall be determined by dividing the amount of such Holder's Allowed Class A4 Claim by the aggregate amount of Allowed Class A4 Claims and Allowed Class B4 Claims of all Holders that have not made the Stock in Lieu Election and (ii) the Pro Rata share due to a Holder of an Allowed Class A4 Claim that has made the Stock in Lieu Election shall be determined by dividing the amount of such Holder's Allowed Class A4 Claim by the aggregate amount of Allowed Class A4 Claims and Allowed Class B4 Claims of all Holders that have made the Stock in Lieu Election. For the avoidance of doubt, pursuant to Article 2.7 of the Plan, because Holders of Allowed Class A1 Claims are deemed to forego distributions on account of the First Lien Facility Deficiency Claims, Holders of First Lien Deficiency Claims will not participate in the treatment provided in this Article 2.10(b).

(c) Impairment and Voting. Class A4 Claims are Impaired and the Holders thereof are deemed to reject the Plan and are not entitled to vote on the Plan.

2.11 **Class A5 – Subordinated Claims**.

(a) Classification. Class A5 consists of any and all Subordinated Claims against the Term Loan Debtors.

(b) Treatment. Holders of Class A5 Claims shall not receive or retain any property on account of such Class A5 Claims and all such Claims shall be cancelled and discharged.

(c) Impairment and Voting. Class A5 Claims are Impaired and are deemed to reject the Plan and the Holders thereof are not entitled to vote to accept or reject the Plan.

2.12 **Class A6(a) – Holdco Interests**.

(a) Classification. Class A6(a) consists of any and all Holdco Interests, and all Claims arising from or related to Interests in Holdco that are subject to subordination under Bankruptcy Code section 510.

(b) Treatment. Holders of Class A6(a) Claims and Interests shall not receive or retain any property on account of such Class A6(a) Claims and Interests and all such Claims and Interests shall be cancelled and discharged.

(c) Impairment and Voting. Class A6(a) Claims and Interests are Impaired and the Holders thereof are deemed to reject the Plan and are not entitled to vote to accept or reject the Plan.

2.13 **Class A6(b) – Intercompany Interests.**

(a) Classification. Class A6(b) Interests consists of any and all Intercompany Interests in the Term Loan Debtors other than Holdco.

(b) Treatment. Class A6(b) Interests shall be Reinstated and the legal, equitable and contractual rights to which Holders of such Allowed Interests are entitled shall remain unaltered so as to maintain the organizational structure of the Debtors as such structure existed on the Petition Date.

(c) Impairment and Voting. Class A6(b) Interests are Unimpaired and the Holders thereof are not entitled to vote on the Plan.

F. Classified Claims and Interests Against the Marketing Fund Trusts Debtors.

2.14 **Class B1 – Marketing Fund Trusts Facility Secured Claim**.

(a) Classification. Class B1 consists of the Marketing Fund Trusts Facility Secured Claim held by Vectra against the Marketing Fund Trusts Debtors.

(b) Allowance. The Class B1 Claim shall be an Allowed Claim pursuant to the Plan in the aggregate principal amount of $7,351,872.27, plus (i) accrued and unpaid interest under the Marketing Fund Trusts Credit Agreement, regardless of whether incurred prepetition or postpetition; (ii) all unpaid reasonable and documented fees and expenses of Vectra; and (iii) any other amounts incurred and outstanding, under the Marketing Trust Credit Facility as of the Effective Date; provided, however, the Allowed Claim shall be reduced by any principal repayments made to Vectra during the Chapter 11 Cases prior to the Effective Date.

(c) Treatment. In full and complete satisfaction of the Class B1 Claim (i) Reorganized QAFT, solely as trustee for the Reorganized Marketing Fund Trusts, and Vectra shall enter into the Amended Marketing Fund Trusts Credit Agreement and (ii) Vectra shall forgo any distribution on account of its Marketing Fund Trusts Facility Guaranty Claim.

(d) Impairment and Voting. The Class B1 Claims are Impaired and the Holder thereof is entitled to vote on the Plan.

2.15 **Class B2 – Priority Non-Tax Claims** .

(a) Classification. Class B2 consists of all Priority Non-Tax Claims against the Marketing Fund Trusts Debtors.

(b) Treatment. Except to the extent that a Holder of an Allowed Class B2 Claim agrees to less favorable treatment with the Debtors or Reorganized Debtors, each Holder of an Allowed Class B2 Claim, in full and complete satisfaction, discharge and release of such Claim, shall be paid in full in Cash on the

later of the Distribution Date and a date that is as soon as practicable after the date upon which such Claim becomes an Class B2 Claim.

(c) Impairment and Voting. Class B2 Claims are Unimpaired and the Holders thereof are not entitled to vote on the Plan.

2.16 **Class B3 – Other Secured Claims.**

(a) Classification. Class B3 consists of all Other Secured Claims against the Marketing Fund Trusts Debtors.

(b) Treatment. Except to the extent that a Holder of an Allowed Class B3 Claim agrees to less favorable treatment with the Debtors or Reorganized Debtors, as applicable, each Holder of an Allowed Class B3 Claim, in full and complete satisfaction, discharge and release of such Claim shall be (i) paid in full in Cash on the later of the Distribution Date and a date that is as soon as practicable after the date upon which such Claim becomes an Allowed Class B3 Claim or (ii) otherwise Unimpaired within the meaning of Bankruptcy Code section 1124.

(c) Impairment and Voting. Class B3 Claims are Unimpaired and the Holders thereof are not entitled to vote on the Plan.

2.17 **Class B4 – Unsecured Claims**.

(a) Classification. Class B4 consists of all Unsecured Claims against the Marketing Fund Trusts Debtors.

(b) Treatment. Except to the extent a Holder of an Allowed Class B4 Claim agrees to less favorable treatment with the Debtors or Reorganized Debtors, as applicable, in full and complete satisfaction, discharge and release of such Claims, Holders of Allowed Class B4 Claims shall receive their Pro Rata share of the Company Specified Litigation Proceeds, unless such Holder elects to receive its Pro Rata share of the Remaining Equity (the "Stock in Lieu Election"), following receipt of the Stock in Lieu Election Notice. For the avoidance of doubt (i) the Pro Rata share due to a Holder of an Allowed Class B4 Claim that has not made the Stock in Lieu Election shall be determined by dividing the amount of such Holder's Allowed Class B4 Claim by the aggregate amount of Allowed Class A4 Claims and Allowed Class B4 Claims of all Holders that have not made the Stock in Lieu Election and (ii) the Pro Rata share due to a Holder of an Allowed Class B4 Claim that has made the Stock in Lieu Election shall be determined by dividing the amount of such Holder's Allowed Class B4 Claim by the aggregate amount of Allowed Class A4 Claims and Allowed Class B4 Claims of all Holders that have made the Stock in Lieu Election.

(c) Impairment and Voting. Class B4 Claims are Impaired and are deemed to reject the Plan and the Holders thereof are not entitled to vote to accept or reject the Plan.

2.18 **Class B5 – Intercompany Interests.**

(a) Classification. Class B6 Interests consists of any and all Intercompany Interests in the Marketing Fund Trusts Debtors.

(b) Allowance and Treatment. Class B6 Interests shall be Reinstated and the legal, equitable and contractual rights to which Holders of such Allowed Interests are entitled shall remain unaltered so as to maintain the organizational structure of the Debtors as such structure existed on the Petition Date.

(c) Impairment and Voting. Class B6 Interests are Unimpaired and the Holders thereof are not entitled to vote on the Plan.

G. Additional Provisions Regarding Unimpaired Claims and Subordinated Claims.

2.19 **Special Provision Regarding Unimpaired Claims**. Except as otherwise explicitly provided in the Plan, nothing shall affect the Debtors' or the Reorganized Debtors' rights and defenses, both legal and equitable, with respect to any Unimpaired Claims, including, but not limited to, all rights with respect to legal and equitable defenses to setoffs or recoupments asserted against Unimpaired Claims.

2.20 **Subordinated Claims**. The allowance, classification and treatment of all Allowed Claims and Allowed Interests and the respective distributions and treatments under the Plan take into account and conform to the relative priority and rights of the Claims and Interests in each Class in connection with any contractual, legal, and equitable subordination rights relating thereto, whether arising under general principles of equitable subordination, Bankruptcy Code section 510(b), or otherwise. Pursuant to Bankruptcy Code section 510, the Debtors reserve the right to re-classify any Allowed Claim or Allowed Interest in accordance with any contractual, legal, or equitable subordination relating thereto.

ARTICLE III
ACCEPTANCE

3.1 **Presumed Acceptance of the Plan**. Classes A2, A3, A6(b), B2, B3 and B5 are Unimpaired under the Plan, and are therefore conclusively presumed to have accepted the Plan pursuant to Bankruptcy Code section 1126(f).

3.2 **Presumed Rejection of the Plan**. Classes A4, A5, A6(a), and B4 are Impaired under the Plan, and are conclusively presumed to have rejected the Plan pursuant to Bankruptcy Code section 1126(g).

3.3 **Voting Classes**. Classes A1 and B1 are Impaired Under the Plan, and holders of Claims in Classes A1 and B1 shall be entitled to vote to accept or reject the Plan.

3.4 **Deemed Acceptance if No Votes Cast**. If no Holders of Claims eligible to vote in a particular Class vote to accept or reject the Plan, the Plan shall be deemed accepted by the Holders of such Claims in such Class.

3.5 **Elimination of Vacant Classes**. Any Class of Claims that does not have a holder of an Allowed Claim or a Claim temporarily allowed by the Bankruptcy Court as of the date of the Confirmation Hearing shall be deemed eliminated from the Plan for purposes of voting to accept or reject the Plan and for purposes of determining acceptance or rejection of the Plan by such Class pursuant to Bankruptcy Code section 1129(a)(8).

3.6 **Cramdown**. The Debtors shall request confirmation of the Plan, as it may be modified from time to time, under Bankruptcy Code section 1129(b). The Debtors reserve the right to modify the Plan in consultation with the Consenting Parties and subject to the terms of the Restructuring Support Agreement to the extent, if any, that confirmation pursuant to Bankruptcy Code section 1129(b) requires modification to the Plan.

ARTICLE IV
MEANS FOR IMPLEMENTATION OF PLAN

4.1 **Restructuring Transactions**.

(a) Transactions. The Plan contemplates, among other things (i) the amendment and restatement of the First Lien Credit Agreement by the Amended First Lien Credit Agreement; (ii) the execution of the New Delayed-Draw Term Facility Agreement; (iii) the amendment and restatement of the Marketing Fund Trusts Credit Agreement by the Amended Marketing Fund Trusts Credit Agreement; (iv) the issuance of New Common Interests; (v) the procurement of the Insurance Coverage; (vi) the adoption of the Amended Corporate Governance Documents and (where required by applicable law) the filing of the Amended Corporate Governance Documents with the applicable authorities of the relevant jurisdictions of organization and (vii) the execution of the Specified Litigation Agreement.

(b) Continued Corporate Existence; Vesting of Assets in the Reorganized Debtors. On and after the Effective Date, each of the Reorganized Debtors shall continue to exist as a separate entity in accordance with applicable law in the respective jurisdiction in which it is organized and pursuant to its constituent documents in effect prior to the Effective Date. Notwithstanding anything to the contrary in the Plan, the Unimpaired Claims against a Debtor shall remain the obligations solely of such Debtor or such Reorganized Debtor and shall not become obligations of any other Debtor or Reorganized Debtor by virtue of the Plan, the Chapter 11 Cases, or otherwise. Except as otherwise provided in the Plan, on and after the Effective Date, all property of the Estates of the Debtors, including all claims, rights and causes of action and any property acquired by the Debtors or the Reorganized Debtors under or in connection with the Plan, shall vest in the Reorganized Debtors free and clear of all Claims, Liens, charges, other encumbrances and Interests. On and after the Effective Date, the Reorganized Debtors may operate their businesses and may use, acquire and dispose of property and compromise or settle any Claims without supervision of or approval by the Bankruptcy Court and free and clear of any restrictions of the Bankruptcy Code or the Bankruptcy Rules, other than restrictions expressly imposed by the Plan or the Confirmation Order.

4.2 **Substantive Consolidation for Plan Purposes Only**. The Plan shall serve as a motion by the Debtors seeking entry of a Bankruptcy Court order substantively consolidating the Term Loan Debtors' Estates into a single consolidated Estate, solely for all purposes associated with Confirmation and consummation of the Plan. Upon Confirmation, for Plan purposes only, on the Effective Date, the Term Loan Debtors shall be deemed merged into Holdco, and (a) all assets and liabilities of the Term Loan Debtors shall be deemed merged into Holdco, (b) all guaranties of any Term Loan Debtor of the payment, performance, or collection of the obligations of another Term Loan Debtor shall be eliminated and cancelled, (c) any obligation of any Term Loan Debtor and all guaranties thereof executed by one or more of the other Term Loan Debtors shall be treated as a single obligation, and such guaranties shall be deemed a single Claim against the consolidated Term Loan Debtors, (d) all joint obligations of two or more Term Loan Debtors, and all multiple Claims against such entities on account of such joint obligations shall be treated and allowed only as a single Claim against the consolidated Term Loan Debtors, and (e) each Claim filed in the Chapter 11 Cases of any Term Loan Debtor shall be deemed filed against the consolidated Term Loan Debtors and a single obligation of the Term Loan Debtors on and after the Effective Date. Entry of the Confirmation Order will constitute the approval, pursuant to section 105(a) of the Bankruptcy Code, effective as of the Effective Date, of the deemed substantive consolidation of the Chapter 11 Cases of the Term Loan Debtors for purposes of voting on, confirmation of, and distributions under the Plan.

Notwithstanding the foregoing, the deemed consolidation and substantive consolidation (each for Plan purposes only) shall not (other than for purposes related to funding distributions under the Plan) affect (a) the legal and organizational structure of the Debtors or the Reorganized Debtors, (b) pre- and post-Petition Date guaranties, Liens and security interests that were required to be maintained (i) in connection with any executory contracts or unexpired leases that were entered into during the Chapter 11 Cases or that have been or will be assumed by the Term Loan Debtors or (ii) pursuant to the Plan, (c) distributions out of any insurance policies or proceeds of such policies, and (d) the tax treatment of the Term Loan Debtors. Furthermore, notwithstanding the foregoing, the deemed consolidation and substantive consolidation (each for Plan purposes only), shall not affect the statutory obligation of each and every Term Loan Debtor to pay quarterly fees to the U.S. Trustee pursuant to 28 U.S.C. §1903(a)(6) and Article 10.15 of the Plan.

In the event that the Bankruptcy Court does not order such deemed substantive consolidation of the Term Loan Debtors, then except as specifically set forth in the Plan (a) nothing in the Plan or the Disclosure Statement shall constitute or be deemed to constitute an admission that one of the Term Loan Debtors is subject to or liable for any Claim against any other Term Loan Debtor, (b) Claims against multiple Term Loan Debtors shall be treated as separate Claims against each applicable Term Loan Debtor for all purposes (including, without limitation, distributions and voting) and such Claims shall be administered as provided in the Plan, (c) the Term Loan Debtors shall not, nor shall they be required to, resolicit votes with respect to the Plan and (d) the Term Loan Debtors may seek confirmation of the Plan as if the Plan is a separate Plan for each of the Term Loan Debtor.

4.3 **New Securities.**

(a) Issuance of New Common Interests. On the Effective Date, Reorganized Holdco shall issue 700,000 New Common Interests to the Holders of First Lien Facility Claims on a Pro Rata basis

in accordance with Article 2.7 of the Plan and 300,000 New Common Interests shall be reserved by the Reorganized Debtors for distribution to those Holders of Allowed Unsecured Claims that make the Stock in Lieu Election, in each case, subject to dilution by any New Common Interests issued pursuant to the New Management Equity Incentive Plan. Distribution of such New Common Interests hereunder shall together constitute the issuance of 100% of the New Common Interests issued as of, and shall be deemed issued or reserved for issuance on, the Effective Date pursuant to the Plan.

(b) Section 1145 Exemption. Pursuant to Bankruptcy Code section 1145, the offering, issuance and distribution of any New Common Interests to the Holders of First Lien Facility Claims and the Holders of Allowed Unsecured Claims that make the Stock in Lieu Election shall be exempt from, among other things, the registration requirements of section 5 of the Securities Act to the maximum extent permitted thereunder and any other applicable law requiring registration prior to the offering, issuance, distribution, or sale of securities. In addition, except as otherwise provided in the Plan, to the maximum extent provided under Bankruptcy Code section 1145, any and all New Common Interests issued to the Holders of First Lien Facility Claims and Holders of Allowed Unsecured Claims that make the Stock in Lieu Election contemplated by the Plan will be freely tradable by the recipients thereof, subject to: (i) the provisions of Bankruptcy Code section 1145(b)(1) relating to the definition of an underwriter in section 2(a)(11) of the Securities Act, and compliance with any rules and regulations of the United States Securities and Exchange Commission, if any, applicable at the time of any future transfer of such Securities or instruments; (ii) the restrictions, if any, on the transferability of such Securities and instruments; and (iii) applicable regulatory approval.

4.4 **Plan Funding**.

(a) Amended First Lien Credit Facility. On the Effective Date, the Reorganized Debtors will enter into the Amended First Lien Credit Agreement, with respect to the Amended First Lien Credit Facility in an aggregate amount of $200 million.

(b) New Delayed-Draw Term Facility. On the Effective Date, the Reorganized Debtors will enter into the New Delayed-Draw Term Facility Agreement, with respect to the New Delayed-Draw Term Facility in an aggregate amount of up to $25 million.

(c) Amended Marketing Fund Trusts Credit Facility. On the Effective Date, Reorganized QAFT, solely in its capacity as trustee for the Reorganized Marketing Fund Trusts, will enter into the Amended Marketing Fund Trusts Credit Agreement.

(d) Other Plan Funding. Other than as set forth in Article 4.4(a), (b) and (c) of the Plan, all Cash necessary for the Reorganized Debtors to make payments required by the Plan shall be obtained from the Debtors' Cash balances then on hand, after giving effect to the transactions contemplated herein.

4.5 **Specified Litigation Provisions**.

(a) Specified Litigation Agreement. On the Effective Date, the Reorganized Debtors, Avenue and Fortress will enter into the Specified Litigation Agreement. Pursuant to the Specified Litigation Agreement (i) the Reorganized Debtors, Avenue and Fortress will jointly pursue the Specified Litigation Claims; (ii) the Avenue and Fortress will provide any necessary Cash for the pursuit of the Specified Litigation and (iii) the Specified Litigation Proceeds shall be distributed pursuant to the Specified Litigation Waterfall.

(b) Specified Litigation Waterfall. The Specified Litigation Proceeds shall be distributed as follows (the "Specified Litigation Waterfall"): (i) the first $1,600,000 of Specified Litigation Proceeds shall be distributed to the Reorganized Debtors for reimbursement of fees and expenses incurred by the Debtors prepetition in connection with the Specified Litigation (the "Legal Expense Reimbursement"); (ii) any Specified Litigation Proceeds available after payment of the Legal Expense Reimbursement shall be used to reimburse Avenue and Fortress for payment of any actual out of pocket non-legal expenses (the "Non-Legal Expense Reimbursement"); (iii) the next $16,000,000 of Specified Litigation Proceeds available after payment of the Legal Expense Reimbursement and the Non-Legal Expense Reimbursement shall be distributed 75% to Avenue

and Fortress and 25% to the Reorganized Debtors (the "First Round Specified Litigation Proceeds Distribution"); and (iv) any Specified Litigation Proceeds available after payment of the Legal Expense Reimbursement, the Non-Legal Expense Reimbursement and the First Round Specified Litigation Proceeds Distribution shall be distributed 95% to the Avenue and Fortress and 5% to the Reorganized Debtors (the "Second Round Specified Litigation Proceeds Distribution").

(c) Use of Company Specified Litigation Proceeds. Subject to the Specified Litigation Waterfall, the Reorganized Debtors shall use the Company Specified Litigation Proceeds (i) for Pro Rata distribution to those Holders of Allowed Unsecured Claims (other than First Lien Deficiency Claims) that have not made the Stock in Lieu Election, until such Holders have been paid in full and (ii) thereafter, for uses to be determined by the New Board of Managers, subject to any applicable requirements or restrictions as may be included in the Amended First Lien Credit Agreement.

4.6 **Corporate Governance, Managers, Officers and Corporate Action**.

(a) Amended Corporate Governance Documents. On the Effective Date, the Amended Corporate Governance Documents, substantially in forms to be filed with the Plan Supplement, shall be deemed to be valid, binding, and enforceable in accordance with their terms.

(b) New Board of Managers. Subject to any requirement of Bankruptcy Court approval pursuant to Bankruptcy Code section 1129(a)(5), as of the Effective Date, the New Board of Managers shall be the persons identified in the Plan Supplement, who will be designated pursuant to the terms of the Amended Operating Agreement and will be initially chosen as follows: (i) four managers will be appointed by the Consenting First Lien Lenders, one of which will be Douglas Benham, (ii) one manager will be appointed by Fortress in its capacity as a Second Lien Lender, (iii) one manager will be appointed by Avenue in its capacity as a Second Lien Lender and (iv) the remaining manager will be the chief executive officer of Reorganized Holdco. Pursuant to Bankruptcy Code section 1129(a)(5), the Debtors shall disclose the identity and affiliations of any person proposed to serve on the New Board of Managers after the Confirmation Date, and to the extent such person is an insider other than by virtue of being a New Board Member, the nature of any compensation for such person. From and after the Effective Date, the members of the board of managers of Reorganized Holdco shall be selected and determined in accordance with the provisions of the Amended Corporate Governance Documents.

(c) Officers, Managers and Directors of the Reorganized Debtors. On and after the Effective Date (i) the current managers and directors of the Debtors, other than the current managers of Holdco, shall continue to serve in such capacities with respect to such Reorganized Debtors and (ii) the officers of the Debtors shall continue to serve in their same capacity with the Reorganized Debtors in accordance with the Officers' Employment Agreements, which shall be assumed under the Plan in their current form, or as amended in a manner satisfactory to the Debtors or Reorganized Debtors, such officer and the Requisite Consenting Parties.

4.7 **Continuation of Reorganized QAFT as Trustee for the Reorganized Marketing Fund Trusts**. On and after the Effective Date, Reorganized QAFT shall continue to act as trustee for the Reorganized Marketing Fund Trusts, pursuant to the applicable declarations of trust for the National Marketing Fund Trust and the Regional Advertising Program Trust, respectively.

4.8 **New Management Equity Incentive Plan**. On or as soon as practicable after the Effective Date, Reorganized Holdco shall adopt and implement (as applicable) the New Management Equity Incentive Plan.

4.9 **Amendment and Restatement of First Lien Credit Agreement and Marketing Fund Trusts Credit Agreement; Continuation of Liens**. On the Effective Date, (i) the First Lien Credit Agreement shall be deemed amended and restated in its entirety by the Amended First Lien Credit Agreement, and all Liens securing First Lien Facility Claims including, for the avoidance of doubt, any Liens against the assets of the Non-Debtor Guarantor, shall continue uninterrupted in existence to secure the obligations under the Amended First Lien Credit Agreement in the amount and according to the terms of the Amended First Lien Credit Agreement and (ii) the Marketing Fund Trusts Credit Agreement shall be deemed amended and restated in its entirety by the Amended Marketing Fund Trusts Credit Agreement, and all Liens securing the Marketing Fund Trusts Facility Claims shall

continue uninterrupted in existence to secure the Amended Marketing Fund Trusts Credit Agreement in the amount and according to the terms of the Amended Marketing Fund Trusts Credit Agreement.

4.10 **Termination of DIP Credit Agreement**. On the Effective Date, (a) the Reorganized Debtors shall pay, in full, in Cash by wire transfer or immediately available funds, all DIP Facility Claims, unless otherwise agreed to by the Debtors or Reorganized Debtors, as applicable, and the Holder of a DIP Facility Claim and (b) the commitments under the DIP Credit Agreement shall be terminated. Upon payment or satisfaction of all DIP Facility Claims in accordance with the terms thereof, all Liens and security interests granted to secure such obligations shall be deemed terminated and shall be of no further force and effect. Notwithstanding the foregoing, all obligations of the Debtors (if any) to the DIP Agent and the DIP Lenders under the DIP Credit Agreement which are expressly stated in the DIP Credit Agreement as surviving such agreement's termination (including, without limitation, indemnification and expense reimbursement obligations) shall, as so specified, survive without prejudice and remain in full force and effect.

4.11 **Cancellation of Notes, Instruments, and Outstanding Equity Interests**. On the Effective Date, except as otherwise provided for in the Plan or any agreement, instrument or other document incorporated in the Plan or the Plan Supplement, all agreements, stock, instruments, certificates and other documents in respect of the Second Lien Facility Claims, the DIP Facility Claims and the Holdco Interests shall be cancelled, and the obligations of the Debtors or Reorganized Debtors thereunder or in any way related thereto shall be fully released and discharged; provided, however, that the First Lien Credit Agreement, Second Lien Credit Agreement and the DIP Facility Agreement shall continue in effect solely for the purposes of allowing holders of Claims arising therefrom to receive distributions under the Plan.

4.12 **Cancellation of Liens**. Except as expressly provided in Article 4.10 of the Plan, on the Effective Date, any Lien securing any Claim shall be deemed released, and the Holder of such Claim shall be authorized and directed to release any collateral or other property of any Debtor (including any cash collateral) held by such Holder and to take such actions as may be requested by the Debtors (or the Reorganized Debtors, as the case may be) to evidence the release of such Lien, including the execution, delivery and filing or recording of such releases as may be requested by the Debtors (or the Reorganized Debtors, as the case may be).

4.13 **Corporate Action**. On and after the Effective Date, or as soon as reasonably practicable thereafter, the Reorganized Debtors may take all actions as may be necessary or appropriate to effect any transactions described in, approved by, contemplated by, or necessary to effectuate the Plan, including: (a) the execution and delivery of appropriate agreements or other documents of merger, consolidation, restructuring, conversion, disposition, transfer, dissolution or liquidation containing terms that are consistent with the terms of the Plan and that satisfy the applicable requirements of applicable law and any other terms to which the applicable entities may agree; (b) the execution and delivery of appropriate instruments of transfer, assignment, assumption or delegation of any asset, property, right, liability, debt or obligation on terms consistent with the terms of the Plan and having other terms for which the applicable parties agree; (c) the filing of appropriate certificates or articles of incorporation, reincorporation, merger, consolidation, conversion or dissolution and the Amended Corporate Governance Documents pursuant to applicable state law; and (d) all other actions that the applicable entities that may be required by applicable law, subject, in each case, to the Amended Corporate Governance Documents. All matters provided for in the Plan involving the corporate structure of the Debtors, and any corporate action required by the Debtors in connection therewith, shall be deemed to have occurred on, and shall be in effect as of, the Effective Date, without any requirement of further action by the security holders, directors, managers, authorized persons or officers of the Debtors. The authorizations and approvals contemplated by this Article 4.14 shall be effective notwithstanding any requirements under nonbankruptcy law.

4.14 **Effectuating Documents; Further Transactions**. On and after the Effective Date, the Reorganized Debtors and the officers and members of the boards of mangers or directors thereof, are authorized to and may issue, execute, deliver, file or record such contracts, securities, instruments, releases and other agreements or documents and take such actions as may be necessary or appropriate to effectuate, implement and further evidence the terms and conditions of the Plan and the securities issued pursuant to the Plan in the name of and on behalf of the Reorganized Debtors, without the need for any approvals, authorization, or consents except for those expressly required pursuant to the Plan.

4.15 **Exemption from Certain Transfer Taxes and Recording Fees**. To the fullest extent permitted by Bankruptcy Code section 1146(a), any transfer from a Debtor to a Reorganized Debtor or to any entity pursuant to, in contemplation of, or in connection with the Plan or pursuant to: (a) the issuance, distribution, transfer, or exchange of any debt, securities, or other interest in the Debtors or the Reorganized Debtors; (b) the creation, modification, consolidation, or recording of any mortgage, deed of trust or other security interest, or the securing of additional indebtedness by such or other means; (c) the making, assignment, or recording of any lease or sublease; or (d) the making, delivery, or recording of any deed or other instrument of transfer under, in furtherance of, or in connection with, the Plan, including any deeds, bills of sale, assignments, or other instrument of transfer executed in connection with any transaction arising out of, contemplated by, or in any way related to the Plan, shall not be subject to any document recording tax, stamp tax, conveyance fee, intangibles, or similar tax, mortgage tax, real estate transfer tax, mortgage recording tax, sales or use tax, Uniform Commercial Code filing or recording fee, regulatory filing or recording fee, or other similar tax or governmental assessment, and the appropriate state or local governmental officials or agents shall forego the collection of any such tax or governmental assessment and to accept for filing and recordation any of the foregoing instruments or other documents without the payment of any such tax or governmental assessment.

4.16 **No Further Approvals**. The transactions contemplated by the Plan shall be approved and effective as of the Effective Date without the need for any further state or local regulatory approvals or approvals by any non-Debtor parties, and without any requirement for further action by the Debtors, Reorganized Debtors, or any entity created to effectuate the provisions of the Plan.

4.17 **Dissolution of Committee**. A Creditors Committee, if appointed, shall continue in existence until the Effective Date to exercise those powers and perform those duties specified in Bankruptcy Code section 1103 and shall perform such other duties as it may have been assigned by the Bankruptcy Court prior to the Effective Date. On the Effective Date, the Creditors Committee, if appointed, shall be dissolved and the Creditors Committee's members shall be deemed released of all their duties, responsibilities, and obligations in connection with the Chapter 11 Cases or the Plan and its implementation, and the retention or employment of the Creditors Committee's Professionals shall terminate, except with respect to (a) any Professional Fee Claims and (b) any appeals of the Confirmation Order.

4.18 **Pre-Effective Date Injunctions or Stays**. All injunctions or stays, whether by operation of law or by order of the Bankruptcy Court, provided for in the Chapter 11 Cases pursuant to Bankruptcy Code sections 105 or 362 or otherwise that are in effect on the Confirmation Date shall remain in full force and effect until the Effective Date.

4.19 **Intercompany Claims**. Notwithstanding anything to the contrary herein, Intercompany Claims will be adjusted, continued or discharged to the extent determined appropriate by the Debtors, subject to the consent of the Requisite Consenting Parties, which consent shall not be unreasonably withheld, or, after the Effective Date, the Reorganized Debtors in their sole discretion. Any such transaction may be effected on or subsequent to the Effective Date without any further action by the Debtors or the Reorganized Debtors. Each Debtor that holds an Intercompany Claim shall be entitled to account for such Intercompany Claim in its books and records as an asset of such Debtor. The Debtors, with the consent of the Requisite Consenting Parties, which consent shall not be unreasonably withheld, and, after the Effective Date, the Reorganized Debtors, shall have the right to retain any Intercompany Claim, or effect such transfers and setoffs with respect to Intercompany Claims and Intercompany Interests as they may deem appropriate for accounting, tax and commercial business purposes, to the fullest extent permitted by applicable law.

ARTICLE V
EXECUTORY CONTRACTS AND UNEXPIRED LEASES

5.1 **Assumption and Rejection of Executory Contracts and Unexpired Leases**. Except as otherwise set forth herein, all executory contracts or unexpired leases of the Debtors shall be deemed assumed in accordance with the provisions and requirements of Bankruptcy Code sections 365 and 1123 as of the Effective Date, unless such executory contract or unexpired lease (a) was previously assumed or rejected by the Debtors; (b) previously expired or terminated pursuant to its terms; (c) is the subject of a motion to assume or reject filed by the Debtors under Bankruptcy Code section 365 pending as of the Effective Date; or (d) is specifically designated on the

Schedule of Rejected Executory Contracts and Unexpired Leases. Entry of the Confirmation Order by the Bankruptcy Court shall constitute approval of such assumptions pursuant to Bankruptcy Code sections 365(a) and 1123.

5.2 **Cure of Defaults for Assumed Executory Contracts and Unexpired Leases**. The proposed cure amount for an executory contract or unexpired lease that is assumed pursuant to this Plan shall be zero dollars unless otherwise indicated in a Schedule of Cure Amounts. Cure obligations shall be satisfied, pursuant to Bankruptcy Code section 356(b)(1), by payment of the cure amount in Cash on the Effective Date or on such other terms as the parties to such executory contract or unexpired lease may otherwise agree. In the event of a dispute regarding (a) the amount of any cure payments, (b) the ability of the Reorganized Debtors to provide "adequate assurance of future performance" (within the meaning of Bankruptcy Code section 365) under the executory contract or unexpired lease to be assumed, or (c) any other matter pertaining to assumption, any cure payments required by Bankruptcy Code section 365(b)(1) shall be made following entry of a Final Order resolving the dispute and approving the assumption; provided, however, that following the resolution of any such dispute, the Debtors or Reorganized Debtors reserve the right to reject such executory contract or unexpired lease.

5.3 **No Change in Control**. To the extent applicable, any executory contracts or unexpired leases, including related instruments and agreements, assumed or deemed assumed during the Chapter 11 Cases, including those assumed pursuant to Article 5 of the Plan, shall be deemed modified such that the transactions contemplated by the Plan shall not constitute a "change of control" (or terms with similar effect) under the applicable executory contract or unexpired lease, regardless of how such term may be defined herein, and any consent or advance notice required under such executory contract or unexpired lease shall be deemed satisfied by Confirmation of the Plan.

5.4 **Modifications, Amendments, Supplements, Restatements, or Other Agreements**. Unless otherwise provided in the Plan, each executory contract or unexpired lease that is assumed shall include all modifications, amendments, supplements, restatements, or other agreements that in any manner affect such executory contract or unexpired lease, and all executory contracts and unexpired leases related thereto, if any, including all easements, licenses, permits, rights, privileges, immunities, options, rights of first refusal, and any other interests, unless any of the foregoing agreements has been previously rejected or repudiated or is rejected or repudiated under the Plan. Except to the extent a Final Order provides otherwise, modifications, amendments, supplements and restatements to prepetition executory contracts and unexpired leases that have been executed by the Debtors during the Chapter 11 Cases shall not be deemed to alter the prepetition nature of the executory contract or unexpired lease, or the validity, priority, or amount of any Claims that may arise in connection therewith.

5.5 **Rejection and Repudiation of Executory Contracts and Unexpired Leases**. On the Effective Date, each executory contract and unexpired lease that is listed on the Schedule of Rejected Executory Contracts and Unexpired Leases shall be deemed rejected or repudiated pursuant to Bankruptcy Code section 365. Each contract or lease listed on the Schedule of Rejected Executory Contracts and Unexpired Leases shall be rejected only to the extent that such contract or lease constitutes and executory contract or unexpired lease. Until the Effective Date, the Debtors expressly reserve their right to amend the Schedule of Rejected Executory Contracts and Unexpired Leases to delete any executory contract or unexpired lease therefrom or to add any executory contract or unexpired lease thereto. Listing a contract or lease on the Schedule of Rejected Executory Contracts and Unexpired Leases shall not constitute an admission by the Debtors or Reorganized Debtors that such contract or lease is an executory contract or unexpired lease or that such Debtor or Reorganized Debtor has any liability thereunder.

5.6 **Claims Based on Rejection or Repudiation of Executory Contracts and Unexpired Leases**. If the rejection or repudiation of an executory contract or unexpired lease pursuant to the Plan results in a Claim, then such Claim shall be forever barred and shall not be enforceable against the Debtors or Reorganized Debtors or their properties, or any of their interests in properties as agent, successor or assign, unless a Proof of Claim is filed with the Claims and Noticing Agent and served upon counsel to the Reorganized Debtors within thirty (30) days after the later of (i) entry of the Confirmation Order and (ii) the effective date of rejection or repudiation of the executory contract or unexpired lease. The Debtors shall give notice of the bar date established by this Article 5.6 to the non-Debtor counterparties to the executory contracts and unexpired leases identified in the Schedule of Rejected Executory Contracts and Unexpired Leases by service of the Plan, the Confirmation Order, or otherwise.

Unless otherwise provided herein, the Reorganized Debtors shall object to such Claims within sixty (60) days of the filing of such Proofs of Claim.

5.7 **Limited Extension of Time to Assume or Reject**. In the event of a dispute as to whether a contract or lease is executory or unexpired, the right of the Debtors or Reorganized Debtors to move to assume or reject such contract or lease shall be extended until the date that is thirty (30) days after the entry of a Final Order by the Bankruptcy Court determining that the contract or lease is executory or unexpired. The deemed assumptions and rejections provided for in this Article V of the Plan shall not apply to such contract or lease.

5.8 **Employee Compensation and Benefit Programs; Deferred Compensation Programs**. The Debtors' ordinary course employee benefit programs, including, without limitation, its savings plans, retirement plans, healthcare plans, disability plans, severance obligations, incentive plans, and life, accidental death and dismemberment insurance plans (collectively, the "Employee Benefits Programs"), entered into before the Petition Date and not since terminated, shall survive Confirmation of the Plan and will be fulfilled in the ordinary course of business. For the avoidance of doubt, the Deferred Compensation Plans are not Employee Benefit Programs. To the extent the Deferred Compensation Programs are deemed executory contracts, the Deferred Compensation Programs shall be rejected, effective as of the Petition Date.

5.9 **Survival of Certain Indemnification and Reimbursement Obligations**. Except as otherwise provided by the Plan, any and all respective obligations, whether pursuant to certificates of incorporation, codes of regulation, by-laws, limited liability company agreements, operating agreements, limited liability partnership agreements, or any combination of the foregoing, of the Debtors and Reorganized Debtors for indemnification, advancement and/or reimbursement of persons who are current or former directors, officers, members, managers, managing members, employees or agents of any of the Debtors (collectively, the "Indemnity Obligations") shall survive confirmation of the Plan and are Reinstated, shall remain unaffected by the Plan, and shall not be discharged or Impaired by the Plan, irrespective of whether the indemnification, advancement or reimbursement obligation is owed in connection with any event occurring before, on or after the Petition Date, it being understood that all indemnification provisions in place on and prior to the Effective Date for directors, officers, members, managers or employees and agents of the Debtors shall survive the effectiveness of the Plan for claims related to or in connection with any actions, omissions or transactions prior to the Effective Date (including prior to the Petition Date); provided, however, that the foregoing shall not apply to any Specified Litigation Party with respect to any Specified Litigation Claims or to the Former D&O Indemnification Claims.

In addition, the Debtors or Reorganized Debtors, as applicable, shall obtain and maintain directors', managing members' and officers' insurance, providing coverage for those indemnitees currently covered by such policies (collectively, the "E&O and D&O Insureds") for the remaining term of such policy and shall maintain tail coverage under policies in existence as of the Effective Date for a period of at least six (6) years after the Effective Date (the "Insurance Coverage"), and consistent with historical practice, hereby further additionally indemnify the E&O and D&O Insureds solely to pay for any deductible or retention amount that may be payable in connection with any claim covered under either the foregoing Insurance Coverage or any prior similar policy.

5.10 **Insurance Policies**. All insurance policies pursuant to which the Debtors have any obligations in effect as of the date of the Confirmation Order shall be deemed and treated as executory contracts pursuant to the Plan and shall be assumed by the respective Debtors and shall continue in full force and effect. All other insurance policies shall revest in the Reorganized Debtors.

ARTICLE VI
PROCEDURES FOR RESOLVING AND TREATING CONTESTED CLAIMS

6.1 **Objections to, Settlement of and Estimation of Claims**. After the Effective Date, only the Reorganized Debtors may object to the allowance of any Claim or Administrative Expense Claim. After the Effective Date, the Reorganized Debtors shall have the sole power and authority, but shall have no obligation, to object to, allow or settle and compromise any Claim without notice to any other party, or approval of, or notice to the Bankruptcy Court. In addition, the Debtors or the Reorganized Debtors may at any time, request that the Bankruptcy Court estimate any contingent or unliquidated Claim pursuant to Bankruptcy Code section 502(c) regardless of whether any party has previously objected to such Claim.

6.2 **Reserve for Disputed Claims**. The Reorganized Debtors shall maintain Company Specified Litigation Proceeds in an amount equal to one hundred percent (100%) of the amount that the Holders of Disputed Claims would be entitled to receive under the Plan if such Disputed Claims were Allowed Claims in the full amount asserted by the Holders of such Claims, or with respect to any particular Disputed Claim, such other amount agreed to by the Debtors and the Holder of such Disputed Claim (the "Proceeds Distribution Reserve"). The Reorganized Debtors shall reserve, pending allowance or disallowance of the Disputed Claims, issuance of the Remaining Equity, based upon the Stock in Lieu Election, in an amount equal to one hundred percent (100%) of the amount that the Holders of Disputed Claims would be entitled to receive under the Plan if such Disputed Claims were Allowed Claims in the full amount asserted by the Holders of such Claims, or with respect to any particular Disputed Claim, such other amount agreed to by the Debtors and the Holder of such Disputed Claim (the "Remaining Equity Issuance Reserve"). Subject to the Reorganized Debtors establishing adequate reserves as set forth in this Article 6.2, all Remaining Equity other than the Remaining Equity Issuance Reserve shall be distributed to holders of Allowed Class A4 Claims and Class B4 Claims that have made the Stock In Lieu Election as soon as reasonably practicable after the deadline for submitting Proofs of Claim. For the avoidance of doubt, in no event shall the Reorganized Debtors maintain any amounts in the Proceeds Distribution Reserve or the Remaining Equity Issuance Reserve for Holders of Claims in Classes A5, or for any other Class or Claim that is not entitled to any distributions under the Plan. Upon the request of the Debtors or Reorganized Debtors at any time, the Bankruptcy Court may estimate and determine the estimated amount (the "Estimated Amount") of any Disputed Claim as of the Effective Date and the expected recovery under the Plan with respect to such Estimated Amount shall be the amount reserved in the Proceeds Distribution Reserve or the Remaining Equity Issuance Reserve, as applicable, for such Disputed Claim. Any claimant holding a Disputed Claim so estimated will receive no more than the Estimated Amount from the Proceeds Distribution Reserve or Remaining Equity Issuance Reserve and will not have recourse to the Debtors, the Reorganized Debtors, or other property transferred pursuant to the Plan should the Allowed Claim of such claimant exceed such Estimated Amount.

6.3 **Disposition of Distribution Reserves** Assets held in the Distribution Reserves shall be distributed by the Reorganized Debtors to a Holder of a Disputed Claim when, and to the extent that, such Disputed Claim becomes Allowed pursuant to a Final Order. Once such Disputed Claim is Allowed, distribution shall be made to the Holder of such Claim in an amount equal to the amount to which the Holder of such Claim is entitled pursuant to Article II hereof, without interest thereon. If a Disputed Claim is disallowed or Allowed by Final Order in an amount that is less than the amount of the Disputed Claim, the resulting surplus shall be released from the Distribution Reserves and shall be distributed Pro Rata to the Holders of Allowed Claims in the applicable Class in accordance with the terms of Article II of the Plan. Notwithstanding the foregoing, and for the avoidance of doubt, distributions to those Holders of Disputed Claims that become Allowed pursuant to a Final Order which have not made the Stock in Lieu Election will not receive any distributions unless and until the Reorganized Debtors recover such Company Specified Litigation Proceeds.

ARTICLE VII
DISTRIBUTIONS

7.1 **Manner of Payment and Distributions under the Plan**. All distributions under the Plan shall be made by the Reorganized Debtors or a distribution agent selected by the Reorganized Debtors.

(a) Distributions to Holders of Allowed Claims Other Than Allowed Unsecured Claims. The Reorganized Debtors or the distribution agent will make distributions on account of Allowed Claims other than Allowed Unsecured Claims as of the Effective Date as soon as reasonably practicable after the Effective Date (the "Distribution Date"). The Reorganized Debtors or such distribution agent will make subsequent distributions to a Holder of such Allowed Claim within a reasonable period of time after such Claim becomes Allowed. Payments of Cash by the Reorganized Debtors pursuant to the Plan may be by check drawn on a domestic bank and shall be made to the address of the Holder of such Claim as most recently indicated on or prior to the Effective Date on the Debtors' records. At the option of the Reorganized Debtors, payments may be made by wire transfer from a bank.

(b) Distributions to Holders of Allowed Unsecured Claims. The Reorganized Debtors or the distribution agent will make distributions on account of Allowed Unsecured Claims as follows: (i) for those Holders of Allowed Unsecured Claims who make the Stock in Lieu Election, distributions shall be made as

soon as reasonably practicable after the Stock in Lieu Election Deadline (the "Unsecured Creditor Remaining Equity Distribution Date") and (ii) for those Holders of Allowed Unsecured Claims who do not make the Stock in Lieu Election, distributions shall be made as soon as reasonably practicable after the Reorganized Debtors recover the Company Specified Litigation Proceeds (the "Unsecured Creditor Company Specified Litigation Proceeds Distribution Date"). Pending allowance or disallowance of Unsecured Claims, the Reorganized Debtors are authorized, but shall not be required, to make preliminary distributions of Remaining Equity to those Holders of Allowed Unsecured Claims that have made the Stock in Lieu Election; provided, however, if the Reorganized Debtors determine to make such preliminary distributions, such distributions shall be made following the entry of an order of the Bankruptcy Court approving the size of the Remaining Equity Issuance Reserve. The Reorganized Debtors or such distribution agent will make subsequent distributions to a Holder of such Allowed Unsecured Claims within a reasonable period of time after such Claim becomes Allowed. Payments of Cash by the Reorganized Debtors pursuant to the Plan may be by check drawn on a domestic bank and shall be made to the address of the Holder of such Claim as most recently indicated on or prior to the Effective Date on the Debtors' records. At the option of the Reorganized Debtors, payments may be made by wire transfer from a bank.

7.2 **Interest and Penalties on Claims**. Unless otherwise specifically provided for in the Plan or the Confirmation Order, required by applicable bankruptcy law or necessary to render a Claim Unimpaired, postpetition interest and penalties shall not accrue or be paid on any Claims, and no Holder of a Claim shall be entitled to interest and penalties accruing on or after the Petition Date through the date such Claim is satisfied in accordance with the terms of the Plan.

7.3 **Record Date for Distributions**. Under the terms of the Plan, the Distribution Record Date shall be the Confirmation Date. None of the Debtors or Reorganized Debtors will have any obligation to recognize the transfer of, or the sale of any participation in, any Allowed Claim that occurs after the close of business on the Distribution Record Date, and will be entitled for all purposes herein to recognize and make distributions only to those Holders of Allowed Claims that are Holders of such Claims as of the close of business on the Distribution Record Date. The Debtors and Reorganized Debtors shall be entitled to recognize and deal for all purposes under the Plan with only those record holders stated on the official claims register as of the close of business on the Distribution Record Date.

7.4 **Withholding and Reporting Requirements**. In connection with the Plan, the Reorganized Debtors shall comply with all withholding and reporting requirements imposed by federal, state, local and foreign taxing authorities and all distributions hereunder shall be subject to such withholding and reporting requirements. The Reorganized Debtors shall be authorized to take any and all actions that may be necessary or appropriate to comply with such withholding and reporting requirements. Notwithstanding the foregoing, each Holder of an Allowed Claim that is to receive a distribution hereunder shall have the sole and exclusive responsibility for the satisfaction and payment of any tax obligations imposed by any government unit, including income, withholding and other tax obligations, on account of such distribution. The Reorganized Debtors have the right, but not the obligation, not to make a distribution until such Holder has made arrangements satisfactory to the Reorganized Debtors for payment of any such tax obligations. The Reorganized Debtors may require, as a condition to the receipt of a distribution, that the Holder of an Allowed Claim complete the appropriate Form W-8 or Form W-9, as applicable to each holder. If such Holder fails to comply with such request within one year, such distribution shall be deemed an unclaimed distribution.

7.5 **Setoffs**. Except as provided under the Plan, the Debtors and/or Reorganized Debtors may, but shall not be required to, set off against any Claim and the payments to be made pursuant to the Plan in respect of such Claim, any claims of any nature whatsoever that the Debtors may have against the Holder of a Claim, but neither the Debtors' or Reorganized Debtors' failure to do so nor the allowance of any Claim hereunder shall constitute a waiver or release by the Debtors or Reorganized Debtors of any such claim the Debtors or Reorganized Debtors may have against such Holder of a Claim. Notwithstanding anything contained herein to the contrary, neither the Debtors nor the Reorganized Debtors shall be permitted to set off against any DIP Facility Claim, First Lien Facility Claim, Second Lien Facility Claim or Marketing Fund Trusts Facility Claim.

7.6 **Allocation of Plan Distributions Between Principal and Interest**. To the extent that any Allowed Claim entitled to distribution under the Plan consists of indebtedness and accrued but unpaid interest thereon, such distributions shall, for all income tax purposes, be allocated first to the principal amount of the Claim

(as determined for federal income tax purposes) and then, to the extent the consideration exceeds the principal amount of the Claim, to the portion of such Claim representing accrued but unpaid interest.

7.7 **Surrender of Cancelled Instruments or Securities**. Except as otherwise provided herein, as a condition precedent to receiving any distribution on account of its Allowed Claim, each Holder of an Allowed Claim based upon an instrument or other security shall be deemed to have surrendered such instrument, security or other documentation underlying such Claim and all such surrendered instruments, securities and other documentation shall be deemed cancelled pursuant to this Article 7.7.

7.8 **Undeliverable or Returned Distributions**. If any Allowed Claim distribution is returned to the Reorganized Debtors as undeliverable, the Reorganized Debtors shall use reasonable efforts to determine the correct address of the Holder of such Claim. If such reasonable efforts are unsuccessful, no further distributions shall be made to the Holder of such Claim unless and until the Reorganized Debtors are notified in writing of such Holder's then current address. Upon receipt by the Reorganized Debtors, returned Cash shall not earn any interest or be entitled to any dividends or other accruals of any kind. Any Holder of an Allowed Claim, other than an Allowed Unsecured Claim, that does not assert a Claim pursuant to this Article 7.8 for a returned distribution within one (1) year after the Effective Date shall be forever barred from asserting any such Claim against the Debtors or their property, the Reorganized Debtors or their property or other property transferred pursuant to the Plan. Any Holder of an Allowed Unsecured Claim that does not assert a Claim pursuant to this Article 7.8 for a returned distribution within one (1) year after (a) the Unsecured Creditor Company Specified Litigation Proceeds Distribution Date for those Holders that do not make the Stock in Lieu Election or (b) the Unsecured Creditor Remaining Equity Distribution Date for those Holders that make the Stock in Lieu Election, shall be forever barred from asserting any such Claim against the Debtors or their property, the Reorganized Debtors or their property or other property transferred pursuant to the Plan. In such cases, any Cash held for distribution on account of such Allowed Claim shall re-vest in the Reorganized Debtors. Except as provided therein, nothing contained in the Plan shall require the Debtors or the Reorganized Debtors to attempt to locate any Holder of an Allowed Claim.

7.9 **Fractional Distributions**. No fractional interests of New Common Interests or fractional dollars shall be distributed. Where a fractional interest would otherwise be called for, the actual issuance shall reflect a rounding up (in the case of more than .50) of such fraction to the nearest whole interest of New Common Interests or a rounding down of such fraction (in the case of .50 or less than .50) to the nearest whole interest of New Common Interests. Where fractional dollars would otherwise be called for, the actual issuance shall reflect a rounding up (in the case of more than .50) of such fraction to the nearest whole dollar or a rounding down of such fraction (in the case of .50 or less than .50) to the nearest whole dollar.

7.10 **Distributions to First Lien Agent and Second Lien Agent**. Distributions under the Plan to Holders of First Lien Facility Claims and Second Lien Facility Claims shall be made by the Reorganized Debtors to the First Lien Agent and Second Lien Agent, respectively, which, in turn, shall make the distributions to the First Lien Lenders and Second Lien Lenders, respectively.

7.11 **Miscellaneous Distribution Provisions**.

(a) Foreign Currency Exchange Rate. Except as specifically provided for in the Plan or an order of the Bankruptcy Court, as of the Effective Date, any Claim asserted in currency other than U.S. dollars automatically shall be deemed converted to the equivalent U.S. dollar value using Bank of America's noon spot rate as of the Petition Date for all purposes under the Plan, including voting, allowance and distribution.

(b) Distributions on Non-Business Days. Any payment or distribution due on a day other than a Business Day shall be made, without interest, on the next Business Day.

(c) Partial Distributions on Disputed Claims. The Debtors or the Reorganized Debtors as applicable may, but are not required to, make partial distributions to Holders of Disputed Claims for the amount of the undisputed portion of such Holder's Disputed Claim.

(d) Disputed Payments. If any dispute arises as to the identity of the Holder of an Allowed Claim entitled to receive any distribution under the Plan, the Reorganized Debtors may retain such distribution until its disposition is determined by a Final Order or written agreement among the interested parties to such dispute.

(e) Post-Consummation Effect of Evidence of Claims or Interests. Except as otherwise provided herein, notes, stock certificates, membership certificates, unit certificates, and other evidence of Claims against or Interests in the Debtors shall, effective on the Effective Date, represent only the right to participate in the distributions contemplated by the Plan and shall not be valid or effective for any other purpose.

(f) Disgorgement. To the extent that any property, including Cash, is distributed to a Person on account of a Claim that is not an Allowed Claim, such property shall be held in trust for and shall promptly be returned to the Reorganized Debtors.

ARTICLE VIII
CONDITIONS PRECEDENT TO EFFECTIVENESS OF THE PLAN

8.1 **Conditions to the Effective Date**. Consummation of the Plan and the occurrence of the Effective Date are subject to satisfaction of the following conditions:

(a) The Bankruptcy Court shall have entered the Confirmation Order, in form and substance consistent with the Restructuring Support Agreement and reasonably acceptable to the Debtors and the Requisite Consenting Parties, and such Confirmation Order shall have become a Final Order.

(b) The Restructuring Support Agreement shall not have been terminated in accordance with the terms thereof, and such Restructuring Support Agreement shall be in full force and effect.

(c) The Specified Litigation Agreement shall have been executed.

(d) The Amended First Lien Credit Agreement, and all related documents provided for therein or contemplated thereby, in each case, the final form and substance of which shall be acceptable to the Debtors and the Consenting First Lien Lenders, shall have been executed and delivered by all parties thereto, and all conditions precedent thereto shall have been satisfied.

(e) The Amended Marketing Fund Trusts Credit Agreement, and all related documents provided for therein or contemplated thereby, in each case, the final form and substance of which shall be acceptable to the Debtors, Vectra and the Requisite Consenting First Lien lenders, shall have been executed and delivered by all parties thereto, and all conditions precedent thereto shall have been satisfied.

(f) The New Delayed-Draw Term Facility Agreement, and all related documents provided for therein or contemplated thereby, in each case, the final form and substance of which shall be acceptable to the Debtors and the Requisite Consenting First Lien Lenders, shall have been executed and delivered by all parties thereto, and all conditions precedent thereto shall have been satisfied.

(g) Insurance Coverage shall have been obtained for the Reorganized Debtors.

(h) The Amended Corporate Governance Documents shall have been adopted and (where required by applicable law) filed with the applicable authorities of the relevant jurisdictions of organization and shall have become effective in accordance with such jurisdictions' corporation or limited liability company laws.

(i) All authorizations, consents, certifications, approvals, rulings, no-action letters, opinions or other documents or actions required by any law, regulation or order to be received or to occur in order to implement the Plan on the Effective Date shall have been obtained or shall have occurred unless failure to do so will not have a material adverse effect on the Reorganized Debtors.

(j) In accordance with Article 4.6(b) of the Plan, the New Board of Managers shall have been selected and shall have agreed to serve in such capacity.

(k) All other documents and agreements necessary to implement the Plan on the Effective Date, in form and substance reasonably acceptable to the Debtors and the Requisite Consenting Parties, to the extent required herein or in the Restructuring Support Agreement, and consistent with the Restructuring Support Agreement, shall have been executed and delivered and all other actions required to be taken in connection with the Effective Date shall have occurred.

(l) All statutory fees and obligations then due and payable to the Office of the U.S. Trustee shall have been paid and satisfied in full.

(m) Subject to Article 10.10 of the Plan, the Consenting First Lien Lender Advisor Fee Claims that remain unpaid as of the Effective Date shall have been paid.

(n) Subject to Article 10.11 of the Plan, the Agent Fee Claims that remain unpaid as of the Effective Date shall have been paid.

(o) Subject to Article 10.12 of the Plan, the Avenue and Fortress Advisor Fee Claims that remain unpaid as of the Effective Date shall have been paid.

8.2 **Waiver of Condition**. The conditions set forth in Article 8.1 of the Plan, other than the condition requiring that the Confirmation Order shall have been entered by the Bankruptcy Court, may be waived in whole or in part by the Debtors, subject to the consent of the Requisite Consenting Parties, which shall not be unreasonably withheld.

8.3 **Notice of Effective Date**. The Debtors shall file with the Bankruptcy Court a notice of the occurrence of the Effective Date within a reasonable period of time after the conditions in Article 8.1 of the Plan have been satisfied or waived pursuant to Article 8.2 of the Plan.

8.4 **Order Denying Confirmation**. If the Plan is not consummated, then nothing contained in the Plan shall (a) constitute a waiver or release of any Claims against or Interests in the Debtors; (b) prejudice in any manner the rights of the Holder of any Claim against, or Interest in, the Debtors; (c) prejudice in any manner any right, remedy or Claim of the Debtors; (d) be deemed an admission against interest by the Debtors; or (e) constitute a settlement, implicit or otherwise, of any kind whatsoever.

ARTICLE IX
EFFECT OF THE PLAN ON CLAIMS AND INTERESTS

9.1 **Discharge of Claims and Termination of Interests**.

(a) **As of the Effective Date, except as otherwise provided in the Plan or the Confirmation Order, the rights afforded under the Plan and the treatment of Claims and Interests under the Plan shall be in exchange for and in complete satisfaction, discharge and release of all Claims and satisfaction or termination of all Interests, including any Claims arising under the First Lien Credit Agreement to the extent not reduced and modified by the Amended First Lien Credit Agreement, the Second Lien Credit Agreement, the Marketing Fund Trusts Credit Agreement to the extent not reduced and modified by the Amended Marketing Fund Trusts Credit Agreement, the DIP Facility and the DIP Facility Order. Except as otherwise provided in the Plan or the Confirmation Order, Confirmation shall, as of the Effective Date: (i) discharge the Debtors from all Claims or other debts that arose before the Effective Date, including SARs Claims and Former D&O Indemnification Claims, whether liquidated or unliquidated, fixed or contingent, matured or unmatured, and all debts of the kind specified in Bankruptcy Code sections 502(g), 502(h) or 502(i), in each case whether or not (w) a Proof of Claim is filed or deemed filed pursuant to Bankruptcy Code section 501, (x) a Claim based on such debt is Allowed pursuant to Bankruptcy Code section 502, (y) the Holder of a Claim based on such debt has accepted the Plan or (z) such Claim is listed in the Schedules; and**

(ii) satisfy, terminate or cancel all Interests and other rights of equity security holders in the Debtors other than the Intercompany Interests.

(b) **As of the Effective Date, except as otherwise provided in the Plan or the Confirmation Order, all Persons shall be precluded from asserting against the Debtors or the Reorganized Debtors, or their respective successors or property, any other or further Claims, demands, debts, rights, causes of action, liabilities or equity interests based upon any act, omission, transaction or other activity of any kind or nature that occurred prior to the Effective Date. In accordance with the foregoing, except as provided in the Plan or the Confirmation Order, the Confirmation Order will be a judicial determination, as of the Effective Date, of a discharge of all such Claims and other debts and liabilities against the Debtors and satisfaction, termination or cancellation of all Interests and other rights of equity security holders in the Debtors, pursuant to Bankruptcy Code sections 524 and 1141, and such discharge will void any judgment obtained against the Debtors or the Reorganized Debtors at any time, to the extent that such judgment relates to a discharged Claim.**

9.2 **Injunctions**.

(a) **Except as otherwise provided in the Plan or the Confirmation Order, as of the Effective Date, all Persons that have held, currently hold or may hold a Claim or other debt or liability that is discharged or an Interest or other right of an equity security holder that is terminated pursuant to the terms of the Plan are permanently enjoined from taking any of the following actions on account of any such discharged Claims, debts or liabilities or terminated Interests or rights: (i) commencing or continuing in any manner any action or other proceeding against the Debtors or the Reorganized Debtors or their respective property; (ii) enforcing, attaching, collecting or recovering in any manner any judgment, award, decree or order against the Debtors or the Reorganized Debtors or their respective property; (iii) creating, perfecting or enforcing any lien or encumbrance against the Debtors or the Reorganized Debtors or their respective property; (iv) asserting a setoff, right of subrogation or recoupment of any kind against any debt, liability or obligation due to the Debtors or the Reorganized Debtors or their respective property; and (v) commencing or continuing any action, in any manner, in any place that does not comply with or is inconsistent with the provisions of the Plan.**

(b) **Except as otherwise provided in the Plan or the Confirmation Order, as of the Effective Date, all Persons that have held, currently hold or may hold a Claim, demand, debt, right, cause of action or liability that is released pursuant to the Plan are permanently enjoined from taking any of the following actions on account of such released Claims, demands, debts, rights, causes of action or liabilities: (i) commencing or continuing in any manner any action or other proceeding; (ii) enforcing, attaching, collecting or recovering in any manner any judgment, award, decree or order; (iii) creating, perfecting or enforcing any lien or encumbrance; (iv) asserting a setoff, right of subrogation or recoupment of any kind against any debt, liability or obligation due to any released Person; and (v) commencing or continuing any action, in any manner, in any place that does not comply with or is inconsistent with the provisions of the Plan.**

(c) **In exchange for the distributions pursuant to the Plan, each Holder of an Allowed Claim receiving such distribution pursuant to the Plan will be deemed to have specifically consented to the injunctions set forth in this Article 9.2.**

9.3 **Releases**.

(a) **Debtor Releases. Notwithstanding anything contained herein to the contrary, on the Confirmation Date and effective as of the Effective Date and to the fullest extent authorized by applicable law, for good and valuable consideration provided by each of the Released Parties, the adequacy of which is hereby confirmed, the Released Parties are deemed released and discharged by the Debtors and their Estates from any and all claims, interests, obligations, rights, suits, damages, causes of action, remedies, and liabilities whatsoever, including any derivative claims, whether known or unknown, foreseen or unforeseen, existing or hereinafter arising, in law, equity, or otherwise, based on or relating to, or in any manner arising from, in whole or in part, the Debtors, the Debtors' restructuring, the Chapter 11**

Cases, the purchase, sale, or rescission of the purchase or sale of any security of the Debtors, the subject matter of, or the transactions or events giving rise to, any Claim or Interest that is treated in the Plan, the business or contractual arrangements between any Debtor and any Released Party, the restructuring of Claims and Interests prior to or during the Chapter 11 Cases, the negotiation, formulation, or preparation of the Plan, the Disclosure Statement, the Plan Supplement, the Restructuring Support Agreement, or any related agreements, instruments, or other documents, upon any other act or omission, transaction, agreement, event, or other occurrence taking place on or before the Effective Date, other than claims or liabilities arising out of or relating to any act or omission of a Released Party that constitutes actual fraud, willful misconduct or gross negligence. Notwithstanding anything to the contrary in the foregoing, the release set forth above does not release any obligations arising on or after the Effective Date of any party under the Plan or any document, instrument, or agreement (including those set forth in the Plan Supplement) executed to implement the Plan. For the avoidance of doubt, the Specified Litigation Claims shall not be released pursuant to the Plan, and the Specified Litigation Parties are not Released Parties.

(b) **Releases by Plan Support Releasing Parties. Notwithstanding anything contained herein to the contrary, on the Confirmation Date and effective as of the Effective Date and to the fullest extent authorized by applicable law, the Plan Support Releasing Parties are deemed to have released and discharged the Debtors and their Estates and the Released Parties from any and all claims, interests, obligations, rights, suits, damages, causes of action, remedies, and liabilities whatsoever, including any derivative claims, asserted on behalf of any Debtor, whether known or unknown, foreseen or unforeseen, existing or hereinafter arising, in law, equity, or otherwise, that such entity would have been legally entitled to assert (whether individually or collectively), based on or relating to, or in any manner arising from, in whole or in part, the Debtors, the Debtors' restructuring, the Chapter 11 Cases, the purchase, sale, or rescission of the purchase or sale of any security of the Debtors, the subject matter of, or the transactions or events giving rise to, any Claim or Interest that is treated in the Plan, the business or contractual arrangements between any Debtor and any Released Party, the restructuring of Claims and Interests prior to or in the Chapter 11 Cases, the negotiation, formulation, or preparation of the Plan, the Disclosure Statement, the Plan Supplement, the Restructuring Support Agreement, or any related agreements, instruments, or other documents, upon any other act or omission, transaction, agreement, event, or other occurrence taking place on or before the Effective Date, other than claims or liabilities arising out of or relating to any act or omission of a Released Party that constitutes actual fraud, willful misconduct, or gross negligence. Notwithstanding anything to the contrary in the foregoing, the release set forth above does not release any obligations arising on or after the Effective Date of any party under the Plan or any document, instrument, or agreement (including those set forth in the Plan Supplement) executed to implement the Plan. For the avoidance of doubt, the Specified Litigation Claims shall not be released pursuant to the Plan, and the Specified Litigation Parties are not Released Parties.**

9.4 **Exculpation**. **Notwithstanding anything contained herein to the contrary, on the Confirmation Date and effective as of the Effective Date and to the fullest extent authorized by applicable law, none of the Exculpated Parties, shall have or incur any liability for any claim, cause of action, or other assertion of liability for any act taken or omitted in connection with, or arising out of, the Chapter 11 Cases or the negotiation, formulation, preparation, administration, consummation and/or implementation of the Plan, or any contract, instrument, document, or other agreement entered into pursuant thereto including, without limitation, the Restructuring Support Agreement, through the Effective Date; provided that the foregoing shall not affect the liability of any person that otherwise would result from any such act or omission to the extent such act or omission is determined by a Final Order to have constituted actual fraud, willful misconduct, or gross negligence. The Exculpated Parties shall be entitled to rely upon the advice of counsel with respect to their duties and responsibilities under, or in connection with, the Chapter 11 Cases, the Plan and administration thereof. For the avoidance of doubt, the Specified Litigation Parties are not Exculpated Parties.**

9.5 **Retention and Enforcement and Release of Causes of Action**. Except as otherwise provided in the Plan, or in any document, instrument, release or other agreement entered into in connection with the Plan, in accordance with Bankruptcy Code section 1123(b), the Debtors and their Estates shall retain the Causes of Action including, without limitation, the Causes of Action identified in the Plan Supplement (the "Retained Causes of Action"). The Reorganized Debtors, as the successors in interest to the Debtors and their Estates, may enforce,

sue on, settle or compromise (or decline to do any of the foregoing) any or all of the Retained Causes of Action. The Debtors or the Reorganized Debtors expressly reserve all rights to prosecute any and all Retained Causes of Action against any Person, except as otherwise expressly provided in the Plan, and no preclusion doctrine, including the doctrines of res judicata, collateral estoppel, issue preclusion, claim preclusion, estoppel (judicial, equitable or otherwise), or laches, shall apply to such Retained Cause of Action upon, after, or as a consequence of Confirmation or the occurrence of the Effective Date. For the avoidance of doubt, the rights of the Debtors and Reorganized Debtors with respect to the Company Specified Litigation Claims shall be as set forth in the Specified Litigation Agreement and Article 4.5 of the Plan.

ARTICLE X
MISCELLANEOUS PROVISIONS

10.1 **Retention of Jurisdiction**. Following the Effective Date, the Bankruptcy Court shall retain jurisdiction over all matters arising from or relating to the Chapter 11 Cases to the fullest extent of applicable law, including, without limitation:

(a) To determine the validity under any applicable law, allowability, classification and priority of Claims and Interests upon objection, or to estimate, pursuant to Bankruptcy Code section 502(c), the amount of any Claim that is, or is anticipated to be, contingent or unliquidated as of the Effective Date;

(b) To construe and to take any action authorized by the Bankruptcy Code and requested by the Reorganized Debtors or any other party in interest to enforce the Plan and the documents and agreements filed and/or executed in connection with the Plan, issue such orders as may be necessary for the implementation, execution and consummation of the Plan, and to ensure conformity with the terms and conditions of the Plan, such documents and agreements and other orders of the Bankruptcy Court, notwithstanding any otherwise applicable non-bankruptcy law;

(c) To determine any and all applications for allowance of Professional Fee Claims, and to determine any other request for payment of Administrative Expense Claims;

(d) To determine all matters that may be pending before the Bankruptcy Court on or before the Effective Date;

(e) To resolve any dispute regarding the implementation or interpretation of the Plan, or any related agreement or document that arises at any time before the Chapter 11 Cases are closed, including the determination, to the extent a dispute arises, of the entities entitled to a distribution within any particular Class of Claims and of the scope and nature of the Reorganized Debtors' obligations to cure defaults under assumed contracts, leases and permits;

(f) To determine any and all matters relating to the rejection, assumption or assignment of executory contracts or unexpired leases entered into prior to the Petition Date, the nature and amount of any cure required for the assumption of any executory contract or unexpired lease, and the allowance of any Claim resulting therefrom;

(g) To determine all applications, adversary proceedings, contested matters and other litigated matters, that were brought or that could have been brought in the Bankruptcy Court on or before the Effective Date over which this Bankruptcy Court otherwise has jurisdiction;

(h) To determine matters concerning local, state and federal taxes in accordance with Bankruptcy Code sections 346, 505 and 1146, and to determine any tax claims that may arise against the Debtors or the Reorganized Debtors as a result of the transactions contemplated by the Plan;

(i) To modify the Plan pursuant to Bankruptcy Code section 1127 or to remedy any apparent nonmaterial defect or omission in the Plan, or to reconcile any nonmaterial inconsistency in the Plan so as to carry out its intent and purposes; and

(j) To hear any other matter not inconsistent with the Bankruptcy Code.

10.2 **Terms Binding**. Upon the occurrence of the Effective Date, all provisions of the Plan, including all agreements, instruments and other documents filed in connection with the Plan and executed by the Debtors or the Reorganized Debtors in connection with the Plan, shall be binding upon the Debtors, the Reorganized Debtors, all Holders of Claims and Interests and all other Persons that are affected in any manner by the Plan. All agreements, instruments and other documents filed in connection with the Plan shall have full force and effect, and shall bind all parties thereto, subject to the occurrence of the Effective Date, upon the entry of the Confirmation Order, whether or not such exhibits actually shall be executed by parties other than the Debtors or the Reorganized Debtors, or shall be issued, delivered or recorded on the Effective Date or thereafter. The rights, benefits and obligations of any entity named or referred to in the Plan shall be binding on, and shall inure to the benefit of, any heir, executor, administrator, successor, or assign of such entity.

10.3 **Severability**. If, before Confirmation, any term or provision of the Plan is held by the Bankruptcy Court to be invalid, void or unenforceable, the Bankruptcy Court shall have the power to alter and interpret such term or provision to make it valid or enforceable to the maximum extent practicable, consistent with the original purpose of the term or provision held to be invalid, void or unenforceable, and such term or provision shall then be applicable as altered or interpreted. Notwithstanding any such holding, but subject to the consent of the Requisite Consenting Parties, which consent shall not be unreasonably withheld, alteration or interpretation, the remainder of the terms and provisions of the Plan will remain in full force and effect and will in no way be affected, impaired or invalidated by such holding, alteration or interpretation. The Confirmation Order shall constitute a judicial determination and shall provide that each term and provision of the Plan, as it may have been altered or interpreted in accordance with the foregoing, is: (a) valid and enforceable pursuant to its terms; (b) integral to the Plan and may not be deleted or modified without the Debtors' consent; and (c) non-severable and mutually dependent.

10.4 **Computation of Time**. In computing any period of time prescribed or allowed by the Plan, the provisions of Bankruptcy Rule 9006(a) will apply.

10.5 **Confirmation Order and Plan Control**. Except as otherwise provided in the Plan, in the event of any inconsistency between the Plan and the Disclosure Statement, any exhibit to the Plan or any other instrument or document created or executed pursuant to the Plan, the Plan shall control. In the event of any inconsistency between the Plan and the Confirmation Order, the Confirmation Order shall control.

10.6 **Incorporation by Reference**. The Plan Supplement is incorporated herein by reference.

10.7 **Modifications to the Plan**. Subject to the terms of the Restructuring Support Agreement, the Debtors, with the consent of the Requisite Consenting Parties, may amend or modify the Plan, the Plan Supplement, and any schedule or supplement hereto, at any time prior to the Effective Date in accordance with the Bankruptcy Code, Bankruptcy Rules and any applicable court order, provided, however, that the Debtors may make technical amendments or modifications upon two (2) days advance notice to the Consenting Parties. Subject to certain restrictions and requirements set forth in Bankruptcy Code section 1127 and Bankruptcy Rule 3019 and those restrictions on modification set forth in the Plan and the Restructuring Support Agreement, the Debtors, subject to the reasonable consent of the Requisite Consenting Parties, expressly reserve their rights to alter, amend or modify materially the Plan with respect to the Debtors, one or more times, after Confirmation, and, to the extent necessary, may initiate proceedings in the Bankruptcy Court to so alter, amend, or modify the Plan, or remedy any defect or omission, or reconcile any inconsistencies in the Plan, the Disclosure Statement, or the Confirmation Order, in such matters as may be necessary to carry out the purposes and intent of the Plan. A Holder of a Claim or Interest that has accepted the Plan shall be deemed to have accepted the Plan, as altered, amended, modified or supplemented, if the proposed alteration, amendment, modification or supplement does not materially and adversely change the treatment of the Claim or Interest of such Holder.

10.8 **Revocation, Withdrawal or Non-Consummation**. The Debtors reserve the right to revoke or withdraw the Plan at any time prior to the Effective Date, with the consent of the Requisite Consenting Parties. If the Debtors revoke or withdraw the Plan prior to the Effective Date, or if the Confirmation Date or the

Effective Date does not occur, then the Plan (including the fixing or limiting to an amount certain any Claim or Class of Claims), the assumption or rejection of executory contracts or leases effected by the Plan, and any document or agreement executed pursuant to the Plan, shall be null and void; provided, however, that all orders of the Bankruptcy Court and all documents executed pursuant thereto, except the Confirmation Order, shall remain in full force and effect. In such event, nothing contained herein, and no acts taken in preparation for consummation of the Plan, shall be deemed to constitute a waiver or release of any Claims by or against any of the Debtors or any other Person, to prejudice in any manner the rights of any of the Debtors or any Person in any further proceedings or to constitute an admission of any sort by any of the Debtors or any other Person.

10.9 **Courts of Competent Jurisdiction**. If the Bankruptcy Court abstains from exercising, or declines to exercise, jurisdiction or is otherwise without jurisdiction over any matter arising out of the Plan or in the Chapter 11 Cases, such abstention, refusal or failure of jurisdiction shall have no effect upon and shall not control, prohibit, or limit the exercise of jurisdiction by any other court having competent jurisdiction with respect to such matter.

10.10 **Payment of Consenting First Lien Lenders Advisor Fees and Expenses**. Subject to and in accordance with the Restructuring Support Agreement, on the Effective Date or as soon as reasonably practicable thereafter, or at another time as may otherwise be provided for in any prepetition engagement letters, the Debtors or Reorganized Debtors, as the case may be, shall pay in Cash, without the need for the filing of any fee or retention applications in the Chapter 11 Cases, the Consenting First Lien Lender Advisor Fee Claims.

10.11 **Payment of Agent Fee Claims**. On the Effective Date or as soon as reasonably practicable thereafter, the Debtors or Reorganized Debtors, as the case may be, shall pay in Cash, without the need for the filing of any fee or retention applications in the Chapter 11 Cases, the Agent Fee Claims.

10.12 **Payment of the Avenue and Fortress Advisor Fees and Expenses**. Subject to and in accordance with the Restructuring Support Agreement, on the Effective Date or as soon as reasonably practicable thereafter, or at another time as may otherwise be provided for in any prepetition engagement letters, the Debtors or Reorganized Debtors, as the case may be, shall pay in Cash, without the need for the filing of any fee or retention applications in the Chapter 11 Cases, the Avenue and Fortress Advisor Fee Claims.

10.13 **Payment of Statutory Fees**. All fees payable pursuant to section 1930 of title 28 of the United States Code, as determined by the Bankruptcy Court at the Confirmation Hearing, shall be paid on the Effective Date, and as appropriate, thereafter.

10.14 **Notice**. All notices, requests and demands to or upon the Debtors or the Reorganized Debtors to be effective shall be in writing and, unless otherwise expressly provided herein, shall be deemed to have been duly given or made when actually delivered or, in the case of notice by facsimile transmission, when received and telephonically confirmed, addressed as follows:

If to the Debtors or to the Reorganized Debtors, or to any one of them:

Akin Gump Strauss Hauer & Feld LLP
One Bryant Park
New York, New York 10036-6745
Telephone: (212) 872-1000
Facsimile: (212) 872-1002
Attention: Ira S. Dizengoff, Esq.
Philip C. Dublin, Esq.

and

Richards, Layton & Finger, P.A.
920 N. King Street
Wilmington, Delaware 19801
Telephone: (302) 651-7531
Facsimile: (302) 498-7531
Attention: Mark Collins, Esq.

If to the Consenting First Lien Lenders, or to any one of them:

Milbank, Tweed, Hadley & McCloy LLP
601 S. Figueroa Street, 30th Floor
Los Angeles, California 90017
Telephone: (213) 892-4000
Facsimile: (213) 892-4000
Attention: Paul Aronzon, Esq.
Tom Kreller, Esq.
David B. Zolkin, Esq.

If to Avenue:

O'Melveny & Myers LLP
7 Times Square
New York, New York 10036
Telephone: (212) 326-2158
Facsimile: (213) 326-2061
Attention: John J. Rapisardi, Esq.
Joseph Zujkowski, Esq.

If to Fortress:

Skadden Arps Slate Meagher & Flom LLP
300 South Grand Avenue
Los Angeles, California 90071-3144
Telephone: (213) 687-5200
Facsimile: (213) 621-5200
Attention: Van C. Durrer, II, Esq.

10.15 **Reservation of Rights**. The filing of the Plan, the Disclosure Statement, any statement or provision contained in the Plan, or the taking of any action by the Debtors or Reorganized Debtors with respect to the Plan, shall not be deemed to be an admission or waiver of any rights of the Debtors or Reorganized Debtors with respect to any Holders of Claims against or Interests in the Debtors.

10.16 **No Waiver**. Neither the failure of a Debtor to list a Claim or Interest in the Debtors' Schedules, the failure of a Debtor to object to any Claim, Administrative Expense Claim or Interest for purposes of voting, the failure of a Debtor to object to a Claim, Administrative Expense Claim or Interest prior to the Confirmation Date or the Effective Date, nor the failure of a Debtor to assert a Retained Cause of Action prior to the Confirmation Date or the Effective Date shall, in the absence of a legally-effective express waiver or release executed by the Debtor with the approval of the Bankruptcy Court, if required, and with any other consents or approvals required under the Plan, be deemed a waiver or release of the right of a Debtor or a Reorganized Debtor or their respective successors, either before or after solicitation of votes on the Plan, the Confirmation Date or the Effective Date, to (a) object to or examine such Claim, Administrative Expense Claim or Interest, in whole or in part, or (b) retain or either assign or exclusively assert, pursue, prosecute, utilize, or otherwise act or enforce any Retained Cause of Action against the Holder of such Claim, Administrative Expense Claim or Interest.

Dated: March 14, 2014

QCE Finance LLC
American Food Distributors LLC
National Marketing Fund Trust
QAFT, Inc.
QCE LLC
QFA Royalties LLC
QIP Holder LLC
Quiz-CAN LLC
Quizno's Canada Holding LLC
Quiznos Global LLC
Restaurant Realty LLC
The Quizno's Master LLC
The Quizno's Operating Company LLC
TQSC II LLC
The Regional Advertising Program Trust

By: */s/ Stuart K. Mathis*
Name: Stuart K. Mathis
Title: Chief Executive Officer

ANNEX A

TERMS OF AMENDED MARKETING FUND TRUSTS CREDIT AGREEMENT

Principal	The principal amount of the Amended Marketing Fund Trusts Credit Agreement shall be equal to the Allowed amount of the Marketing Fund Trusts Facility Secured Claim as of the Effective Date.
Obligors	Reorganized QAFT, solely in its capacity as trustee for the Reorganized Marketing Fund Trusts.
Guarantor	Reorganized QCE, LLC on an unsecured basis.
Maturity	First anniversary of the Effective Date.
Interest Rate	No change in rate from current rate in Marketing Fund Trusts Credit Agreement. Payable in cash on a monthly basis.
Principal Repayment Schedule	$150,000 per week.
Collateral	No change from Marketing Fund Trusts Credit Agreement.
Covenants	Consistent with existing covenants in the Marketing Fund Trusts Credit Agreement, except with such changes necessary given the conversion of the existing Marketing Fund Trusts Credit Agreement into a term loan.
Events of Default	No change from Marketing Fund Trusts Credit Agreement, except with such changes necessary given the conversion of the existing Marketing Fund Trusts Credit Agreement into a term loan.
Survival	All other terms of the Marketing Fund Trusts Credit Agreement, including payment of fees and expenses and applicability of Colorado law, shall survive and be incorporated into the Amended Marketing Fund Trusts Credit Agreement.
Conditions	Execution and Court approval, if necessary, of a subordination agreement in all respects acceptable to Vectra and the Requisite Consenting First Lien Lenders. Such subordination agreement shall provide that (i) any liens or claims granted to the lenders under the Amended First Lien Credit Agreement shall be subordinate in all respects to the liens and claims of Vectra, solely with respect to the assets of the Marketing Fund Trusts, and (ii) the lenders under the Amended First Lien Credit Agreement shall have subordinated rights with respect to the assets of the Marketing Fund Trusts, including with respect to payment or remedies, until the Amended Marketing Fund Trusts Credit Facility is paid in full.

Exhibit B to Disclosure Statement

Restructuring Support Agreement

EXECUTION VERSION

RESTRUCTURING SUPPORT AGREEMENT

This Restructuring Support Agreement (as amended, modified or supplemented from time to time, this "**Agreement**"), dated as of March 11, 2014, is entered into by and among (a) QCE Finance LLC, a company organized under the laws of the State of Delaware ("**Holdco**"), QCE LLC, a company organized under the laws of the State of Delaware ("**QCE**" and their undersigned direct and indirect subsidiaries as supplemented in accordance with the terms hereof, collectively, the "**Company**"); (b) the undersigned First Lien Lenders (as defined below), each as the beneficial owner, or advisor, nominee or investment manager for the beneficial owner of First Lien Lender Claims (as defined below) and each other First Lien Lender that becomes party to this Agreement following the date hereof (collectively, the "**Consenting First Lien Lenders**"); (c) the undersigned Second Lien Lenders (as defined below), each as the beneficial owner, or advisor, nominee or investment manager for the beneficial owner of Second Lien Lender Claims (as defined below) and each other Second Lien Lender that becomes party to this Agreement following the date hereof (collectively, the "**Consenting Second Lien Lenders**"); and (d) the undersigned advisors, nominees or investment managers for the holders of the Existing Equity Interests (as defined below) (collectively, the "**Consenting Existing Equity Holders**"). The Consenting First Lien Lenders and the Consenting Second Lien Lenders are collectively referred to as the "**Consenting Lenders**," and together with the Consenting Existing Equity Holders, are collectively referred to as the "**Consenting Parties.**" The Company, each of the Consenting Parties and each person that becomes party hereto in accordance with the terms hereof are collectively referred to as the "**Parties**" and individually as a "**Party**."

WHEREAS

A. The Company, Wilmington Trust, National Association, as successor to Goldman Sachs Credit Partners L.P., as administrative agent and collateral agent, and the First Lien Lenders (as defined below) are parties to that certain Amended and Restated Credit Agreement, dated as of January 24, 2012 (as has been amended, restated, supplemented or otherwise modified from time to time, the "**First Lien Credit Agreement**");

B. The Company, U.S. Bank National Association, as administrative agent and collateral agent, and the Second Lien Lenders (as defined below) are parties to that certain Credit Agreement dated as of January 24, 2012 (as has been amended, restated, supplemented or otherwise modified from time to time, the "**Second Lien Credit Agreement**" and collectively with the First Lien Credit Agreement, the "**Credit Agreements**");

C. As of the date hereof, certain events have occurred that constitute Events of Default, as that term is defined in the Credit Agreements;

D. Certain of the Parties hereto are party to that certain Forbearance Agreement to the Amended and Restated Credit Agreement (the "**First Lien Forbearance Agreement**"), dated as of December 2, 2013, amended as of December 26, 2013 and further amended as of January 14, 2014, February 13, 2014, February 24, 2014, March 3, 2014 and March 10, 2014;

E. Certain of the Parties hereto are party to that certain Forbearance Agreement to the Credit Agreement (the "**Second Lien Forbearance Agreement**"), dated as of January 24, 2014 and amended as of February 13, 2014, February 24, 2014, March 3, 2014 and March 10, 2014;

F. Prior to the date hereof, the Parties have discussed the possibility of consummating a financial restructuring (the "**Restructuring**") of the Company's outstanding indebtedness under the First Lien Credit Agreement and the Second Lien Credit Agreement and other obligations as set forth and described in this Agreement and the term sheet attached hereto as **Exhibit A** (the "**Restructuring Term Sheet**");

G. As set forth, and subject to the terms and conditions contained herein, the Parties have agreed that the Restructuring will be effectuated through a joint prepackaged chapter 11 plan of reorganization on the terms described in this Agreement and the Restructuring Term Sheet, which shall be consistent in all material respects with the Restructuring Term Sheet and in form and substance reasonably acceptable to the Company and the Consenting Parties (the "**Plan**"); and

H. This Agreement and the Restructuring Term Sheet, which is incorporated herein by reference and is made part of this Agreement, set forth the agreement among the Parties concerning their commitment, subject to the terms and conditions hereof and thereof, to pursue, support and implement the Restructuring.

NOW, THEREFORE, in consideration of the covenants and agreements contained herein, and for other valuable consideration, the receipt and sufficiency of which is hereby acknowledged, each Party, intending to be legally bound hereby agrees as follows:

1. DEFINITIONS.

The following terms used in this Agreement shall have the following definitions:

"**Agreement**" has the meaning set forth in the preamble hereof.

"**Bankruptcy Code**" means title 11 of the United States Code, 11 U.S.C. §§101 et seq., as amended from time to time and applicable to the Chapter 11 Cases.

"**Bankruptcy Court**" means the United States Bankruptcy Court for the District of Delaware.

"**Chapter 11 Cases**" means the Company's voluntary cases under chapter 11 of the Bankruptcy Code as contemplated by this Agreement.

"**Company**" has the meaning set forth in the preamble hereof.

"**Confirmation Order**" means an order entered by the Bankruptcy Court, in form and substance reasonably acceptable to the Company and the Consenting Parties, confirming the Plan, including all exhibits, appendices, supplements and related documents, which shall be consistent in all material respects with this Agreement and the Restructuring Term Sheet.

"**Consenting Existing Equity Holders**" has the meaning set forth in the preamble hereof.

"**Consenting First Lien Lenders**" has the meaning set forth in the preamble hereof.

"**Consenting Parties**" has the meaning set forth in the preamble hereof.

"**Consenting Second Lien Lenders**" has the meaning set forth in the preamble hereof.

"**Corporate Governance Documents**" means any operating agreements, articles of incorporation, certificates of formation and/or bylaws of the Company and any related documents as may be necessary to effectuate the Restructuring, which shall be consistent in all material respects with the Restructuring Term Sheet and in form and substance reasonably acceptable to the Company and the Consenting Parties.

"**Credit Agreements**" has the meaning set forth in the recitals hereof.

"**DIP Facility**" means a debtor-in-possession senior secured superpriority loan facility, the terms of which are consistent with the terms and requirements of the DIP Facility as described in the Restructuring Term Sheet, and all related loan documents thereto, to be entered into by and among the Company, as debtors-in-possession, the Consenting First Lien Lenders and the agent for the DIP Facility.

"**DIP Facility Motion**" means a motion in form and substance reasonably acceptable to the Company and the Consenting First Lien Lenders, which will be filed by the Company seeking Bankruptcy Court approval of the DIP Facility.

"**Disclosure Statement**" means the disclosure statement in respect of the Plan and all exhibits, schedules, supplements, modifications and amendments thereto, which shall be in form and substance reasonably acceptable to the Company and the Consenting Parties.

"**Existing Equity Interests**" means the existing membership interests in Holdco and any options, warrants or other rights to purchase, sell or subscribe or convert into any such membership interests.

"**Filing Company Entities**" means those entities comprising the Company that will be debtors in the Chapter 11 Cases.

"**Final DIP Facility Order**" means an order entered by the Bankruptcy Court, approving on a final basis the DIP Facility Motion and Company's entry into the DIP Facility, which order shall be in form and substance acceptable to the Company and the Consenting First Lien Lenders.

"**First Lien Credit Agreement**" has the meaning set forth in the recitals hereof.

"**First Lien Forbearance Agreement**" has the meaning as set forth in the recitals hereof.

"**First Lien Lender**" means each lender under the First Lien Credit Agreement.

"**First Lien Lender Claims**" means the claims for principal and interest of the First Lien Lenders arising under the First Lien Credit Agreement.

"**Holdco**" has the meaning set forth in the preamble hereof.

"**Interim DIP Facility Order**" means an order entered by the Bankruptcy Court, approving on an interim basis the DIP Facility Motion and Company's entry into the DIP Facility, which order shall be in form and substance acceptable to the Company and the Consenting First Lien Lenders.

"**Parties**" has the meaning set forth in the preamble hereof.

"**Petition Date**" means the date the Chapter 11 Cases are commenced.

"**Plan**" has the meaning set forth in the recitals hereof and shall be in form and substance reasonably acceptable to the Company and the Consenting Parties.

"**Plan-Related Documents**" means those documents and agreements necessary to effectuate the Restructuring and consummate the Plan, each of which shall be in form and substance reasonably acceptable to the Company and the Consenting Parties, including: the Corporate Governance Documents; definitive documentation relating to financing as may be necessary to effectuate the Restructuring and consummate the Plan; appropriate "first day" and "second day" motions and applications; and any appendices, amendments, modifications, supplements, exhibits or schedules to the Plan or Confirmation Order.

"**QCE**" has the meaning set forth in the preamble hereof.

"**Requisite Consenting Existing Equity Holders**" means certain controlled affiliates, managed accounts or funds of (a) Avenue Capital Management II, L.P. and (b) Fortress Investment Group.

"**Requisite Consenting First Lien Lenders**" means Consenting First Lien Lenders holding at least 50.1% of the aggregate principal amount of First Lien Lender Claims held by the Consenting First Lien Lenders, calculated as of such date the Consenting First Lien Lenders make a determination in accordance with this Agreement.

"**Requisite Consenting Lenders**" means the Requisite Consenting First Lien Lenders and the Requisite Consenting Second Lien Lenders.

"**Requisite Consenting Parties**" means the Requisite Consenting Lenders and the Requisite Consenting Existing Equity Holders.

"**Requisite Consenting Second Lien Lenders**" means Consenting Second Lien Lenders holding at least 50.1% of the aggregate principal amount of Second Lien Lender Claims held by the Consenting Second Lien Lenders, calculated as of such date the Consenting Second Lien Lenders make a determination in accordance with this Agreement.

"**Restructuring**" has the meaning set forth in the recitals hereof.

"**Restructuring Term Sheet**" has the meaning set forth in the recitals hereof.

"**RSA Motion**" means a motion seeking Bankruptcy Court approval of this Agreement and authorizing the Company to assume this Agreement, which shall be in form and substance reasonably acceptable to the Company and the Consenting Parties.

"**RSA Order**" means an order of the Bankruptcy Court granting the relief requested in the RSA Motion, which order shall be in form and substance reasonably acceptable to the Company and the Consenting Parties.

"**Second Lien Credit Agreement**" has the meaning set forth in the recitals hereof.

"**Second Lien Forbearance Agreement**" has the meaning as set forth in the recitals hereof.

"**Second Lien Lender**" means each lender under the Second Lien Credit Agreement.

"**Second Lien Lender Claims**" means the claims for principal and interest of the Second Lien Lenders arising under the Second Lien Credit Agreement.

"**Solicitation**" means the solicitation of votes for the Plan pursuant to Bankruptcy Code sections 1125 and 1126.

"**Stock in Lieu Election**" shall have the meaning as set forth in the Restructuring Term Sheet.

"**Solicitation Materials**" means the materials related to the Solicitation.

"**Terminating Party**" shall have the meaning as set forth in **Section 6** hereof.

"**Termination Event**" has the meaning as set forth in **Section 6** hereof.

"**Transaction Expenses**" has the meaning as set forth in **Section 11** hereof.

2. RESTRUCTURING.

Subject to the Company's rights as set forth in **Section 6** hereof, the Company will effectuate the Restructuring by commencing, in accordance with the terms of this Agreement, the voluntary prepackaged Chapter 11 Cases. Within three (3) business days of the Petition Date, the Company shall file the following documents: (a) the Plan; (b) the Disclosure Statement; (c) the Solicitation Materials; and (d) the RSA Motion. Within one (1) business day of the Petition Date, the Company shall file the DIP Facility Motion.

Prior to the commencement of the Solicitation, the Company will provide the Consenting Parties with a definitive list of the Filing Company Entities. To the extent any of the Filing Company Entities are not signatories this Agreement, the Company shall cause such Filing Company Entities to become Parties hereto.

3. COMMITMENT OF CONSENTING LENDERS.

Subject to the terms and conditions of this Agreement, and so long as this Agreement has not been terminated, each Consenting Lender agrees that it shall:

(a) vote all First Lien Lender Claims and Second Lien Lender Claims, as applicable, now or hereafter beneficially owned by such Consenting Lender or for which it now or hereafter serves as the nominee, investment manager or advisor for beneficial holders thereof, in favor of the Plan in accordance with the applicable procedures set forth in the Solicitation Materials, and timely return a duly executed ballot in connection therewith in accordance with the deadlines set forth in the Solicitation;

(b) if such Consenting Lender is a Consenting Second Lien Lender, timely make the Stock in Lieu Election in accordance with the applicable procedures as shall be established by the Bankruptcy Court; and

(c) support the Plan and not:

(i) withdraw or revoke its vote with respect to the Plan, except as otherwise expressly permitted pursuant to this Agreement;

(ii) object to the Plan, the Disclosure Statement, the DIP Facility Motion, the RSA Motion, any "first day" motions or applications filed by the Company or any other relief sought by the Company, so long as each of the foregoing is not inconsistent in any material respect with the Restructuring Term Sheet and this Agreement;

(iii) initiate any legal proceedings that are inconsistent with, or that would delay, prevent, frustrate or impede the approval, confirmation or consummation, as applicable, of the Restructuring, the Disclosure Statement or the Plan, or the transactions outlined therein or in the Restructuring Term Sheet or this Agreement, or otherwise commence any proceeding to oppose any action or any of the Plan-Related Documents, or take any other action that is barred by the Restructuring Term Sheet or this Agreement, so long as the Plan and the Plan-Related Documents contain terms and conditions that are consistent in all material respects with the Restructuring Term Sheet and this Agreement;

(iv) vote for, consent to, support or participate in the formulation of any other restructuring or settlement of the Company's debt obligations or equity interests, any other transaction involving the Company, any of its assets or any of its equity interests, or any plan of reorganization (with the sole exception of the Plan) or liquidation under any bankruptcy, insolvency or similar laws, whether domestic or foreign, in respect of the Company;

(v) directly or indirectly seek, solicit, support, encourage or engage in any discussions regarding, or enter into any agreements relating to, any restructuring, plan of reorganization, receivership, proposal or offer of dissolution, winding up, liquidation, reorganization, merger, transaction, sale, or assignment for the benefit of creditors, in respect of the Company, its assets, liabilities or equity interests, other than the Plan or as otherwise set forth in the Restructuring Term Sheet or this Agreement; or

(vi) solicit, encourage, or direct any person to undertake any action set forth in clauses (i) through (v) of this subsection.

4. COMMITMENT OF THE CONSENTING EXISTING EQUITY HOLDERS.

Subject to the terms and conditions of this Agreement, and so long as this Agreement has not been terminated, each Consenting Existing Equity Holder agrees that it shall not:

(a) object to the Plan, the Disclosure Statement, the DIP Facility Motion, the RSA Motion, any "first day" motions or applications filed by the Company or any other relief sought by the Company, so long as each of the foregoing is not inconsistent in any material respect with the Restructuring Term Sheet and this Agreement;

(b) initiate any legal proceedings that are inconsistent with, or that would delay, prevent, frustrate or impede the approval, confirmation or consummation, as applicable, of the Restructuring, the Disclosure Statement or the Plan, or the transactions outlined therein or in the Restructuring Term Sheet or this Agreement, or otherwise commence any proceeding to oppose any action or any of the Plan-Related Documents, or take any other action that is barred by the Restructuring Term Sheet or this Agreement, so long as the Plan and the Plan-Related Documents contain terms and conditions that are consistent in all material respects with the Restructuring Term Sheet and this Agreement;

(c) vote for, consent to, support or participate in the formulation of any other restructuring or settlement of the Company's debt obligations or equity interests, any other transaction involving the Company, any of its assets or any of its equity interests, or any plan of reorganization (with the sole exception of the Plan) or liquidation under any bankruptcy, insolvency or similar laws, whether domestic or foreign, in respect of the Company;

(d) directly or indirectly seek, solicit, support, encourage or engage in any discussions regarding, or enter into any agreements relating to, any restructuring, plan of reorganization, receivership, proposal or offer of dissolution, winding up, liquidation, reorganization, merger, transaction, sale, or assignment for the benefit of creditors, in respect of the Company, its assets, liabilities or equity interests, other than the Plan or as otherwise set forth in the Restructuring Term Sheet or this Agreement; or

(e) solicit, encourage, or direct any person to undertake any action set forth in clauses (a) through (d) of this subsection.

5. COMMITMENT OF THE COMPANY.

Subject to the terms and conditions of this Agreement, and so long as this Agreement has not been terminated, and subject to the Company's fiduciary duties, including the Company's fiduciary duties as debtors-in-possession or under other applicable law, the Company agrees to:

(a) use commercially reasonable efforts to support and complete the Restructuring and all transactions contemplated under the Restructuring Term Sheet and this Agreement;

(b) take any and all necessary and appropriate actions in furtherance of the Restructuring and the transactions contemplated under the Restructuring Term Sheet and this Agreement;

(c) obtain any and all required regulatory and/or third party approvals for the Restructuring;

(d) neither directly nor indirectly seek, solicit, support, encourage or engage in any discussions regarding, or enter into any agreements relating to, any restructuring, plan of reorganization, receivership, proposal or offer of dissolution, winding up, liquidation, reorganization, merger, transaction, sale, or assignment for the benefit of creditors, other than the Plan or as otherwise set forth in the Restructuring Term Sheet or this Agreement, nor shall the Company solicit, encourage, or direct any person to undertake any such action; and

(e) take no actions reasonably likely to hinder, delay or prevent consummation of the Restructuring.

6. TERMINATION OF OBLIGATIONS.

This Agreement may be terminated as follows (each, a "**Termination Event**"):

(a) by the mutual written consent of the Company and the Requisite Consenting Parties;

(b) by the Requisite Consenting First Lien Lenders (i) upon the material breach by the Company, any breaching Consenting First Lien Lender, any Consenting Second Lien Lender or any Consenting Existing Equity Holder of any of the undertakings, representations, warranties or covenants given by same as set forth in this Agreement that would have a material adverse effect on the consummation of the Restructuring as set forth herein, which breach remains uncured for a period of three (3) business days after the receipt of written notice of such breach by the other Parties to this Agreement or (ii) upon the filing by the Company, any Consenting Second Lien Lender or any Consenting Existing Equity Holder of any motion or other request for relief seeking to (A) dismiss any of the Chapter 11 Cases, (B) convert any of the Chapter 11 Cases to a case under chapter 7 of the Bankruptcy Code, or (C) appoint a trustee or an examiner with expanded powers pursuant to Bankruptcy Code section 1104 in any of the Chapter 11 Cases, unless such motion or other request for relief is withdrawn prior to the earlier of (1) three (3) business days after filing such motion or other request for relief with the Bankruptcy Court and (2) entry of an order by the Bankruptcy Court approving the requested relief;

(c) by the Requisite Consenting Second Lien Lenders (i) upon the material breach by the Company, any breaching Consenting Second Lien Lender, any Consenting First Lien Lender or any Consenting Existing Equity Holder of any of the undertakings, representations, warranties or covenants given by the same as set forth in this Agreement that would have a material adverse effect on the consummation of the Restructuring as set forth herein, which breach remains uncured for a period of three (3) business days after the receipt of written notice of such breach by the other Parties to this Agreement or (ii) upon the filing by the Company, any Consenting First Lien Lender or any Consenting Existing Equity Holder of any motion or other request for relief seeking to (A) dismiss any of the Chapter 11 Cases, (B) convert any of the Chapter 11

Cases to a case under chapter 7 of the Bankruptcy Code, or (C) appoint a trustee or an examiner with expanded powers pursuant to Bankruptcy Code section 1104 in any of the Chapter 11 Cases, unless such motion or other request for relief is withdrawn prior to the earlier of (1) three (3) business days after filing such motion or other request for relief with the Bankruptcy Court and (2) entry of an order by the Bankruptcy Court approving the requested relief;

(d) by the Requisite Consenting Existing Equity Holders (i) upon the material breach by the Company, any breaching Consenting Existing Equity Holder, any Consenting First Lien Lender or any Consenting Second Lien Lender of any of the undertakings, representations, warranties or covenants given by the same as set forth in this Agreement that would have a material adverse effect on the consummation of the Restructuring as set forth herein, which breach remains uncured for a period of three (3) business days after the receipt of written notice of such breach by the other Parties to this Agreement or (ii) upon the filing by the Company, any Consenting First Lien Lender or any Consenting Second Lien Lender of any motion or other request for relief seeking to (A) dismiss any of the Chapter 11 Cases, (B) convert any of the Chapter 11 Cases to a case under chapter 7 of the Bankruptcy Code, or (C) appoint a trustee or an examiner with expanded powers pursuant to Bankruptcy Code section 1104 in any of the Chapter 11 Cases, unless such motion or other request for relief is withdrawn prior to the earlier of (1) three (3) business days after filing such motion or other request for relief with the Bankruptcy Court and (2) entry of an order by the Bankruptcy Court approving the requested relief;

(e) by the Company (i) upon the material breach by any Consenting First Lien Lender, any Consenting Second Lien Lender or Consenting Existing Equity Holder of any of the undertakings, representations, warranties or covenants given by same as set forth in this Agreement, that would have a material adverse effect on the consummation of the Restructuring as set forth herein, which breach remains uncured for a period of three (3) business days after the receipt of written notice of such breach by the other Parties to this Agreement or (ii) upon the filing by any Consenting First Lien Lender, any Consenting Second Lien Lender or any Consenting Existing Equity Holder of any motion or other request for relief seeking to (A) dismiss any of the Chapter 11 Cases, (B) convert any of the Chapter 11 Cases to a case under chapter 7 of the Bankruptcy Code, or (C) appoint a trustee or an examiner with expanded powers pursuant to Bankruptcy Code section 1104 in any of the Chapter 11 Cases, unless such motion or other request for relief is withdrawn prior to the earlier of (1) three (3) business days after filing such motion or other request for relief with the Bankruptcy Court and (2) entry of an order by the Bankruptcy Court approving the requested relief; provided, however, that the termination of this Agreement by the Company under this section as a result of the breach or other action (or failure to act) of any Consenting Second Lien Lender or Consenting Existing Equity Holder (a "**Breaching Party**") shall be effective only with respect to such Breaching Party and this Agreement shall remain in full force and effect with respect to the other Parties;

(f) except as resulting from the filing of the Chapter 11 Cases, by the Requisite Consenting First Lien Lenders upon the occurrence of a default under the First Lien Credit Agreement, other than any Specified Default (as defined in the First Lien Forbearance Agreement);

(g) except as resulting from the filing of the Chapter 11 Cases, by the Requisite Consenting Second Lien Lenders upon the occurrence of a default under the Second Lien Credit Agreement, other than any Specified Default (as defined in the Second Lien Forbearance Agreement); or

(h) by the Requisite Consenting First Lien Lenders, the Requisite Consenting Second Lien Lenders or the Requisite Consenting Existing Equity Holders upon the occurrence of any of the following, unless, if applicable, the applicable deadline is extended by the Requisite Consenting Parties in writing:

(i) at 11:59 p.m. prevailing Eastern Time on the date that is 7 calendar days after the date this Agreement becomes effective pursuant to **Section 15** hereof , unless the Company shall have delivered drafts of the Plan and Disclosure Statement to counsel for the Consenting Parties;

(ii) at 11:59 p.m. prevailing Eastern Time on March 26, 2014, unless the Company shall have commenced the Solicitation;

(iii) at 11:59 p.m. prevailing Eastern Time on March 31, 2014 unless Company shall have commenced the Chapter 11 Cases;

(iv) at 11:59 p.m. prevailing Eastern Time on the first business day after the Petition Date if the Company has not filed the DIP Facility Motion seeking entry of the Interim DIP Facility Order and the Final DIP Facility Order;

(v) at 11:59 p.m. prevailing Eastern Time on the third business day after the Petition Date if the Company has not filed the Plan, the Disclosure Statement and the RSA Motion;

(vi) at 11:59 p.m. prevailing Eastern Time on the date that is 45 calendar days after the Petition Date, unless the Bankruptcy Court shall have entered (A) the Final DIP Facility Order and (B) the RSA Order;

(vii) at 11:59 p.m. prevailing Eastern Time on the date that is 80 calendar days after the Petition Date, unless the Bankruptcy Court shall have entered the Confirmation Order;

(viii) at 11:59 p.m. prevailing Eastern Time on the date that is 100 calendar days after the Petition Date if there has not occurred substantial consummation (as defined in Bankruptcy Code section 1101) of the Plan on or before such date;

(ix) upon the withdrawal, amendment or modification by the Company of the Plan, Disclosure Statement or the Confirmation Order, or the filing of a pleading seeking to amend or modify the Plan, the Disclosure Statement, the Confirmation Order, any Plan-Related Document or the DIP Facility Order, other than as may be permitted by the Plan, this Agreement or the Restructuring Term Sheet, or if the Company files any motion or pleading with the Bankruptcy Court that is inconsistent in any material respect with this Agreement, the Restructuring Term Sheet, the Plan or any of the Plan-Related

Documents that have been approved by the Parties hereto (in each case with such amendments and modifications as have been effected or would be permitted in accordance with the terms hereof) and such motion or pleading has not been withdrawn prior to the earlier of (A) three (3) business days after the Company receives written notice from the Requisite Consenting Lenders that such motion or pleading is inconsistent with this Agreement, the Restructuring Term Sheet, the Plan or any of the Plan-Related Documents that have been approved by the Parties hereto, as applicable, and (B) the entry of an order of the Bankruptcy Court approving such motion;

(x) if the Company, (A) other than in respect of the Chapter 11 Cases, voluntarily commences any proceeding or files any petition seeking bankruptcy, winding up, dissolution, liquidation, administration, moratorium, reorganization or other relief under any federal, state or foreign bankruptcy, insolvency, administrative receivership or similar law now or hereafter in effect, (B) consents to the institution of, or fails to contest in a timely and appropriate manner, any involuntary proceeding or petition described above, (C) applies for or consents to the appointment of a receiver, administrator, administrative receiver, trustee, custodian, sequestrator, conservator or similar official for the Company or for a substantial part of its assets, (D) files an answer admitting the material allegations of a petition filed against it in any such proceeding, (E) makes a general assignment or arrangement for the benefit of creditors or (F) takes any corporate action for the purpose of authorizing any of the foregoing;

(xi) upon the entry of an order by the Bankruptcy Court (A) dismissing any of the Chapter 11 Cases, (B) converting any of the Chapter 11 Cases to a case under chapter 7 of the Bankruptcy Code, (C) appointing a trustee or an examiner with expanded powers pursuant to Bankruptcy Code section 1104 in any of the Chapter 11 Cases, or (D) making a finding of fraud, dishonesty or misconduct by any current officer or director of the Company, regarding or relating to the Company;

(i) by the Company, the Requisite Consenting First Lien Lenders, the Requisite Consenting Second Lien Lenders or the Requisite Consenting Equity Holders upon the occurrence of any of the following

(i) the Bankruptcy Court enters an order granting relief that is inconsistent with this Agreement, the Restructuring Term Sheet, the Plan or any of the Plan-Related Documents that have been approved by the Parties hereto in any material respect (in each case with such amendments and modifications as have been effected or would be permitted in accordance with the terms hereof), unless such order is subject to a request for reconsideration or appeal within five (5) business days of entry;

(ii) the issuance by any governmental authority, or any other regulatory authority or court of competent jurisdiction, of any ruling or order enjoining the consummation of a material portion of the Restructuring, other than an issuance, ruling or order that is subject to a bona fide challenge or appeal;

(iii) the entry of an order by any court of competent jurisdiction invalidating, disallowing, subordinating, or limiting, in any respect, as applicable, the enforceability,

priority, or validity of the First Lien Lender Claims or Second Lien Lender Claims or liens securing such claims, other than a ruling or order that is subject to a bona fide challenge or appeal;

Upon termination of this Agreement by either the Company or the Requisite Consenting First Lien Lenders, this Agreement shall forthwith become void and of no further force or effect, each Party hereto shall be released from its commitments, undertakings and agreements under or related to this Agreement and the Plan, as applicable, and there shall be no liability or obligation on the part of any Party hereto.

Upon the termination of this Agreement by the Requisite Consenting Second Lien Lenders or the Requisite Consenting Equity Holders (a "**Terminating Party**"), such termination shall be effective only with respect to such Terminating Party, and this Agreement shall remain in full force and effect with respect to the other Parties.

Notwithstanding the foregoing, in no event shall anysuch termination relieve a Party hereto from (i) liability for its breach or non-performance of its obligations hereunder prior to the date of such termination and (ii) obligations under this Agreement which by their terms expressly survive any such termination; and provided, further that, notwithstanding anything to the contrary herein, any Termination Event may be waived in accordance with the procedures established by **Section 28** hereof, in which case the Termination Event so waived shall be deemed not to have occurred, this Agreement shall be deemed to continue in full force and effect, and the rights and obligations of the Parties hereto shall be restored, subject to any modification set forth in such waiver. Upon termination of this Agreement in accordance with its terms, any and all consents, tenders and votes delivered by a Terminating Party prior to such termination shall be deemed, for all purposes, to be null and void from the first instance and shall not be considered or otherwise used in any manner by any Party. Upon termination of this Agreement, the fees and expense reimbursements required by **Section 11** hereof shall be payable for work through the termination date.

7. TRANSFER OF EXISTING EQUITY INTERESTS AND LENDER CLAIMS.

Notwithstanding anything to the contrary herein, each Consenting Lender and each Consenting Existing Equity Holder (on a several and not a joint basis) agrees that, for so long as this Agreement has not been terminated in accordance with its terms, it shall not sell, assign, transfer, convey or otherwise dispose of, directly or indirectly, any or all of its First Lien Lender Claims, Second Lien Lender Claims or Existing Equity Interests, as the case may be (or any right related thereto, including, without limitation, any voting rights, if any, associated with such First Lien Lender Claims, Second Lien Lender Claims or Existing Equity Interests), unless (a) the transferee, participant or other party (i) is already a Party to this Agreement or an affiliate of a Party to this Agreement, which affiliate shall be deemed bound by this Agreement, or (ii) is an "accredited investor" (as defined by Rule 501 of the Securities Act of 1933, as amended) and agrees in writing to assume and be bound by all of the terms of this Agreement with respect to all First Lien Lender Claims, Second Lien Lender Claims or Existing Equity Interests that such transferee, participant or other party currently holds or shall acquire in the future by executing the Joinder attached hereto as **Exhibit B** (such transferee, participant or other party, if any, to also be a "Consenting First Lien Lender", "Consenting Second Lien Lender" or "Consenting

Existing Equity Holder", as the case may be, hereunder), and (b) the transferor complies with any applicable transfer restrictions and/or conditions to transfer set forth in this **Section 7**. If a transferee of any of the First Lien Lender Claims, Second Lien Lender Claims or Existing Equity Interests is not already a Consenting Lender or Consenting Existing Equity Holder, as the case may be, and does not execute a Joinder in substantially the form attached hereto as **Exhibit B** prior to the completion of such transfer, participation or other grant, then such sale, transfer, assignment or other disposition of the Consenting First Lien Lender Claims, Consenting Second Lien Lender Claims or Existing Equity Interests, as applicable, shall be deemed void *ab initio*. This Agreement shall in no way be construed to preclude any Consenting Lender or Consenting Existing Equity Holder from acquiring additional First Lien Lender Claims, Second Lien Lender Claims or Existing Equity Interests; provided, however, that any such additional holdings shall automatically be deemed to be subject to all of the terms of this Agreement and each such Consenting Lender and Consenting Existing Equity Holder agrees that such additional First Lien Lender Claims, Second Lien Lender Claims and/or Existing Equity Interest shall be subject to this Agreement and that it shall vote (or cause to be voted) any such additional First Lien Lender Claims, Second Lien Lender Claims and Existing Equity Interests entitled to vote on the Plan (in each case, to the extent still held by it or on its behalf at the time of such vote) in a manner consistent with this **Section 7**. Each Consenting Lender and Consenting Existing Equity Holder agrees to provide to counsel for the Company (x) a copy of any Joinder and (y) a notice of the acquisition of any additional First Lien Lender Claims, Second Lien Lender Claims or Existing Equity Interests, as the case may be, in each case within five (5) business days of the consummation of the transaction disposing of, or acquiring, such First Lien Lender Claims, Second Lien Lender Claims or Existing Equity Interests.

8. GOOD FAITH COOPERATION; FURTHER ASSURANCES; FILING OF MOTIONS; DRAFTING OF DOCUMENTS.

(a) Each Party shall cooperate with each other in good faith and shall coordinate their activities (to the extent practicable) in respect of all matters concerning the implementation and consummation of the Restructuring. Furthermore, each Party shall take such action (including executing and delivering any other agreements and making and filing any required regulatory filings) as may be reasonably necessary to carry out the purposes and intent of this Agreement, the Restructuring Term Sheet and the Restructuring.

(b) Each Party hereby covenants and agrees to negotiate in good faith the Plan, the Disclosure Statement and the Plan-Related Documents, each of which shall (i) contain the same economic terms as, and other terms consistent in all material respects with, the terms set forth in this Agreement and the Restructuring Term Sheet (as amended, supplemented or otherwise modified as provided herein) and (ii) except as otherwise provided for herein, be in form and substance reasonably acceptable to the Company and the Consenting Parties.

(c) Unless circumstances dictate otherwise, the Company shall use commercially reasonable efforts to provide draft copies of all motions and other applications that the Company intends to file with the Bankruptcy Court within the first three (3) days of the Petition Date to counsel to the Consenting Parties as soon as reasonably practicable, but in no event less than three (3) calendar days before such documents are filed with the Bankruptcy Court. Except as otherwise provided herein or in the Restructuring Term Sheet, the relief requested in such

documents shall be in form and substance reasonably acceptable to the Company and the Consenting Parties.

9. BUSINESS CONTINUANCE.

Except as contemplated by this Agreement or with the prior written consent of the Requisite Consenting Lenders, the Company covenants and agrees that, between the date hereof and the Effective Date, the Company shall use commercially reasonable efforts to operate its business in the ordinary course in a manner consistent with past practice in all material respects (other than any changes in operations (a) resulting from or relating to the filing of the Chapter 11 Cases or (b) imposed by the Bankruptcy Court). Except as expressly contemplated by this Agreement and the Restructuring Term Sheet and except for changes resulting from or relating to the filing of the Chapter 11 Cases or imposed by the Bankruptcy Court, the Company will use commercially reasonable efforts consistent with past practices (w) to preserve its relationships with current important customers, distributors, suppliers, franchisees, vendors and others having business dealings with the Company, including but not limited to the performance of all material obligations under any executory contracts which have not been rejected and compliance with historical billing practices, (x) to maintain and insure its physical assets, properties and facilities in their current working order, condition and repair as of the date hereof (ordinary wear and tear excepted) and maintaining all existing insurance on the foregoing, (y) to maintain its current executive management and (z) to maintain the Company's books and records on a basis consistent with prior practice, including prior billing and collection practices.

10. REPRESENTATIONS.

(a) Each Party represents to each other Party that the following statements are true, correct and complete as of the date of this Agreement:

(i) it is duly organized, validly existing, and in good standing under the laws of the jurisdiction of its organization, and has all requisite corporate, partnership, or limited liability company power and authority to enter into this Agreement and to carry out the transactions contemplated by, and perform its respective obligations under, this Agreement;

(ii) the execution, delivery and performance of this Agreement by such Party does not and shall not (A) violate any provision of law, rule or regulation applicable to it or any of its subsidiaries or its organizational documents or those of any of its subsidiaries or (B) conflict with, result in a breach of or constitute (with due notice or lapse of time or both) a default under any material contractual obligations to which it or any of its subsidiaries is a party or under its organizational documents;

(iii) the execution, delivery and performance by it of this Agreement does not and shall not require any registration or filing with, consent or approval of, or notice to, or other action to, with or by, any federal, state or other governmental authority or regulatory body, except such filing as may be necessary and/or required for disclosure by the Securities and Exchange Commission or pursuant to state securities or "blue sky"

laws, and the possible approval by the Bankruptcy Court of the Company's authority to enter into and implement this Agreement; and

(iv) subject to the provisions of Bankruptcy Code sections 1125 and 1126, this Agreement is the legally valid and binding obligation of such Party, enforceable against it in accordance with its terms, except as enforcement may be limited by bankruptcy, insolvency, reorganization, moratorium or other similar laws, both foreign and domestic, relating to or limiting creditors' rights generally or by equitable principles relating to enforceability.

(b) Each Consenting Lender and each Consenting Existing Equity Holder further represents and warrants (severally and not jointly) that the following statements are true, correct and complete as of the date of this Agreement:

(i) it is the beneficial owner of the principal amount of First Lien Lender Claims and/or Second Lien Lender Claims or number of Existing Equity Interests (as applicable), or is the nominee, investment manager or advisor for beneficial holders of such First Lien Lender Claims, Second Lien Lender Claims or Existing Equity Interests, as the Consenting Lender or the Consenting Existing Equity Holder, as the case may be, as indicated on its signature page hereto;

(ii) each nominee, investment manager or advisor acting on behalf of a beneficial holder of (A) a First Lien Lender Claim or Second Lien Lender Claim of a Consenting Lender or (B) an Existing Equity Interest of a Consenting Existing Equity Holder represents and warrants to the other Consenting Lenders and the other Consenting Existing Equity Holders and to the Company that it has the legal authority to so act and to bind the applicable beneficial holder; and

(iii) other than pursuant to this Agreement, such First Lien Lender Claims, Second Lien Lender Claims and Existing Equity Interests are free and clear of any equity, option, proxy, voting restriction, right of first refusal or other limitation on disposition of any kind, that might adversely affect in any way the performance by such Consenting Lender or such Consenting Existing Equity Holder, as the case may be, of its obligations contained in this Agreement at the time such obligations are required to be performed.

11. TRANSACTION EXPENSES.

The Company will reimburse or pay, as the case may be, all reasonable and documented fees and out-of-pocket expenses of (i) Milbank, Tweed, Hadley & McCloy LLP and Houlihan Lokey Capital, Inc. as advisors to the Consenting First Lien Lenders (and their respective affiliates) in the manner as provided for in any engagement agreements previously agreed to by the Company, the Consenting First Lien Lenders (and their affiliates) and their advisors and (ii) Skadden Arps Slate Meagher & Flom, O'Melveny & Myers LLP and Rothschild Inc. as advisors to the Consenting Second Lien Lenders (and their affiliates) in the manner as provided for in any engagement agreements previously agreed to by the Company, the Consenting Second Lien Lenders (and their affiliates) and their advisors (the "**Transaction Expenses**"). The Transaction Expenses will also include the reasonable and documented fees and out-of-pocket expenses of

one local counsel to the Consenting First Lien Lenders (and their affiliates) and one local counsel to the Consenting Second Lien Lenders (and their affiliates).

The Company's agreement to reimburse or pay, as the case may be, the Transaction Expenses is an integral part of the transactions contemplated by this Agreement and, without such agreement, the Consenting Parties would not have entered into this Agreement.

12. REMEDIES.

All remedies that are available at law or in equity, including specific performance and injunctive or other equitable relief, to any Party for a breach of this Agreement by another Party shall be available to the non-breaching Party; provided, however, that if there is a breach of the Agreement by a Consenting Lender or a Consenting Existing Equity Holder, money damages shall be an insufficient remedy to the Company and, as applicable, the other Consenting Lenders and the other Consenting Existing Equity Holders, and the Company, any Consenting Lender, or any Consenting Existing Equity Holder may seek specific performance as against any breaching Consenting Lender or any breaching Consenting Existing Equity Holder. ; provided further that in connection with any remedy asserted in connection with this Agreement, each Party agrees to waive any requirement for the securing or posting of a bond in connection with any remedy. All rights, powers and remedies provided under this Agreement or otherwise available in respect hereof at law or in equity shall be cumulative and not alternative, and the exercise of any right, power or remedy thereof by any Party shall not preclude the simultaneous or later exercise of any other such right, power or remedy by such Party or any other Party.

13. CONFLICTS BETWEEN THIS AGREEMENT AND THE RESTRUCTURING TERM SHEET AND RELATED TRANSACTION DOCUMENTS AND BETWEEN THE PLAN AND THIS AGREEMENT.

In the event the terms and conditions as set forth in the Restructuring Term Sheet and this Agreement are inconsistent, the terms and conditions contained in the Restructuring Term Sheet (and the transaction related documents) shall govern. In the event of any conflict among the terms and provisions of the Plan, this Agreement or the Restructuring Term Sheet, the terms and provisions of the Plan shall control. In the event of any conflict among the terms and provisions of the Confirmation Order, the Plan, this Agreement or the Restructuring Term Sheet, the terms of the Confirmation Order shall control. Notwithstanding the foregoing, nothing contained in this **Section 13** shall affect, in any way, the requirements set forth herein for the amendment of this Agreement.

14. GOVERNING LAW.

This Agreement shall be governed by, and construed in accordance with, the internal laws of the State of New York, without giving effect to the principles of conflict of laws that would require the application of the law of any other jurisdiction. By its execution and delivery of this Agreement, each of the Parties hereto hereby irrevocably and unconditionally agrees for itself that any legal action, suit or proceeding against it with respect to any matter under or arising out of or in connection with this Agreement or for recognition or enforcement of any judgment rendered in any such action, suit or proceeding, may be brought in either a state or

federal court of competent jurisdiction in the State and County of New York. By execution and delivery of this Agreement, each of the Parties hereto hereby irrevocably accepts and submits itself to the nonexclusive jurisdiction of each such court, generally and unconditionally, with respect to any such action, suit or proceeding. Notwithstanding the foregoing consent to jurisdiction in either a state or federal court of competent jurisdiction in the State and County of New York, upon the commencement of the Chapter 11 Cases, each of the Parties hereto hereby agrees that, if the petitions have been filed and the Chapter 11 Cases are pending, the Bankruptcy Court shall have exclusive jurisdiction of all matters arising out of or in connection with this Agreement. EACH PARTY HERETO UNCONDITIONALLY WAIVES TRIAL BY JURY IN ANY LEGAL ACTION OR PROCEEDING REFERRED TO ABOVE. Notwithstanding the foregoing consent to New York jurisdiction, when the Chapter 11 Cases are commenced by the Company, each Party agrees that the Bankruptcy Court shall have exclusive jurisdiction of all matters arising out of or in connection with this Agreement.

15. EFFECTIVE DATE OF THIS AGREEMENT.

This Agreement shall become effective, and each Party shall be bound to the terms of this Agreement, as of the date the Company and each of the Consenting Parties have executed and delivered a signature page to this Agreement.

16. NOTICES.

All demands, notices, requests, consents and other communications under this Agreement must be in writing, sent contemporaneously to all of the Parties, and will be deemed given when delivered if delivered personally, by email, by courier, by facsimile transmission or mailed (first class postage prepaid) to the Parties at the following addresses, emails or facsimile numbers:

If to the Company:

QCE LLC
1001 17th Street, Ste. 200
Denver, CO 80202-1475
Tel: (720) 359-3360
Facsimile: (303) 573-2456
Email: smathis@quiznos.com
Attention: Stuart Mathis, CEO

with a copy to (which shall not constitute notice):

Akin Gump Strauss Hauer & Feld LLP
One Bryant Park
New York, New York 10036-6745
Telephone: (212) 872-1000
Facsimile: (212) 872-1002
Attention: Ira Dizengoff, Esq. (idizengoff@akingump.com)
Philip C. Dublin, Esq. (pdublin@akingump.com)

If to the Consenting First Lien Lenders:

To each Consenting First Lien Lender at the address identified in such Consenting First Lien Lender's signature page

with a copy to (which shall not constitute notice):

Milbank, Tweed, Hadley & McCloy LLP
601 S. Figueroa Street, 30th Floor
Los Angeles, California 90017
Telephone: (213) 892-4000
Facsimile: (213) 629-5063
Attention: Paul Aronzon (paronzon@milbank.com)
Tom Kreller (tkreller@milbank.com)
David B. Zolkin (dzolkin@milbank.com)

If to the Consenting Second Lien Lenders or Consenting Existing Equity Holders:

To each Consenting Second Lien Lender and Consenting Existing Equity Holder at the address identified in such Consenting Second Lien Lender's and Consenting Existing Equity Holder's signature page

with a copy to (which shall not constitute notice), as counsel to certain controlled affiliates, managed accounts or funds of Avenue Capital Management II, L.P.:

O'Melveny & Myers LLP
7 Times Square
New York, New York 10036
Telephone: (212) 326-2158
Facsimile: (213) 326-2061
Attention: John J. Rapisardi (jrapisardi@omm.com)
Joseph Zujkowski (jzujkowski@omm.com)

with a copy to (which shall not constitute notice), as counsel to certain controlled affiliates, managed accounts or funds of Fortress Investment Group:

Skadden Arps Slate Meagher & Flom LLP
300 South Grand Avenue
Los Angeles, California 90071-3144
Telephone: (213) 687-5200
Facsimile: (213) 621-5200
Attention: Van C. Durrer, II (van.durrer@skadden.com)

17. NO THIRD-PARTY BENEFICIARIES.

The terms and provisions of this Agreement are intended solely for the benefit of the Parties hereto and their respective successors and permitted assigns, and it is not the intention of the Parties to confer third-party beneficiary rights upon any other person.

18. PUBLICITY; NON-DISCLOSURE.

The Company shall not (and shall cause its legal and financial advisors to not) (a) use the name of any Consenting Lender or the amount of such Consenting Lenders' respective First Lien Lender Claims or Second Lien Lender Claims in any press release or in any pleading, filing or public disclosure without such Consenting Lender's prior written consent or (b) disclose to any person other than legal and financial advisors to the Company (i) the principal amount or percentage of any First Lien Lender Claims or Second Lien Lender Claims held by any Consenting Lender or any of their respective subsidiaries or file such information with the Bankruptcy Court or any court of competent jurisdiction or (ii) the identity of any Consenting Lender without such Consenting Lender's prior written consent except as required by Bankruptcy Court order or other applicable law; provided, however, that the Company shall be permitted to disclose at any time the aggregate principal amount of, and aggregate percentage of, the First Lien Lender Claims of the Consenting First Lien Lenders as a group and the Second Lien Lender Claims of the Consenting Second Lien Lenders as a group and the substance of this Agreement in the RSA Motion, the Plan, Disclosure Statement, Plan-Related Documents and any filings by the Company with the Bankruptcy Court or the Securities and Exchange Commission or as required by law or regulation. Notwithstanding the foregoing, the Consenting Lenders hereby consent to the disclosure by the Company in the Plan and the Plan-Related Documents, as applicable, as well as any required filings by the Company with the Bankruptcy Court or as otherwise required by law or regulation, of the execution, terms and contents of this Agreement and the aggregate principal amount of, and aggregate percentage of, the First Lien Lender Claims held by the Consenting First Lien Lenders as a group and the Second Lien Lender Claims held by Consenting Second Lien Lenders as a group. Notwithstanding the foregoing, the Company will submit to counsel to the Consenting First Lien Lenders and the Consenting Second Lien Lenders, all press releases, public filings, public announcements or other communications with any news media relating to this Agreement or the Restructuring.

19. SETTLEMENT DISCUSSIONS; PRESERVATION OF RIGHTS.

This Agreement and the Restructuring Term Sheet are part of a proposed settlement of a dispute among the Parties. Regardless of whether or not the transactions contemplated herein are consummated, or whether or not a Termination Event has occurred, if applicable, nothing shall be construed herein as an admission of any kind or a waiver by any Party of any or all of such Party's rights or remedies. Except as expressly provided in this Agreement, the Parties expressly reserve any and all of their respective rights and remedies. Pursuant to Federal Rule of Evidence 408 and any other applicable rules of evidence, this Agreement and all negotiations relating hereto shall not be admissible into evidence in any proceeding other than a proceeding to enforce its terms. Furthermore, nothing in this Agreement shall be construed to prohibit any Party from

appearing as a party-in-interest in any matter to be adjudicated in the Chapter 11 Cases so long as any appearance by a Party and the positions advocated by such Party in connection therewith are consistent with the Restructuring Term Sheet, this Agreement and the Plan and are not for the purpose of, and would not reasonably be expected to have the effect of, hindering, delaying or preventing the consummation of the Restructuring.

20. RULE OF INTERPRETATION.

Notwithstanding anything contained herein to the contrary, it is the intent of the Parties that all references to votes or voting in this Agreement be interpreted to include (a) votes or voting on a plan of reorganization under the Bankruptcy Code and (b) all means of expressing agreement with, or rejection of, as the case may be, a restructuring or reorganization transaction that is not implemented under the Bankruptcy Code.

21. SUCCESSORS AND ASSIGNS; SEVERABILITY; SEVERAL OBLIGATIONS.

This Agreement is intended to bind and inure to the benefit of the Parties and their respective permitted successors, assigns, heirs, executors, estates, administrators and representatives. The invalidity or unenforceability at any time of any provision hereof in any jurisdiction shall not affect or diminish in any way the continuing validity and enforceability of the remaining provisions hereof or the continuing validity and enforceability of such provision in any other jurisdiction. The agreements, representations and obligations of the Consenting Parties under this Agreement are, in all respects, several and not joint.

22. ENTIRE AGREEMENT; PRIOR NEGOTIATIONS.

This Agreement, including the Restructuring Term Sheet, the exhibits, schedules and annexes, if any, hereto constitutes the entire agreement of the Parties with respect to the subject matter of this Agreement. This Agreement supersedes all prior negotiations, communications, agreements and understandings, whether written or oral, between and among the Parties (and their respective advisors or managers) with respect to the subject matter of this Agreement; provided, however, that the Parties acknowledge and agree that any confidentiality agreements heretofore executed between the Company and any Consenting Party shall continue in full force and effect, as provided therein.

23. SURVIVAL OF AGREEMENT.

Notwithstanding (i) any sale, transfer or assignment of First Lien Lender Claims, Second Lien Lender Claims or Existing Equity Interests in accordance with **Section 7** above, or (ii) the termination of this Agreement in accordance with its terms, the agreements and obligations of the Parties in **Sections 11** (solely to the extent of Transaction Expenses accrued before termination), **12**, **14**, **17**, **18**, **19**, **20**, **21**, **22**, **23**, **24**, **25** and **26** shall survive such sale and/or termination and shall continue in full force and effect for the benefit of the Consenting Parties and the Company in accordance with the terms hereof.

24. REPRESENTATION BY COUNSEL.

Each Party hereto acknowledges that it has been represented by counsel (or had the opportunity to and waived its right to do so) in connection with this Agreement and the transactions contemplated by this Agreement. Accordingly, any rule of law or any legal decision that would provide any Party hereto with a defense to the enforcement of the terms of this Agreement against such Party based upon lack of legal counsel shall have no application and is expressly waived. The provisions of this Agreement shall be interpreted in a reasonable manner to effect the intent of the Parties hereto. None of the Parties hereto shall have any term or provision construed against such Party solely by reason of such Party having drafted the same.

25. INDEPENDENT DUE DILIGENCE AND DECISION-MAKING.

Each Party hereto hereby confirms that it has made its own decision to execute this Agreement based upon its own independent assessment of documents and information available to it, as it has deemed appropriate. Each Consenting Party is acting independent of the other Consenting Parties and shall not be responsible in any way for the performance of the obligations of any other Consenting Party.

26. NO ADDITIONAL FIDUCIARY DUTIES.

Notwithstanding anything to the contrary herein, nothing in this Agreement shall create any additional fiduciary obligations on the part of the Company or any members, managers or officers of the Company or its affiliated entities, in such person's capacity as a member, manager or officer of the Company or their affiliated entities that did not exist prior to the execution of this Agreement. None of the Consenting Parties shall have, by virtue of this Agreement, any fiduciary duties or other duties or responsibilities to each other, any other First Lien Lender, any other Second Lien Lender, any other holder of Existing Equity Interests, the Company, or any of the Company's creditors or other stakeholders. Notwithstanding anything herein to the contrary, this Agreement shall not prevent the Company from taking or failing to take any action that it is obligated to take (or not take, as the case may be) in the performance of any fiduciary duty or as otherwise required by applicable law which the Company owes to any other person or entity under applicable law.

27. COUNTERPARTS.

This Agreement may be executed in one or more counterparts, each of which, when so executed, shall constitute the same instrument and the counterparts may be delivered by facsimile transmission or by electronic mail in portable document format (.pdf).

28. AMENDMENTS.

Except as otherwise provided in this Agreement, this Agreement (including the Restructuring Term Sheet) may not be modified, amended or supplemented without prior written consent of the Company and the Requisite Consenting Parties.

29. HEADINGS.

The headings of the sections, paragraphs and subsections of this Agreement are inserted for convenience of reference only and shall not, for any purpose, be deemed part of this Agreement and shall not affect the interpretation of this Agreement.

30. NO SOLICITATION.

This Agreement is not intended to be, and each signatory to this Agreement acknowledges that this Agreement is not (a) an offer for the purchase, sale, exchange, hypothecation, or other transfer of securities for purposes of the Securities Act of 1933 and the Securities Exchange Act of 1934, or (b) a solicitation of votes for the acceptance of a chapter 11 plan of reorganization (including the Plan) for the purposes of Bankruptcy Code sections 1125 and 1126 or otherwise. Solicitation of acceptance of the Restructuring will not be solicited from any holder of First Lien Lender Claims or Second Lien Lender Claims, or any Existing Equity Holder, until such holder has received the disclosures required by Bankruptcy Code section 1125 or otherwise in compliance with applicable law.

[Signature pages to follow]

IN WITNESS WHEREOF, the Parties have caused this Agreement to be duly executed by their respective authorized officers as of the day and year first above written.

SIGNED for and on behalf of

QCE FINANCE LLC

by: _____

Name: Stuart Mathis
Title: President & CEO

QCE LLC

by: _____

Name: Stuart Mathis
Title: President & CEO

AMERICAN FOOD DISTRIBUTORS LLC

by: _____

Name: Stuart Mathis
Title: President & CEO

QUIZNOS GLOBAL LLC

by: _____

Name: Stuart Mathis
Title: President & CEO

QFA ROYALTIES LLC

by: _____

Name: Stuart Mathis
Title: President & CEO

QIP HOLDER LLC

by: _____

Name: Stuart Mathis
Title: President & CEO

QUIZ-CAN LLC

by _____

Name: Stuart Mathis
Title: President & CEO

QUIZNO'S CANADA HOLDING LLC

By: _____

Name: Stuart Mathis
Title: President & CEO

RESTAURANT REALTY LLC

By: _____

Name: Stuart Mathis
Title: President & CEO

THE QUIZNO'S MASTER LLC

By: _____

Name: Stuart Mathis
Title: President & CEO

THE QUIZNO'S OPERATING COMPANY LLC

By: _____

Name: Stuart Mathis
Title: President & CEO

TQSC II LLC

By: _____

Name: Stuart Mathis
Title: President & CEO

QAFT, Inc.

By: _____

Name: Stuart Mathis
Title: President & CEO

THE NATIONAL MARKETING FUND TRUST, by QAFT, Inc., solely in its capacity as trustee

By: _____

Name: Stuart Mathis
Title: President & CEO

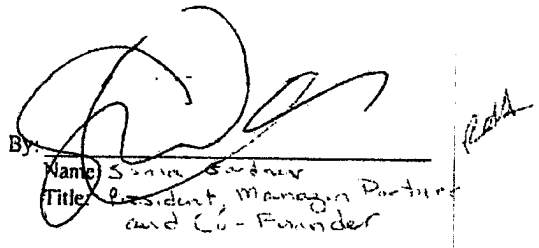
THE REGIONAL ADVERTISING PROGRAM TRUST, by QAFT, Inc., solely in its capacity as trustee

By: _____

Name: Stuart Mathis
Title: President & CEO

AVENUE CAPITAL MANAGEMENT II, L.P.,
On behalf of certain funds which it manages

BY:

By: 
Name: Sonia Gardner
Title: President, Managing Partner and Co-Founder

Address/contact information for notice, as per Section 16 of the Agreement:

399 Park Avenue, 6th Floor
New York, New York 10022

Existing Equity Interests: _____

[Signature Page to Restructuring Support Agreement]

SUBJECT TO NON-DISCLOSURE OBLIGATIONS

AVENUE CAPITAL MANAGEMENT II, L.P.,
On behalf of certain funds which it manages

BY:

By: _____
Name:
Title:

Address/contact information for notice, as per Section 16 of the Agreement:

399 Park Avenue, 6th Floor
New York, New York 10022

First Lien Lender Claims (Principal Loans):

Second Lien Lender Claims (Principal Loans):

[Signature Page to Restructuring Support Agreement]

SUBJECT TO NON-DISCLOSURE OBLIGATIONS

CONSENTING LENDER

By: Oaktree Capital Management, L.P.
Its: Director

By: _____
Name: Matthew C. Wilson
Title: Managing Director

By: _____
Name: Zachary H. Serebrenik
Title: Senior Vice President

Address/contact information for notice, as per **Section 16** of the Agreement:

Terence Kim
Associate
Global Principal Group
Oaktree Capital Management, L.P.
333 South Grand Avenue, 28th Floor
Los Angeles, CA 90071
Telephone: (213) 830-6804
Facsimile: (213) 830-6394
tckim@oaktreecapital.com

First Lien Lender Claims (Principal Loans):

Second Lien Lender Claims (Principal Loans):

$_____

SUBJECT TO NON-DISCLOSURE OBLIGATIONS

CONSENTING LENDER

By: Oaktree Capital Management, L.P.
Its: Director

By:_____
Name: Matthew C. Wilson
Title: Managing Director

By:_____
Name: Zachary H. Serebrenik
Title: Senior Vice President

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First Lien Lender Claims (Principal Loans):

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$_____

SUBJECT TO NON-DISCLOSURE OBLIGATIONS

CONSENTING LENDER

By:
Their:

By: Oaktree Capital Management, L.P.
Its: Managing Member

By:_____
Name: Matthew C. Wilson
Title: Managing Director

By:_____
Name: Zachary H. Serebrenik
Title: Senior Vice President

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Facsimile: (213) 830-6394
tckim@oaktreecapital.com

First Lien Lender Claims (Principal Loans):

Second Lien Lender Claims (Principal Loans):

$_____

SUBJECT TO NON-DISCLOSURE OBLIGATIONS

CONSENTING LENDER

By: _____
Name: Richard D. Holahan, Jr.
Title: Authorized Signatory

Address/contact information for notice, as per **Section 16** of the Agreement:

Terese M. Best
Caspian Capital LP
767 Fifth Avenue, 45th Floor
New York, NY 10153
Telephone: 212-826-7530
Fax: 212-826-6980
terese@caspianlp.com

First Lien Lender Claims (Principal Loans):

Second Lien Lender Claims (Principal Loans):

SUBJECT TO NON-DISCLOSURE OBLIGATIONS

CONSENTING LENDER

By: _____
Name: Richard D. Holahan, Jr.
Title: Authorized Signatory

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terese@caspianlp.com

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Title: Authorized Signatory

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terese@caspianlp.com

First Lien Lender Claims (Principal Loans):

Second Lien Lender Claims (Principal Loans):

SUBJECT TO NON-DISCLOSURE OBLIGATIONS

CONSENTING LENDER

By: MSDC Management, L.P.
Its: Investment Manager

By: _____
Name: **Marcello Liguori**
Title: **Managing Director**

Address/contact information for notice, as per **Section 16** of the Agreement:

Marcello Liguori
Chief Corporate Counsel
c/o MSDC Management, L.P.
645 Fifth Avenue, 21st Floor
New York, NY 10022
Telephone: 212-303-7822
Facsimile: 212-303-1772
mliguori@msdcapital.com

First Lien Lender Claims (Principal Loans):

_____

Second Lien Lender Claims (Principal Loans):

$_____

SUBJECT TO NON-DISCLOSURE OBLIGATIONS

CONSENTING LENDER

By:

By: /s/
Name:
Title:

Address/contact information for notice, as per **Section 15** of the Agreement:

1345 Avenue of the Americas, 46th Floor
New York, NY 10105
Attention: Constantine M. Dakolias, President
Telephone: 212-798-6100
Facsimile: 646-224-8716

First Lien Lender Claims (Principal Loan):

SUBJECT TO NON-DISCLOSURE OBLIGATIONS

CONSENTING LENDER

By: /s/
Name:
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SUBJECT TO NON-DISCLOSURE OBLIGATIONS

CONSENTING LENDER

By: [illegible]

By: /s/
Name:
Title:

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By:

By: _____
Name: Marc K. Furstein
Title: Chief Operating Officer

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By: _____
Name: Marc K. Hurstein
Title: Director

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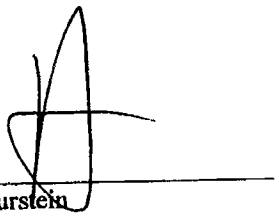
SUBJECT TO NON-DISCLOSURE OBLIGATIONS

CONSENTING LENDER



By: _____
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Name: Marc K. Furstein
Title: Chief Operating Officer

Address/contact information for notice, as per **Section 15** of the Agreement:

1345 Avenue of the Americas, 46th Floor
New York, NY 10105
Attention: Constantine M. Dakolias, President
Telephone: 212-798-6100
Facsimile: 646-224-8716

Second Lien Lender Claims (Principal Loan):

SUBJECT TO NON-DISCLOSURE OBLIGATIONS

CONSENTING LENDER

By:

By: _____
Name: Marc K. Furstein
Title: Chief Operating Officer

Address/contact information for notice, as per **Section 15** of the Agreement:

1345 Avenue of the Americas, 46th Floor
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By:

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Name: Marc K. Furstein
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SUBJECT TO NON-DISCLOSURE OBLIGATIONS

CONSENTING LENDER

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New York, NY 10105
Attention: Constantine M. Dakolias, President
Telephone: 212-798-6100
Facsimile: 646-224-8716

Second Lien Lender Claims (Principal Loan):

CONSENTING EQUITY HOLDER

By:

By: _____
Name: Marc K. Furstein
Title: Chief Operating Officer

Existing Equity Interests:

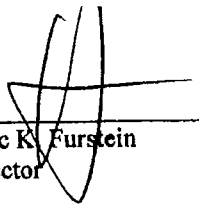
CONSENTING EQUITY HOLDER

]

By: _____
Name: Marc K. Forstein
Title: Director

Existing Equity Interests:

CONSENTING EQUITY HOLDER

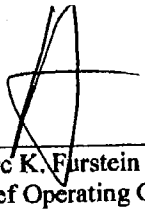


By: _____
Name: Marc K. Furstein
Title: Director

_____

Existing Equity Interests:

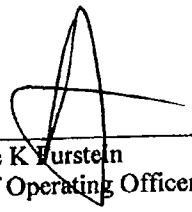
CONSENTING EQUITY HOLDER



By: _____
Name: Marc K. Furstein
Title: Chief Operating Officer

Existing Equity Interests:

CONSENTING EQUITY HOLDER



By: _____
Name: Marc K Furstein
Title: Chief Operating Officer

_____

Existing Equity Interests:

CONSENTING EQUITY HOLDER

By: I

By: _____
Name: Marc K. Furstein
Title: Chief Operating Officer

Existing Equity Interests:

CONSENTING EQUITY HOLDER

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By: _____
Name: Marc K. Furstein
Title: Chief Operating Officer

Existing Equity Interests:

CONSENTING EQUITY HOLDER

By: _____

By: _____
Name: Marc K. Furstein
Title: Chief Operating Officer

Existing Equity Interests:

EXHIBIT A

RESTRUCTURING TERM SHEET

Summary of Proposed Restructuring
Terms and Conditions for Quiznos

This term sheet (the "**Term Sheet**") summarizes the material terms and conditions of certain transactions to take place in connection with the proposed restructuring ("**Restructuring**") of the capital structure and financial obligations of QCE Finance LLC, a Delaware limited liability company ("**HoldCo**"), QCE LLC, a Delaware limited liability company ("**QCE**" and, together with HoldCo and certain of their direct and indirect subsidiaries, the "**Company**"), pursuant to the terms and subject to, among other things, (1) the terms and conditions described in this Term Sheet and (2) the terms and conditions set forth in that certain Restructuring Support Agreement to which this Term Sheet is attached as an exhibit, by and among the Company and certain of its lenders and equity holders (the "**Support Agreement**"). Terms used but not otherwise defined herein shall have the meanings ascribed to such terms in the Support Agreement.

The regulatory, tax, accounting and other legal and financial matters and effects related to the Plan or any related restructuring or similar transaction have not been fully evaluated, and any such evaluation may affect the terms and structure of any Plan and related transactions, it being understood that such treatment shall be subject to the reasonable consent of the Consenting Parties (as defined herein). The transactions contemplated in this Term Sheet are subject to definitive documentation, in form and substance reasonably acceptable to Consenting Parties (collectively, the "**Definitive Documents**").

THE TERMS SET FORTH IN THIS TERM SHEET ARE BEING PROVIDED ON A CONFIDENTIAL BASIS AS PART OF A COMPREHENSIVE COMPROMISE, EACH ELEMENT OF WHICH IS CONSIDERATION FOR THE OTHER ELEMENTS AND AN INTEGRAL ASPECT OF THE PROPOSED RESTRUCTURING OF THE COMPANY. NO RECIPIENT OF THIS INFORMATION IS AUTHORIZED TO DISCLOSE THIS TERM SHEET TO ANY PERSON OTHER THAN THAT RECIPIENT'S PROFESSIONAL ADVISORS, WHO SHALL AGREE TO MAINTAIN ITS CONFIDENTIALITY. NOTHING HEREIN IS INTENDED TO, AND NOTHING HEREIN SHALL, CONSTITUTE A BINDING AGREEMENT OR AN OFFER (CAPABLE OF ACCEPTANCE OR OTHERWISE) TO ENTER INTO AN AGREEMENT OR TRANSACTION OR AN UNDERTAKING OF ANY KIND. THE INFORMATION HEREIN HAS BEEN PRODUCED FOR DISCUSSION AND SETTLEMENT PURPOSES ONLY AND IS SUBJECT TO RULE 408 OF THE FEDERAL RULES OF EVIDENCE (AND OTHER SIMILAR RULES UNDER APPLICABLE STATE AND FEDERAL LAW). NOTHING HEREIN SHALL CONSTITUTE OR BE CONSTRUED AS AN ADMISSION OF ANY FACT OR LIABILITY, A STIPULATION OR A WAIVER, AND EACH STATEMENT CONTAINED HEREIN IS MADE WITHOUT PREJUDICE, WITH A FULL RESERVATION OF ALL RIGHTS, REMEDIES, CLAIMS, OR DEFENSES OF THE COMPANY, ITS EQUITY HOLDERS, THE FIRST LIEN LENDERS, THE AGENTS TO THE FIRST LIEN LENDERS UNDER THE FIRST LIEN FACILITY, THE SECOND LIEN LENDERS, AND THE AGENTS TO THE SECOND LIEN LENDERS UNDER THE SECOND LIEN FACILITY. THIS PRESENTATION AND ITS CONTENTS ARE CONFIDENTIAL. BY ACCEPTING THIS PRESENTATION, THE RECIPIENT AGREES THAT IT WILL HOLD THE INFORMATION CONTAINED HEREIN IN STRICT CONFIDENCE.

Parties	(i) The Company; (ii) Oaktree, Caspian and MSDC (collectively, the "**Consenting First Lien Lenders**"), as lenders under the Amended and Restated Credit Agreement, dated as of January 24, 2012, by and among the Company, various lenders (the "**First Lien Lenders**"), Wilmington Trust, National Association ("**Wilmington**"), as Administrative Agent, Deutsche Bank Securities Inc., as Syndication Agent, and Credit Suisse Securities (USA) LLC, Wachovia Bank, N.A. and BNP Paribas Securities Corp., each as Co-Documentation Agents (as amended, supplemented, or modified to date, the "**First Lien Facility**"); (iii) Fortress and Avenue second lien lender entities (the "**Consenting Second Lien Lenders**"), as lenders under the Credit Agreement dated as of January 24, 2012, by and among Holdco, the Company, various lenders (the "**Second Lien Lenders**"), and U.S. Bank, as Administrative Agent (as amended, supplemented, or modified to date, the "**Second Lien Facility**"); and (iv) Fortress and Avenue equity holder entities (the "**Consenting Existing Equity Holders**"). The Consenting First Lien Lenders, the Consenting Second Lien Lenders and the Consenting Existing Equity Holders are collectively referred to herein as the "**Consenting Parties**."
Overview of the Restructuring	The Company will pursue, and the Consenting Parties will support, the Restructuring, pursuant to a plan of reorganization (the "**Plan**"), which will provide for an exchange of existing First Lien Debt (as defined below) for new debt and new equity and the distribution of a portion of such new equity and certain litigation proceeds to holders of unsecured claims.
Implementation	The Restructuring will be implemented through a prepackaged chapter 11 bankruptcy case of the Company (including the Marketing Trusts) (the "**Chapter 11 Cases**").
DIP Financing	The Consenting First Lien Lenders will provide a short-term, postpetition, priming, super-priority senior secured loan facility (the "**DIP Facility**") intended to act as a bridge for the Company to implement and consummate the Restructuring, on the terms consistent in all material respects as those set forth in the "Term Sheet for Proposed Debtor In Possession Financing," attached hereto as **Annex I**.
Releases and Related Matters	To the fullest extent permitted by law, the Restructuring shall provide for customary releases and exculpations (including mutual releases among the releasing parties and by third parties) for the benefit of the Company, each of the First Lien Lenders, Wilmington, as Administrative Agent of the First Lien Facility, the Second Lien Lenders, the Consenting Existing Equity Holders and each of such

	entities' predecessors, successors and assigns, subsidiaries, funds, portfolio companies, affiliates, respective attorneys, and each of their respective officers, directors, employees, managers, financial advisors or other professionals or representatives, except with respect to Greg MacDonald, Dennis Smythe and any such persons that served in any such capacities only prior to January 24, 2012. The Company will secure customary and acceptable tail coverage liability insurance for the Company's current and former directors and officers, except with respect to Greg MacDonald, Dennis Smythe and any such persons that served in any such capacities only prior to January 24, 2012. Any indemnification provisions in place at the commencement of the Chapter 11 Cases, whether in the Company's operating agreement, other formation documents, board resolutions, or contracts for the current and former directors, officers, equity holders, managers, employees, attorneys, other professionals, and agents of the Company and such persons' respective affiliates, shall be assumed and irrevocable and will survive the effectiveness of the Plan, except with respect to Greg MacDonald, Dennis Smythe and any such persons that served in any such capacities only prior to January 24, 2012. The Company's governance documents after effectiveness of the Plan will provide for the indemnification, defense, reimbursement, exculpation, and/or limitation of liability of, and advancement of fees and expenses to the reorganized Company's current and former directors, equity holders, officers, employees, or agents, and such persons' respective affiliates, to the fullest extent permitted by law (except with respect to Greg MacDonald, Dennis Smythe and any such persons that served in any such capacities only prior to January 24, 2012) and at least to the same extent as the organizational documents of the Company as of the commencement of the Chapter 11 Cases.
Treatment of Claims and Interests	
First Lien Debt Claim	The aggregate outstanding secured obligations under the First Lien Facility (the "**First Lien Debt**") shall be paid and satisfied in full through the exchange of the First Lien Debt for (i) $200 million of debt under the amended First Lien Facility, the terms of which shall be consistent in all material respects with those as set forth in the "Summary of the Exit Financing Senior Facilities," attached hereto as **Annex II**; (ii) 100% (subject to potential dilution by the equity issued in connection with the Management Incentive Plan as noted below) of the equity in reorganized HoldCo (the terms of which debt and equity will be acceptable to the Company and the Consenting Parties), subject to the right of the holders of allowed unsecured claims (including the Second Lien Claims) to elect to receive their pro rata share of 30% of the equity in reorganized HoldCo (the "**Remaining Equity**"), as

	described below. The First Lien Debt shall be deemed an allowed secured claim in the principal amount of $444,695,086.92, plus all prepetition and post-petition accrued and unpaid interest at the applicable default rate and fees and costs through the date on which the First Lien Debt is paid in full. The allowed First Lien Debt shall not be subject to any defense or offset on account of any claim, defense or counterclaim. The First Lien Lenders shall forego any distributions they might otherwise be entitled to receive as holders of any unsecured deficiency claims they may have in connection with the First Lien Facility.
Second Lien Debt Claim	The claims of the Second Lien Lenders under the Second Lien Facility shall be deemed to have allowed unsecured claims in the aggregate amount of $173,828,686.23 plus accrued and unpaid interest as of the petition date (the "**Second Lien Claims**").
Marketing Fund Trust Credit Facility Claim	The Credit Agreement, dated as of September 26, 2007, among QAFT, Inc., solely in its capacity as Trustee for The Regional Advertising Program Trust and The National Marketing Fund Trust (collectively, the "**Marketing Trusts**"), as Borrowers, the lenders party thereto (the "**MFT Lenders**"), and Vectra Bank Colorado, National Association ("**Vectra**"), as Administrative Agent (as amended, supplemented, or modified to date, the "**Marketing Fund Trust Credit Facility**"), will be, amended, reinstated or modified so as to provide for the repayment over time of the outstanding balance under the Marketing Fund Trust Credit Facility, pursuant to terms to be agreed upon by the Company, and Vectra, with the consent of the Consenting First Lien Lenders (the "**Amended Marketing Trust Credit Facility**"). The terms of any restructuring support agreement between the Company and Vectra shall be subject to the consent of the Consenting First Lien Lenders. Contributions from franchisees into the Marketing Trusts will continue in the ordinary course in accordance with prepetition practices until such time as amounts outstanding under the Amended Marketing Fund Trust Credit Facility are satisfied in full. As further set forth in Annex I and Annex II hereto, the lenders under the DIP Facility, and, upon repayment of the DIP Facility, the lenders under the New First Out Facility and the amended First Lien Facility, as additional security for the loans made thereunder (which loans shall be used, in part, for the Company's marketing and advertising) shall be granted liens against the assets of the Marketing Trusts junior only to the liens held by Vectra.
Unsecured Claims	Each Holder of an allowed unsecured claim ("**Unsecured Claims**"), including, without limitation, the Second Lien Claims, SARs claims, indemnification claims, franchisee litigation claims, franchisee rejection damages claims, and other executory contract and lease

	damage claims, shall receive its pro rata share of "**Company Specified Litigation Proceeds**" as discussed in the Specified Litigation section below, unless the holder of an Unsecured Claim elects to receive its pro rata share of 30% of the equity in reorganized HoldCo (the "**Remaining Equity**") in lieu of its pro rata share of Company Specified Litigation Proceeds (the "**Stock In Lieu Election**") or otherwise agrees to a less favorable treatment of its Unsecured Claim under 11 U.S.C. § 1123(a)(4). The pro rata share due to a Holder of an allowed Unsecured Claim that has not made the Stock in Lieu Election shall be determined by dividing the amount of such Holder's allowed Unsecured Claim by the aggregate amount of allowed Unsecured Claims of all Holders that have not made the Stock in Lieu Election. The pro rata share due to a Holder of an allowed Unsecured Claim that has made the Stock in Lieu Election shall be determined by dividing the amount of such Holder's allowed Unsecured Claim by the aggregate amount of allowed Unsecured Claims of all Holders that have made the Stock in Lieu Election. The Plan shall provide that, as promptly as practicable following the effective date of the Plan: (a) reorganized HoldCo shall provide Holders of unsecured claims with not less than thirty (30) days to deliver written notice to reorganized HoldCo of such Holder's desire to make the Stock In Lieu Election; and (b) reorganized HoldCo will distribute pro rata shares of the Remaining Equity to each Holder of an allowed Unsecured Claim that makes the Stock In Lieu Election. Pending the election process and the allowance or disallowance of any unsecured claims that are the subject of the Stock In Lieu Election, reorganized HoldCo shall be authorized to make interim distributions of Remaining Equity, subject to appropriate reserves for election results and disputed unsecured claims. Notwithstanding the foregoing, the creditor election, as well as the resolution of any disputes that may arise in connection with the distribution of Remaining Equity or Company Specified Litigation Proceeds, shall occur post-Effective Date and shall not impede or be a condition to the occurrence of the Effective Date under the Plan; provided, however, that the Company may seek approval of, and commence, the creditor election process in connection with the claims bar date. The Consenting Second Lien Lenders have committed to make the

	Stock In Lieu Election, and reserve their rights and express their intention to transfer up to 20% of the Remaining Equity[1] from the portion of Remaining Equity they receive under the Plan (subject to potential dilution by the equity issued in connection with the Management Incentive Plan as noted below) to the Consenting Existing Equity Holders in consideration of the agreement of the Consenting Existing Equity Holders to cooperate and not interfere with the prosecution of the Specified Litigation. The order confirming the Plan shall provide that, pursuant to section 1145 of the Bankruptcy Code, the offering, issuance, and/or distribution of any securities contemplated by the Plan, including, without limitation, the transfers of the Remaining Equity shall be exempt from, among other things, Section 5 of the Securities Act of 1933 and any State or local law requiring registration for offer or sale of a security or registration or licensing of an issuer of, underwriter of, or broker or dealer in, a security, and shall otherwise be subject to the exemptions and protections provided in section 1145 of the Bankruptcy Code. Material contracts underlying certain unsecured claims may be re-negotiated by the Company prior to the filing of the Plan in consultation with the Consenting Parties, with any final agreement subject to the consent of the Consenting First Lien Lenders, which consent will not be unreasonably withheld.
Other Claims	The Plan will provide that a holder of an allowed claim will receive the following on the effective date of the Plan: (a) *Administrative and Priority Claims* will be satisfied in full, in cash unless otherwise agreed by the parties. (b) *Intercompany Claims/Intercompany Equity Interests* between HoldCo, QCE and their chapter 11 debtor affiliates and non-chapter 11 debtor affiliates and all Intercompany Equity Interests are TBD in a manner acceptable to the Company and the Consenting Parties.
Equity Interests	The Plan will provide that all existing equity interests in HoldCo (including common stock, preferred stock, options, warrants, other rights to acquire equity interests, SARs or any similar equity interests or derivatives) ("**Existing HoldCo Equity**") will be cancelled and such equity holders shall not receive or retain any distribution, property or other value on account of their Existing HoldCo Equity.
Specified Litigation	The Consenting Existing Equity Holders, if applicable, and the Consenting Second Lien Lenders (the Consenting Existing Equity

[1] For sake of clarity, 20% of the Remaining Equity amounts to 6% of the equity in reorganized Holdco.

	Holders and the Consenting Second Lien Lenders collectively referred to as the "**Consenting Avenue and Fortress Entities**") and the Company will enter into an agreement (the "**Specified Litigation Agreement**")[2] pursuant to which they will jointly pursue any claims and rights they or their affiliates may have against former management and former owners of the Company relating to the Company's previous restructuring and any forecasts, projections, models, representations, or warranties made or provided in connection therewith (the "**Specified Litigation**") in the following manner. The Specified Litigation Agreement shall be disclosed as part of the Plan Supplement. The Consenting Avenue and Fortress Entities will provide cash funding for the pursuit of the Specified Litigation on the terms to be set forth in the Specified Litigation Agreement (the **"Specified Litigation Advance"**) and any cash proceeds (the **"Specified Litigation Proceeds"**) recovered in connection with such Specified Litigation shall be distributed as follows: 1. the first Specified Litigation Proceeds, in an amount up to $1,600,000, shall be retained by the Company for reimbursement of the fees and expenses of the Company's restructuring counsel, Akin Gump Strauss Hauer & Feld LLP (such amount, the "Legal Expense Distribution") invested to date in the Specified Litigation; 2. any Specified Litigation Proceeds available after payment of the Legal-Expense Distribution shall be used to reimburse Avenue and Fortress for payment of any actual out of-pocket non-legal expenses (the applicable amount, the "Non-Legal Expense Distribution"); 3. any Specified Litigation Proceeds available after payment of the Legal Expense Distribution and the Non-Legal Expense Distribution, up to a maximum of $16,000,000 (above the amounts of the Legal Expense Distribution and the Non-Legal Expense distribution) (the "First-Round Distribution"), shall be distributed as follows, on a pro rata basis: a. 75% shall be distributed to the Consenting Avenue and Fortress Entities; and b. 25% shall be distributed to the Company for distribution to creditors as provided below; 4. any Specified Litigation Proceeds available after payment of

[2] The Specified Litigation Agreement will be negotiated between the independent members of the board of managers of Holdco and the Consenting Avenue and Fortress Entities consistent with the terms of this Term Sheet, and will be filed as part of the Plan Supplement.

	the Legal Expense Distribution, the Non-Legal Expense Distribution, and the First-Round Distribution (the "Second-Round Distribution") shall be distributed as follows, on a pro rata basis: a. 95% shall be distributed to the Consenting Avenue and Fortress Entities; and b. 5% shall be distributed to the Company to be distributed to creditors as provided below. The Company shall use the proceeds of any First-Round Distribution and Second-Round Distribution that it receives (collectively, the "Company Specified Litigation Proceeds") (x) for the purpose of being ratably distributed to the holders of allowed Unsecured Claims that have not made the Stock in Lieu Election until such allowed Unsecured Claims have been paid in full and (y) thereafter, for uses to be determined by the members of the board of managers of HoldCo.
New First Out Facility	Upon the effectiveness of the Restructuring, the Company will enter into a new delayed-draw facility to be provided by the Consenting First Lien Lenders, the terms of which shall be consistent in all material respects with those as set forth in the "Summary of the Exit Financing Senior Facilities," attached hereto as **Annex II.**
Fees & Expenses / Expense Reimbursement	The Company will pay all of the reasonable and documented fees and expenses incurred by the Consenting Parties and their professional advisors) in connection with the negotiation of a Restructuring, the due diligence review and the consummation of the transactions contemplated herein and in the Support Agreement, on the terms provided in each professional advisor's relevant engagement letter.
Conditions Precedent	The Company shall not engage in transactions outside the ordinary course of business, including, without limitation, the incurrence of any new indebtedness for borrowed money, the amendment, in any negative way, of any terms of any existing indebtedness for borrowed money, or making any payments or transfers to shareholders, other than as otherwise provided for in this Term Sheet. Other conditions precedent to the effective date of a Restructuring shall be set forth in the Support Agreement.
Milestones	The pursuit of the Restructuring shall be subject to Milestones set forth in the Support Agreement.
Executory Contracts and Unexpired Leases	The Company shall, in consultation with the Consenting Parties, designate which executory contracts and unexpired leases, including without limitation, franchise agreements, will be assumed or rejected in connection with the Plan. Any indemnification claims held by Greg

	MacDonald, Dennis Smythe and any former officers or directors of the Company that served in any such capacities only prior to January 24, 2012, shall be rejected.
Franchise Agreements	Treatment to be acceptable to the Company and the Consenting Parties.
Assumption of Support Agreement in Bankruptcy	The Company (i) shall within three (3) business day of commencement of one or more Chapter 11 Cases file a motion for the assumption of the Support Agreement ("**Assumption Motion**") and (ii) must obtain entry of an order approving the Assumption Motion satisfactory to the Company and the Consenting Parties by no later than 45 days after the commencement of the Chapter 11 Cases.
Management	On the date on which the Restructuring becomes effective, the Company will either assume existing employment agreements with senior management or enter into new agreements mutually satisfactory to the senior management members, the Company and the Consenting Parties.
Management Incentive Plan	The parties shall work in good faith to negotiate the parameters of a management incentive plan for the Company (the "**Management Incentive Plan**") prior to the Effective Date. The specifics regarding the amount, form, exercise price, allocation and vesting of any awards under the Management Incentive Plan shall be determined by the board of directors of reorganized HoldCo on or after the effectiveness of the Restructuring and shall be acceptable to the Company and the Consenting Parties.
Board Members/ Corporate Governance	On the date on which the Restructuring becomes effective, the Company's organizational documents shall be amended and restated, in forms acceptable to the Company and the Consenting Parties. Board representation: Upon effectiveness of a Restructuring, the board of directors of Holdco shall consist of 7 members: 4 designated by Oaktree, Caspian and MSDC, one of which will be Douglas Benham, 1 designated by Avenue in its capacity as a Second Lien Lender, 1 designated by Fortress in its capacity as a Second Lien Lender, and 1 who will be the CEO of Holdco.
Cooperation in Due Diligence	The Restructuring is conditioned upon the Company's cooperation in the continuing financial and legal due diligence review by the Consenting Parties.
Documentation	All of the documents necessary or appropriate to facilitate the Restructuring, including first day motions in Chapter 11 Cases, will be in form and substance satisfactory to the Company and the Consenting Parties.
Tax/Business Considerations	The Plan will be structured in a manner that is tax-efficient and cost-

	effective for the Company to the maximum extent possible and in a manner subject to the reasonable consent of the Consenting First Lien Lenders.
Governing Law and Forum	New York governing law and exclusive New York jurisdiction. However, upon commencement of the chapter 11 cases, the Bankruptcy Court in which the chapter 11 cases are filed shall have exclusive jurisdiction.

ANNEX I

Term Sheet for Proposed Debtor In Possession Financing

QCE LLC

TERM SHEET FOR PROPOSED DEBTOR IN POSSESSION FINANCING

In the event that QCE LLC and its affiliates determine to file a petition for relief under chapter 11 of the United States Bankruptcy Code (the "**Bankruptcy Code**") for the purpose of effectuating a restructuring, the following describes the terms of a debtor in possession financing (the "**DIP Facility**") to be used to fund working capital during the pendency of jointly administered Chapter 11 Cases in the Bankruptcy Court as defined below (the "**Chapter 11 Cases**").

This term sheet is intended for discussion purposes only and does not constitute a commitment to lend. This term sheet is non-binding and the proposals contained herein are subject to, among other things, the negotiation, documentation and execution of definitive documentation. Only execution and delivery of definitive documentation relating to the transactions shall result in any binding or enforceable obligations of any party relating to the transactions. The terms and conditions for the extension of credit described herein are dependent upon, among other things, (i) authorization and approval by the United States Bankruptcy Court, District of Delaware (the "**Bankruptcy Court**") and (ii) internal authorization and approval by the appropriate credit committees of the DIP Lenders (as defined below). The terms and conditions with respect to such commitments are mutually dependent on each other and the DIP Lenders shall not be obligated to extend credit unless agreement with the Obligors (as defined below) and approval by the Bankruptcy Court is obtained with respect to such terms and conditions as a whole.

Parties	**Borrower**: QCE LLC (the "**Borrower**"), as a debtor in possession in the Chapter 11 Cases. The date on which the Chapter 11 Cases are commenced, which is expected to occur on or about March 13, 2014 is referred to herein as the "Petition Date." **Guarantors**: All obligations under the DIP Facility (defined below) and the other DIP Documents (defined below) will be unconditionally guaranteed jointly and severally on a first priority secured basis by QCE Finance LLC ("**Holdco**") and each subsidiary of Holdco, as set forth on Annex I hereto (the "**Guarantors**"). The Guarantors shall be debtors in possession under the Bankruptcy Code. The Borrower and the Guarantors are collectively herein referred to as the "Obligors". **DIP Lenders**: The lenders under the DIP Facility (the "**DIP Lenders**") shall be each entity listed on Annex II and/or its respective affiliates or designees; provided that no affiliate of any Obligor shall become a DIP Lender. **DIP Agent**: Wilmington Trust, National Association (the "**DIP Agent**") shall act as administrative agent for the DIP Lenders under the DIP Facility.
Existing Debt Arrangements/ Prepetition First Lien Facility and Prepetition Second Lien Facility	**Prepetition First Lien Facility and Prepetition Second Lien Facility:** The Borrower is a party to that certain Amended and Restated Credit Agreement, dated as of January 24, 2012, among the Borrower, as borrower, Holdco, the lenders party thereto from time to time (the "**Prepetition First Lien Lenders**") and Wilmington Trust, National Association, as successor administrative agent to Goldman Sachs Credit Partners L.P. (the "**Prepetition First Lien Agent**") (as amended, supplemented or otherwise modified prior to the date hereof, and including all exhibits and other ancillary documentation in respect thereof, the "**Prepetition First Lien Credit Agreement**"). The Prepetition First Lien Lenders provided term loans to or for the benefit of the Borrower (the "**Prepetition First Lien Facility**"). The Prepetition First Lien Credit Agreement and all instruments and documents executed at any time in connection therewith, shall be referred to collectively as the "**Prepetition First Lien Credit Documents**". The Borrower is a party to that certain Credit Agreement, dated as of January 24, 2012, among the Borrower, as borrower, Holdco, the lenders party thereto from time to time (the "**Prepetition Second Lien Lenders**") and U.S. Bank, National Association, as administrative agent (the "**Prepetition Second Lien Agent**") (as amended, supplemented or otherwise modified prior to the date hereof, and including all exhibits and other ancillary documentation in respect thereof, the "**Prepetition Second Lien Credit**

	Agreement"). The Prepetition Second Lien Lenders provided term loans to or for the benefit of the Borrower (the "**Prepetition Second Lien Facility**" and together with the Prepetition First Lien Facility, the "**Prepetition Facilities**"). The Prepetition Second Lien Credit Agreement and all instruments and documents executed at any time in connection therewith, shall be referred to collectively as the "**Prepetition Second Lien Credit Documents**". To secure the obligations under the Prepetition Facilities, the Obligors (other than QAFT, Inc., in its capacity as trustee of (i) The Regional Advertising Program Trust under Restated Declaration of Trust dated June 17, 2005 and as amended to date and (ii) The National Marketing Fund Trust under Restated Declaration of Trust dated June 17, 2005 and as amended to date ((i) and (ii) together, the "**Marketing Trusts**")) granted to the Prepetition First Lien Lenders (the "**Prepetition First Liens**") first-priority security interests in and liens on substantially all of the assets of the Obligors (other than the Marketing Trusts) described in the Prepetition First Lien Documents (the "**Prepetition First Lien Collateral**") and granted to the Prepetition Second Lien Lenders (the "**Prepetition Second Liens**") second-priority security interests in and liens on substantially all of the assets of the Obligors (other than the Marketing Trusts) described in the Prepetition Second Lien Credit Documents (the "**Prepetition Second Lien Collateral**"). The Borrower is a party to that certain Intercreditor Agreement, dated as of January 24, 2012, among the Borrower, the Prepetition First Lien Agent and the Prepetition Second Lien Agent (as amended, supplemented or otherwise modified prior to the date hereof, and including all exhibits and other ancillary documentation in respect thereof, the "**Intercreditor Agreement**").
DIP Facility/ Use of Proceeds	**DIP Facility:** The DIP Facility and all instruments and documents executed at any time in connection therewith, shall be referred to collectively as the "**DIP Documents**." The DIP Facility shall be comprised of a superpriority priming delayed-draw loan in an aggregate principal amount of $15 million (the "**DIP Loan**"). Amounts paid or prepaid under the DIP Loan may not be reborrowed. Subject to the terms and conditions herein, the proceeds of the DIP Facility (including the Interim Facility (as defined below)) will be used in accordance with the terms of the Budget (as defined below), including, without limitation: (i) to pay (a) all fees due to DIP Lenders as provided under the DIP Facility and (b) administration costs of the Chapter 11 Cases and prepetition claims or amounts approved by the Bankruptcy Court, (ii) to provide working capital for the Obligors, including postpetition ordinary course operating expenses, and (iii) for other general corporate purposes of the Obligors. **Use of Proceeds**: No portion of the Obligors' cash collateral and other cash (collectively, the "**Cash Collateral**"), the DIP Facility, the DIP Collateral (as defined below) or the "**Carve-Out**" (as defined below) may be used: (a) for any purpose that is prohibited under the Bankruptcy Code, the Interim Order (as defined below), the Final Order (as defined below) or the DIP Documents; (b) to finance in any way any adversary action, suit, arbitration, proceeding, application, motion or other litigation or challenge of any type adverse to the interests of any or all of the DIP Agent, the DIP Lenders, the Prepetition First Lien Agent or the Prepetition First Lien Lenders or their respective rights and remedies under DIP Documents, the Interim Order, the Final Order or the Prepetition First Lien Credit Documents; provided that, notwithstanding the foregoing, no more than an aggregate of $25,000 of the Cash Collateral, the DIP Facility, the DIP Collateral or the Carve-Out may be used by any statutory committee of unsecured creditors appointed in the Chapter 11 Cases to investigate the validity, enforceability or priority of the obligations under the Prepetition First Lien Credit Documents or the Prepetition First Liens, or investigate any claims and defenses or other causes of action against the Prepetition First Lien Agent and the

	Prepetition First Lien Lenders (c) for the payment of fees, expenses, interest or principal under the Prepetition Credit Documents (except as expressly contemplated herein); (d) to make any distribution under a plan of reorganization in the Chapter 11 Cases except as agreed in writing by the Required DIP Lenders (as defined below); and (e) to make any payment in settlement of any claim, action or proceeding, before any court, arbitrator or other governmental body without the prior written consent of the DIP Agent acting at the direction of the Required DIP Lenders.
Availability	**Interim Facility:** Upon the Bankruptcy Court's entry of an interim order ("**Interim Order**") approving the DIP Facility, $10 million (the "**Interim Facility**") shall be drawn, subject to compliance with the terms, conditions and covenants described in the DIP Documents and in accordance with the Budget. All DIP Loans made under the Interim Facility will be due and payable on the date that is 30 days after the entry of the Interim Order or such earlier date upon the occurrence of a maturity event (the "**Interim Facility Maturity Date**") unless a Final Order approving the DIP Facility in form and substance satisfactory to the Required DIP Lenders and the Obligors shall have been entered by the Bankruptcy Court on or before such date. **Full Availability**. Upon the Bankruptcy Court's entry of the final order approving the DIP Facility (the "**Final Order**"), an additional $5 million, for a total loan of $15 million ("**Full Availability**") shall be available, subject to compliance with the terms, conditions and covenants described in the DIP Documents and in accordance with the Budget.
Budgets	By no later than the Petition Date, the Borrower shall provide the DIP Agents and DIP Lenders a 13-week statement of sources and uses of the Obligors for the next 13 weeks, broken down by week, including the anticipated uses of the DIP Facility for such period (the "**Initial Budget**"), which initial Budget must be satisfactory to the Required DIP Lenders in their sole discretion. Thereafter, at the end of each 4-week period covered in a Budget (as defined below), the Borrower shall deliver an updated 13-week statement of sources and uses for the next 13 week period which in each case must be satisfactory to the Required DIP Lenders in their sole discretion (each a "**Subsequent Budget**", collectively with the Initial Budget, "**Budgets**" and each, individually, a "**Budget**"). Each period covered by a Budget shall be referred to as a "**Budget Period**").
Priority and Liens/ Ranking/ Security/ Collateral	**Collateral**. "**DIP Collateral**" shall mean any and all assets of the Obligors, unless otherwise agreed by the Required DIP Lenders. For the avoidance of doubt, the DIP Collateral shall include, in the case of the capital stock of any foreign subsidiary or any domestic subsidiary that is a disregarded entity for U.S. federal income tax purposes if substantially all of its assets consist of the capital stock of one or more foreign subsidiaries, 100% of the non-voting equity interests (if any) and 65% of the voting equity interests of any such subsidiary. **Priority/Collateral**. All obligations of the Obligors under the DIP Documents, including all loans made under the DIP Facility, shall, subject to the Carve-Out (as defined below), at all times: (a) pursuant to Bankruptcy Code section 364(c)(1), be entitled to joint and several superpriority administrative expense claim status in the Chapter 11 Cases, which claims in respect of the DIP Facility shall be superior to all other claims; (b) pursuant to Bankruptcy Code section 364(c)(2), have a first priority lien on all unencumbered assets of the Obligors (now or hereafter acquired, and all proceeds thereof); (c) pursuant to Bankruptcy Code section 364(c)(3), have a junior lien on all encumbered assets of the Obligors excluding the liens pursuant to the Prepetition First Lien Facility (now or hereafter

	acquired, and all proceeds thereof); and (d) pursuant to Bankruptcy Code section 364(d), have a first priority priming lien on all assets of the Obligors (now or hereafter acquired and all proceeds thereof) that were subject to a lien securing the Prepetition Facilities as of the Petition Date. It is understood and agreed that the priming liens described herein shall prime the liens securing the Prepetition Facilities and other secured obligations including foreign exchange, currency and interest rate hedged obligations (collectively, the "**Existing Primed Secured Facilities**"), but that the liens so created as described in clauses (b), (c), and (d) above shall be subject to "**Permitted Liens**" (as such term is defined in the DIP Documents). For the avoidance of doubt, the priming liens described herein shall not prime the liens on collateral securing the obligations under the Vectra Credit Facility (as defined below). The liens to be granted by the Bankruptcy Court shall cover all property of the Obligors (now or hereafter acquired and all proceeds thereof), including property or assets that do not secure the Existing Primed Secured Facilities, except until entry of the Final Order, claims and causes of action under sections 502(d), 544, 545, 547, 548, 549, 550 and 553 of the Bankruptcy Code (the "**Avoidance Actions**"), and as otherwise agreed to by the Required DIP Lenders in their sole discretion. The Obligors' obligations to the DIP Lenders and the liens and superpriority claims granted as provided in clauses (a) through (b) above shall be subject in each case only to a carve-out (the "**Carve-Out**") which shall be the sum total of (i) all statutory fees payable to the clerk of the Bankruptcy Court or the United States Trustee pursuant to 28 U.S.C. § 1930; (ii) allowed professional fees, expenses and disbursements incurred prior to the Termination Declaration Date, regardless of when allowed, by professionals of the estate retained by final order of the Court (which order has not been vacated or stayed, unless the stay has been vacated), including professionals of the Obligors employed under sections 327, 328 or 363 of the Bankruptcy Code (**"Estate Professionals")** and professionals of the official committee of unsecured creditors (the "**Creditors Committee Professionals**") (including the reimbursement of expenses allowed by the Bankruptcy Court incurred by Creditors Committee members in the performance of their duties, but excluding fees and expenses of third party professionals employed by such members); and (iii) the allowed and unpaid professional fees, expenses and disbursements incurred on or after the date the DIP Agent declares a termination on the ability of the Obligors to use any Cash Collateral derived solely from the proceeds of the DIP Collateral (and the earliest date any such declaration is made shall be referred to herein as the "**Termination Declaration Date**") under sections 327 or 1103(a) of the Bankruptcy Code, in the aggregate, solely with respect to this subsection (iii), not to exceed $500,000.00 for Estate Professionals and Creditors Committee Professionals. All of the liens described herein with respect to the assets of the Obligors shall be effective and perfected on the date the Interim Order is entered ("**Interim Order Entry Date**") and without the necessity of the execution of mortgages, security agreements, pledge agreements, financing statements or other agreements. Except to the extent expressly set forth in this Term Sheet, the Interim Order and the Final Order shall contain provisions prohibiting the Obligors and their subsidiaries from incurring any indebtedness which (x) ranks pari passu with or senior to the loans under the DIP Facilities or (y) benefits from a first priority lien under section 364 of the Bankruptcy Code.
Adequate Protection	**Senior Adequate Protection**. (a) Senior Adequate Protection Liens. Pursuant to sections 361, 363(e), and 364(d) of the Bankruptcy Code, as adequate protection of the interests of the Prepetition First Lien Agent and the Prepetition First Lien Lenders in the Prepetition First Lien Collateral against any diminution in the value of their interests in the Prepetition First Lien Collateral on account of the granting of the DIP Liens (including Cash Collateral) resulting from the Obligors' use, sale, or lease (or other decline in value) of such collateral, the imposition of the automatic stay, the priming of the Prepetition First Liens on the Prepetition First Lien Collateral, and the subordination to the

	Carve-Out (collectively, and solely to the extent of any such diminution in value, the "**Diminution in Value**") the Obligors hereby grant to the Prepetition First Lien Agent, for the benefit of itself and the Prepetition First Lien Lenders, continuing valid, binding, enforceable, and perfected postpetition security interests in and liens on the DIP Collateral (the "**Senior Adequate Protection Liens**") junior only to the DIP Liens and the Carve-Out and, with respect to adequate protection liens on the Vectra Collateral, the Vectra Liens. (b) Senior Super-Priority Claim. As further adequate protection of the interests of the Prepetition First Lien Agent and the Prepetition First Lien Lenders in the Prepetition First Lien Collateral against any Diminution in Value of such interests in the Prepetition First Lien Collateral on account of the granting of the DIP Liens, the Obligors' use of Cash Collateral, the use, sale, or lease of any other Prepetition First Lien Collateral, and the imposition of the automatic stay, the Prepetition First Lien Agent and the Prepetition First Lien Lenders are each hereby granted as and to the extent provided by section 507(b) of the Bankruptcy Code an allowed superpriority administrative expense claim in each of the Cases and any Successor Cases junior only to the DIP Claims and the Carve-Out (the "**Senior Superpriority Claims**"). **No Junior Adequate Protection**. As a result of the Prepetition Second Lien Lenders acknowledging that they are fully unsecured pursuant to the Restructuring Support Agreement, neither the Prepetition Second Lien Agent nor the Prepetition Second Lien Lenders shall be entitled to adequate protection. **Vectra Adequate Protection**. Adequate protection payments to Vectra Bank Colorado, National Association ("**Vectra**") with respect to that certain Credit Agreement, dated as of September 26, 2007 (as amended prior to the date hereof, the "**Vectra Credit Agreement**"), among the Marketing Trusts and Vectra, as administrative agent, in the amount of (i) weekly payments of $150,000, plus (ii) interest payments, at the existing rate under the Vectra Credit Agreement, on a monthly basis and (iii) payment of Vectra's reasonable fees and expenses, up to a cap to be agreed upon by the Borrower, the DIP Lenders and Vectra or as established by the Bankruptcy Court, such adequate protection payments to be made exclusively with cash collateral of the Marketing Trusts and not from proceeds of the DIP Facility or cash collateral of the other Debtors. All intercompany liens of the Obligors, if any (other than any liens securing the Prepetition First Lien Facility), will be subject to the Carve-Out and contractually subordinated to the DIP Facility and to the Senior Adequate Protection Liens on terms satisfactory to the Required DIP Lenders.
Closing Date	The date on or about the Interim Order Entry Date on which the specified portion of the commitment is made available for borrowings under the DIP Facility (the "**Closing Date**"), which shall be no later than two business days after the Interim Order Entry Date, subject to satisfaction (or waiver by the Required DIP Lenders) of the applicable conditions precedent set forth herein.
Maturity	Borrowings shall be repaid in full, and the commitment shall terminate, on the earliest to occur (the "**Maturity Date**") of, among other things, (i) 120 days from the Closing Date, (ii) the earlier of the effective date and the date of the substantial consummation (as defined in section 1102(2) of the Bankruptcy Code) of a plan of reorganization ("**Plan of Reorganization**") in the Chapter 11 Cases that has been confirmed by an order of the Bankruptcy Court, (iii) the date the Bankruptcy Court orders the conversion of any of the Chapter 11 Cases to a chapter 7 case, (iv) the acceleration of the loans or termination of the commitments under either of the DIP Facility, including, without limitation, as a result of the occurrence of an Event of Default and (v) the date that is 45 days after the Interim Order Entry Date if the Final Order has not been entered (the "**Final Order Entry Date**") by such date. Any confirmation order entered in the Chapter 11 Cases shall not discharge or otherwise affect in any way any of the joint and several obligations of the Borrower or the other Obligors to the DIP Lenders

	under the DIP Facilities and the DIP Documents, other than after the payment in full and in cash, to the DIP Lenders of all obligations under the DIP Facility and the DIP Documents on or before the effective date of a Plan of Reorganization and the termination of the commitments, unless otherwise agreed by the Required DIP Lenders.
Interest Rate/Default Interest Rate/Fees	The interest rate, default rate and fees are appended as Annex III hereto.
Conditions to DIP Closing	**Conditions to Interim Facility.** 1. Interim Order/Bankruptcy Matters. (a) The Chapter 11 Cases shall have been commenced in the Bankruptcy Court for the District of Delaware and all of the "first day orders" and all related pleadings to be entered at the time of commencement of the Chapter 11 Cases or shortly thereafter shall have been reviewed in advance by the Required DIP Lenders and shall be in form and substance acceptable to the Required DIP Lenders and the Obligors. (b) The Bankruptcy Court shall have entered an Interim Order as to the DIP Facility which Interim Order shall be in form and substance satisfactory to the Required DIP Lenders and the Obligors and shall be in full force and effect, and shall not (in whole or in part) have been reversed, modified, amended, stayed, vacated, appealed or subject to a stay pending appeal or otherwise challenged or subject to any challenge. The Obligors shall be in compliance in all respects with the Interim Order. (c) All orders entered by the Bankruptcy Court pertaining to cash management and adequate protection, shall, and all other motions and documents filed or to be filed with, and submitted to, the Bankruptcy Court in connection therewith shall be in form and substance satisfactory to the Required DIP Lenders and the Obligors. (d) No trustee, examiner with expanded powers or receiver shall have been appointed or designated with respect to the Obligors or their subsidiaries business, properties or assets and no motion shall be pending seeking any such relief or seeking any other relief in the Bankruptcy Court to exercise control over collateral. (e) The Prepetition First Lien Agent and Prepetition First Lien Lenders shall have received adequate protection in respect of the Liens securing the obligations under the Prepetition First Lien Credit Documents as set forth in the Interim Order. (f) The DIP Lenders shall have been granted a perfected, first priority lien on all collateral (other than the Vectra Collateral) and, except with respect to borrowings permitted prior to the execution of the DIP Documents, shall have received UCC, tax and judgment lien searches, real estate title searches, and other appropriate evidence, evidencing the absence of any other liens or mortgages on the collateral, except the liens securing the Prepetition Facilities and other existing liens acceptable to the Required DIP Lenders, including the Vectra Liens; provided that the Required DIP Lenders, in their sole discretion, may waive receipt of such evidence. 2. Budgets. The DIP Lenders shall have received the Initial Budget, which Initial Budget shall be in form and substance satisfactory to the Required DIP Lenders in their sole discretion. 3. Customary Closing Documents. (a) All documented costs, fees, expenses (including, without limitation, reasonable documented legal fees) and other compensation contemplated by the DIP Documents and this Term Sheet to

	be payable shall have been paid, or will be paid from the proceeds of the Interim Facility, to the extent due and the Obligors shall have complied in all respects with all of their other obligations to the DIP Agent and DIP Lenders. (b) The Required DIP Lenders shall be satisfied that the Obligors have complied with all other customary closing conditions, including, without limitation: obtaining of any material third party and governmental consents necessary in connection with the DIP Facility, the financing thereunder and related transactions (other than those consents not necessary due to the Interim Order). The Obligors and the transactions contemplated by this Term Sheet shall be in compliance with all applicable laws and regulations. The DIP Lenders shall have received prior to the Closing Date all documentation and other information required by bank regulatory authorities under applicable "know-your-customer" and anti-money laundering rules and regulations, including the Patriot Act, in each case satisfactory to each DIP Lender. (c) Execution and delivery by the Obligors of the DIP Documents evidencing the loans made and to be made under the DIP Facility. (d) Such other conditions as are reasonably requested by the Required DIP Lenders shall have been satisfied by the Obligors. **Conditions to Full Availability** (a) Not later than 30 days following the Interim Order Entry Date, a Final Order as to the DIP Facility which Final Order shall be in form and substance satisfactory to the Required DIP Lenders and the Obligors. (b) The Final Order shall be in full force and effect, and shall not (in whole or in part) have been reversed, modified, amended, stayed, vacated, appealed or subject to a stay pending appeal or otherwise challenged or subject to any challenge. (c) The Obligors shall be in compliance in all respects with the Final Order. (d) No trustee, examiner with expanded powers or receiver shall have been appointed or designated with respect to the Obligors or their subsidiaries business, properties or assets and no motion shall be pending seeking any such relief or seeking any other relief in the Bankruptcy Court to exercise control over collateral. **Conditions to All Loans**: (a) The Interim Order or the Final Order, as the case may be, shall be in full force and effect, and shall not (in whole or in part) have been reversed, modified, amended, stayed, vacated, appealed or subject to a stay pending appeal or otherwise challenged or subject to any challenge. (b) The Obligors shall be in compliance with the Chapter 11 Orders and the Cash Management Order. (c) Except as disclosed, since the Petition Date no material adverse effect (to be defined) in the operations, assets, revenues, financial condition, profits or prospects of the Obligors (other than by virtue of, or as a result of, the commencement of the Chapter 11 Cases) shall have occurred. (d) Other than an objection to the motion to approve the DIP Facility filed in the Bankruptcy Court, there shall exist no claim, action, suit, investigation, litigation or proceeding, pending or threatened in any court or before any arbitrator or governmental instrumentality which relates to the DIP Facility or the transactions contemplated thereby, except for claims, actions, suits, investigations, litigation or proceedings (A) disclosed in a schedule to the DIP Documents or

	(B) otherwise stayed by 11 U.S.C.§ 362. (e) No Event of Default shall have occurred and be continuing and all representations and warranties shall be true, correct and complete in all material respects as of the date of such borrowing (except for those representations and warranties made as of a certain date, in which case such representation or warranty shall be true, correct and complete in all material respect as of such date). (f) Such other conditions customary or appropriate in the context of the proposed DIP Facility as may be requested by the Required DIP Lenders.
Covenants	Expected to be largely consistent with the covenants contained in the Prepetition First Lien Credit Agreement (with necessary modifications to reflect current business conditions) but also to include other covenants customary or appropriate in the context of the proposed DIP Facility or as otherwise required by the Required DIP Lenders, including, without limitation: **Information Covenants**: (a) Budget Variance. By no later than Wednesday morning of each week during a Testing Period (as defined below), the Borrower shall deliver a report/reconciliation setting forth for the immediately preceding week the actual and budgeted results for such week by line item in the Budget and on a cumulative operating cash flow basis, together with a reasonably detailed written explanation of all material variances. (b) Chapter 11 Cases Filings. Delivery to the DIP Lenders and their counsel promptly after the same is available, copies of all pleadings, motions, applications, judicial information, financial information and other documents filed by or on behalf of the Borrower or any other Obligor with the Bankruptcy Court in the Chapter 11 Cases, or distributed by or on behalf of the Borrower or any other Obligor to any official committee appointed in the Chapter 11 Cases. **Affirmative Covenants**: (a) Access, on reasonable notice, to information (including historical information) and personnel regarding strategic planning, cash and liquidity management, operational and restructuring activities. (b) Maintenance of managements systems in a manner reasonably acceptable to the Required DIP Lenders and in accordance with the Interim Order and the Final Order (collectively, the "**Chapter 11 Orders**") as applicable. **Negative Covenants**: (a) Create or permit to exist (i) any administrative expense, unsecured claim, or other super-priority claim or Lien that is pari passu with or senior to the claims of the DIP Lenders under the DIP Facility, or apply to the Bankruptcy Court for authority to do so, except for the Carve-Out and the Vectra Liens or (ii) any obligation to make adequate protection payments, or otherwise provide adequate protection, other than pursuant to the adequate protection provisions as described above. (b) Make or permit to be made any material change, amendment or modification, or any application or motion for any change, amendment or modification, to any Chapter 11 Order, without the consent of the Required DIP Lenders; provided, however, that any change, amendment or modification, or any application or motion for any change, amendment or modification to the Interim Order or the Final Order requires the consent of the Required DIP Lenders. (c) (i) Assume or reject any executory contract or unexpired lease without the consent of the

	Required DIP Lenders, which consent will not be unreasonably withheld, or (ii) consent to termination or reduction of the Exclusivity Period or fail to object to any motion seeking to terminate or reduce the Exclusivity Period other than a motion filed by or with the consent of the Required DIP Lenders, which consent will not be unreasonably withheld. (d) Other than the Vectra Liens, create or permit to exist any liens or encumbrances on any assets, other than liens securing the DIP Facility and any permitted liens (which liens shall include scheduled liens in existence on the Closing Date which shall be subordinated to the extent required pursuant to the orders). (e) Modify or alter (i) in any material manner the nature and type of its business or the manner in which such business is conducted or (ii) its organizational documents, except as required by the Bankruptcy Code or any order of the Bankruptcy Court. (f) Assert any right of subrogation or contribution against any other Obligor until all borrowings under the DIP Facility are paid in full and the commitments are terminated. (g) Make any payment of principal or interest or otherwise on account of any prepetition indebtedness or payables, other than (i) adequate protection payments to Vectra as set forth above or (ii) payments authorized by the Bankruptcy Court and in accordance with the Budget. **Financial Covenant**: (a) The proceeds of the DIP Loan and all proceeds of DIP Collateral shall be used by the Obligors in accordance with the Budget, solely for the purposes and, subject to weekly variances of operating cash flow (excluding payment of (i) allowed professional fees and expenses of Estate Professionals, Creditors Committee Professionals, (ii) fees and expenses of the DIP Agent and the DIP Lenders, (iii) interest and fees payable on account of the DIP Loan, and (iv) Quiz-DIA bonding requirements), measured on a cumulative basis during each of the first four weeks of a Budget Period (the "**Testing Period**"), not to exceed the amounts set forth below. (i) The permitted negative variance for week 1 of any Testing Period shall not exceed $1,000,000; (ii) The cumulative permitted negative variance through week 2 of any Testing Period shall not exceed $750,000; (iii) The cumulative permitted negative variance through week 3 of any Testing Period shall not exceed $500,000; and (iv) The cumulative permitted negative variance through week 4 of any Testing Period shall not exceed $500,000.
Representations and Warranties	The DIP Documents shall contain the representations and warranties made by the Obligors under the Prepetition First Lien Credit Agreement, modified as necessary to reflect the commencement of the Chapter 11 Cases and current business conditions, and such other representations and warranties as the Required DIP Lenders shall reasonably require.
Prepayments	The DIP Documents shall contain the mandatory prepayments made by the Obligors under the Prepetition First Lien Credit Agreement, modified as appropriate to reflect the commencement of the Chapter 11 Cases and such other mandatory prepayments as the Required DIP Lenders shall require, including without limitation: (i) asset sales, (ii) insurance proceeds, (iii) incurrence of indebtedness and (iv) issuance of equity.

	Optional prepayment permitted without penalty or premium.
Events of Default	The DIP Facility documentation will contain Events of Default consistent with the Prepetition First Lien Credit Agreement (subject to modifications necessary to reflect customary debtor in possession financing provisions, this specific transaction and current market conditions), including, without limitation: (a) The Final Order Entry Date shall not have been occurred within 30 days after the Interim Order Entry Date. (b) Any of the Chapter 11 Cases shall be dismissed or converted to a Chapter 7 Case. (c) Any Obligor files a motion in the Chapter 11 Cases without the express written consent of Required DIP Lenders, to obtain additional financing from a party other than DIP Lenders under section 364(d) of the Bankruptcy Code or to use cash collateral of a DIP Lender under section 363(c) of the Bankruptcy Code. (d) Any Obligor shall file a motion seeking, or the Bankruptcy Court shall enter, an order (i) approving payment of any pre-petition claim other than (x) as provided for in a "first day order" and included in the Budget or (y) otherwise consented to by the Required DIP Lenders in writing, (ii) granting relief from the automatic stay applicable under section 362 of the Bankruptcy Code to any holder of any security interest to permit foreclosure on any assets having a book value in excess of $500,000 in the aggregate or to permit other actions that would have a material adverse effect on the Obligor or their estates, or (iii) approving any settlement or other stipulation not approved by the Required DIP Lenders and not included in the Budget with any secured creditor of any Obligor providing for payments as adequate protection or otherwise to such secured creditor. (e) Any Chapter 11 Order shall be amended, supplemented, stayed, reversed, vacated or otherwise modified (or any Obligor shall apply for authority to do so) without the written consent of the Required DIP Lenders, or any Chapter 11 Order shall cease to be in full force and effect. (f) Any of the Obligors shall fail to comply with the terms and conditions of any Chapter 11 Order in any material respect. (g) A trustee, examiner with expanded powers or receiver shall be appointed or designated in any of the Chapter 11 Cases. (h) Entry of an order by the Bankruptcy Court terminating or modifying the exclusive right of any Obligor to file a chapter 11 plan pursuant to section 1121 of the Bankruptcy Code, without the prior written consent of the Required DIP Lenders, which consent will not be unreasonably withheld. (i) The Obligors shall support any other person's opposition of any motion made in the Bankruptcy Court by the DIP Lenders seeking confirmation of the amount of the DIP Lenders' claim or the validity and enforceability of the Liens in favor of the DIP Agent. (j) (i) The Obligors shall seek to, or shall support (in any such case by way of any motion or other pleading filed with the Bankruptcy Court or any other writing to another party-in-interest executed by or on behalf of the Obligors) any other person's motion to, disallow in whole or in part the DIP Lenders' claim in respect of the obligations under the DIP Documents or to challenge the validity and enforceability of the Liens in favor of the DIP Agent or contest any material provision of any DIP Document, (ii) such Liens and/or super-priority claims shall otherwise cease to be valid, perfected and enforceable in all respects or (iii) or any material provision of any DIP Document shall cease to be effective.

	(k) Any judgments which are in the aggregate in excess of $500,000 as to any postpetition obligation shall be rendered against any of the Obligors and the enforcement thereof shall not be stayed. (l) (A) The Obligors or any of their subsidiaries shall file any pleading or proceeding which could reasonably be expected to result in a material impairment of the rights or interests of the DIP Lenders or (B) entry of an order of the Bankruptcy Court with respect to any pleading or proceeding brought by any other person which results in such a material impairment of the rights or interests of the DIP Lenders. (m) Any Obligor shall fail to promptly execute and deliver to the DIP Agent any agreement, financing statement, trademark filing, copyright filing, mortgages, notices of lien or similar instruments or other documents that the DIP Agent or the Required DIP Lenders may reasonably request from time to time to more fully evidence, confirm, validate, perfect, preserve and enforce the DIP Liens created in favor of the DIP Agent. (n) The Plan of Reorganization is amended, supplemented or otherwise modified without the prior written consent of the Required DIP Lenders., which consent will not be unreasonably withheld. (o) The Plan of Reorganization is withdrawn without the prior written consent of the Required DIP Lenders. (p) The Confirmation Order or the Plan of Reorganization is not in form or substance satisfactory to the Required DIP Lenders. (q) The Confirmation Order is not entered by the Bankruptcy Court on or before 11:59 p.m. prevailing Eastern Time on the date that is 80 calendar days after the Petition Date, or such later date to which the Required DIP Lenders have consented in writing. (r) The Confirmation Order is amended, supplemented, reversed, vacated or otherwise modified without the prior written consent of the Required DIP Lenders, which consent will not be unreasonably withheld. (s) The Plan Effective Date shall not have occurred on or before 11:59 prevailing Eastern Time on the date that is 100 calendar days after the Petition Date, or such later date to which the Required DIP Lenders have consented in writing. (t) The occurrence of a default under or termination of the Restructuring Support Agreement dated as of March 10, 2014 (the "**Restructuring Support Agreement**").
Indemnity	The Obligors shall, jointly and severally, be obligated to indemnify and hold harmless the DIP Agent, each of the DIP Lenders, and each of their respective affiliates, officers, directors, fiduciaries, employees, agents, advisors, attorneys and representatives from and against all losses, claims, liabilities, damages, and expenses (including, without limitation, out-of-pocket fees and disbursements of counsel) in connection with any investigation, litigation or proceeding, or the preparation of any defense with respect thereto, arising out of or relating to the DIP Facility or the transactions contemplated in this Term Sheet (except to the extent found by a final nonappealable judgment of a court of competent jurisdiction to arise from the willful misconduct or gross negligence of such indemnified person or its affiliates, officers, directors, fiduciaries, employees, agents, advisors, attorneys or other representatives).
Transaction Expenses	All Transaction Expenses (as defined in the Restructuring Support Agreement) of the DIP Agent and each of the entities identified on Annex II hereto shall be paid in accordance with the Restructuring Support Agreement.
Release	The Obligors will provide for the benefit of the DIP Lenders and the DIP Agent customary releases for any claims, demands, liabilities, responsibilities, disputes, remedies, causes of action, indebtedness or

	obligations related to or arising out of the Prepetition First Lien Credit Agreement or the DIP Loans (the "Release").
Voting	The vote of DIP Lenders holding more than 50% of the aggregate undrawn commitments and outstanding DIP Loans (the "**Required DIP Lenders**") shall be required to amend, waive or modify the DIP Facility.
Assignments and Participations	The DIP Documents shall include rights of assignment, subject to the DIP Agent's consent (not to be unreasonably withheld or delayed) and, with respect to unfunded commitments and if no Event of Default has occurred and is continuing and the assignment would not be to an affiliate or another DIP Lender, the borrower's consent (not to be unreasonably withheld or delayed), and participation rights.
Governing Law	The DIP Facility will provide that the Obligors will submit to the non-exclusive jurisdiction and venue of the Bankruptcy Court, or in the event that the Bankruptcy Court does not have or does not exercise jurisdiction, then in any state or federal court of competent jurisdiction in the state, county and city of New York, borough of Manhattan; and shall waive any right to trial by jury. New York law shall govern the DIP Documents (other than security documents to be governed by local law, to be determined by the Required DIP Lenders).

The preceding summary of proposed terms and conditions is not intended to be all-inclusive. Any terms and conditions that are not specifically addressed above would be subject to future negotiations with the DIP Lenders and comprehensive documentation of the transaction that is acceptable to the DIP Lenders, will have to be prepared.

Annex I

Borrower:

QCE LLC

Guarantors:

QCE FINANCE LLC
AMERICAN FOOD DISTRIBUTORS LLC
QFA ROYALTIES LLC
QIP HOLDER LLC
QUIZ-CAN LLC
QUIZNO'S CANADA HOLDING LLC
QUIZNOS GLOBAL LLC
RESTAURANT REALTY LLC
THE QUIZNO'S MASTER LLC
THE QUIZNO'S OPERATING COMPANY LLC
TQSC II LLC
THE MARKETING TRUSTS
QCE GIFT CARD LLC
QUIZMARK LLC

Annex II

CASPIAN SELECT CREDIT MASTER FUND, LTD.

CASPIAN FOCUSED CREDIT FUND, L.P.

CASPIAN HLSC1, LLC

CASPIAN SC HOLDINGS, L.P.

CASPIAN SOLITUDE MASTER FUND, L.P.

MARINER LDC

SUPER CASPIAN CAYMAN FUND LIMITED

OAKTREE FF-A (CAYMAN) 1 CTB LTD.

OAKTREE PF V (CAYMAN) 1 CTB LTD.

MELBOURNE HOLDINGS 1, L.P.

MELBOURNE HOLDINGS 2, L.P.

SECOND STREET HOLDINGS 1, L.P.

SECOND STREET HOLDINGS 2, L.P.

SECOND STREET HOLDINGS 3, L.P.

SECOND STREET HOLDINGS 4, L.P.

SECOND STREET HOLDINGS 5, L.P.

SECOND STREET HOLDINGS 6, L.P.

SECOND STREET HOLDINGS 7, L.P.

SECOND STREET HOLDINGS 8, L.P.

SECOND STREET HOLDINGS 9, L.P.

SECOND STREET HOLDINGS 10, L.P.

SECOND STREET HOLDINGS 11, L.P.

SECOND STREET HOLDINGS 12, L.P.

SECOND STREET HOLDINGS 13, L.P.

SECOND STREET HOLDINGS 14, L.P.

SECOND STREET HOLDINGS 15, L.P.

MSD CREDIT OPPORTUNITY MASTER FUND, L.P.

Annex III

Interest and Fees

Interest Rate:	All amounts outstanding under the DIP Facility will bear interest at 15% per annum.
Default Interest:	During the continuance of an Event of Default, the loans and all other outstanding obligations will bear interest at an additional 2% *per annum* above the interest rate otherwise applicable.
Commitment Fee:	An amount equal to 3% of the Commitment, payable to each DIP Lender according to its pro rata share of the Commitment on the Closing Date.
Agency Fees:	As agreed with the DIP Agent.
Nature of Fees:	Non-refundable under all circumstances.

ANNEX II

Summary of the Exit Financing Senior Facilities

QCE LLC ("Quiznos")

Summary of the Exit Financing Senior Facilities

In the event that QCE LLC and its affiliates determine to file a petition for relief under Chapter 11 of the United States Bankruptcy Code (the **"Bankruptcy Code"**) for the purpose of effectuating a restructuring, the following describes the terms of the exit financing facilities to be entered into in connection with the Joint Prepackaged Chapter 11 Plan of Reorganization (the **"Plan"**) of QCE LLC and its affiliates.

This term sheet is intended for discussion purposes only and does not constitute a commitment to lend. This term sheet is non-binding and the proposals contained herein are subject to, among other things, the negotiation, documentation and execution of definitive documentation. Only execution and delivery of definitive documentation relating to the transactions shall result in any binding or enforceable obligations of any party relating to the transactions. The terms and conditions for the extension of credit described herein are dependent upon, among other things, (i) authorization and approval by the United States Bankruptcy Court, District of Delaware (the **"Bankruptcy Court"**) and (ii) internal authorization and approval by the appropriate credit committees of the Lenders (as defined below). The terms and conditions with respect to such commitments are mutually dependent on each other and the Lenders shall not be obligated to extend credit unless agreement with QCE LLC and its affiliates and approval by the Bankruptcy Court is obtained with respect to such terms and conditions as a whole.

Borrower:	QCE LLC (the **"Borrower"**).
Guarantors:	QCE Finance LLC (**"Holdco"**) and each subsidiary of Holdco, as set forth on Annex I hereto (the **"Guarantors"**), will guarantee (the **"Guarantee"**) all obligations under the Senior Facilities (as defined below).
Purpose/Use of Proceeds:	The proceeds of the Delayed-Draw Term Facility (as defined below) will be used (i) to refinance or retire all outstanding indebtedness under that certain Debtor in Possession Credit Agreement, dated on or about March 18, 2014, among the Borrower, the Guarantors, the lenders party thereto and Wilmington Trust, National Association, as administrative agent (as amended, restated, supplemented or otherwise modified prior to the date hereof), (ii) to make certain distributions pursuant to the Plan, (iii) to repay certain costs and expenses required to be paid in connection with the Borrower's and its affiliates' emergence from the Bankruptcy Court and (iv) for general corporate purposes and to pay fees, commissions and expenses in connection with the Delayed-Draw Term Facility.
Administrative Agent:	Wilmington Trust, National Association (in its capacity as administrative agent, the **"Administrative Agent"**).
Lenders:	Each entity listed on Annex II hereto and/or its affiliates or designees (each, a **"Lender"** and, collectively, the **"Lenders"**).
Amount of Senior Facilities:	$225 million of senior secured financing (the **"Senior Facilities"**) to include:

(i) a $200 million senior secured term loan (the **"Term Facility"**); and

(ii) a $25 million senior secured first-out delayed-draw term loan (the **"Delayed-Draw Term Facility"** and the aggregate principal amount of the commitments by the lenders thereunder, the "**Delayed-Draw Term Facility Commitment**"). The Delayed-Draw Term Facility will be provided on a first-out basis.

Availability: Term Facility: The Term Facility will amend and restate that certain Amended and Restated Credit Agreement, dated as of January 24, 2012, among the Borrower, Holdco, the lenders party thereto and Wilmington Trust, National Association, as successor administrative agent to Goldman Sachs Credit Partners L.P. (as amended, restated, supplemented or otherwise modified prior to the date hereof, the **"Existing First Lien Credit Agreement"**), whereby the Obligations (as defined in the Existing First Lien Credit Agreement) will be exchanged in part for term loans under the Term Facility in an aggregate principal amount of $200 million.

Delayed-Draw Term Facility: One drawing may be made under the Delayed-Draw Term Facility on the Closing Date (as defined below) in the amount of up to $15 million, and thereafter, drawings (in minimum amounts of $1 million) up to the Delayed-Draw Term Facility Commitment may be made under the Delayed-Draw Term Facility during the period beginning on the Closing Date and ending on the third anniversary of the Closing Date. Amounts available under the Delayed-Draw Term Facility may not be reborrowed.

Maturities: Term Facility: 5-year anniversary of the Closing Date.

Delayed-Draw Term Facility: 3-year anniversary of the Closing Date.

Closing Date: On or about the effective date of the Plan (the **"Closing Date"**), subject to satisfaction (or waiver) of the conditions precedent.

Amortization: Following the second-year anniversary of the Closing Date, the outstanding principal amount of the Term Facility will be payable in equal quarterly amounts of 1% *per annum* of the original amount of the Term Facility, with the remaining balance due on the fifth-year anniversary of the Closing Date. No amortization will be required with respect to the Delayed-Draw Term Facility.

Interest Rate: All amounts outstanding under the Senior Facilities will bear interest as follows:

(A) With respect to loans existing under the Term Facility, during the 18 months after the Closing Date, 15% *per annum* in kind and, thereafter, 10% *per annum* in cash; and

(B) With respect to loans made under the Delayed-Draw Term Facility, 15% *per annum* in cash.

Notwithstanding the foregoing, the Borrower may elect, in its sole discretion, to pay a portion of its interest obligation with respect to loans existing under the Term Facility in kind at the rate of 7% *per annum* and in cash at the rate of 5% *per annum*.

Interest Payments: Quarterly and, upon prepayment, payable in arrears and computed on the basis of a 360-day year.

Commitment Fees: Commitment fees equal to 1% *per annum* times the daily average undrawn portion of the Delayed-Draw Term Facility of each Lender (other than any Defaulting Lender (as defined in the applicable Loan Document)) will accrue from the Closing Date and will be payable quarterly in arrears.

Voluntary Prepayments: All voluntary prepayments will be applied without penalty or premium and will be applied, first, to the Delayed-Draw Term Facility until the loans under the Delayed-Draw Term Facility are repaid in full and, second, to the Term Facility (and, with respect to each term facility, applied pro rata to remaining scheduled amortization payments, if applicable, and the payments at final maturity).

Mandatory Prepayments: The following mandatory prepayments will be required (subject to certain basket amounts to be set forth in the Loan Documents):

1. Asset Sales: Prepayments in an amount equal to 100% of the net cash proceeds of the sale or other disposition of any property or assets of Holdco, the Borrower or its subsidiaries (subject to certain exceptions to be determined), other than net cash proceeds of sales or other dispositions of inventory in the ordinary course of business and net cash proceeds (not in excess of an amount to be agreed upon in the aggregate) that are reinvested in other long-term assets useful in the business of the Borrower and its subsidiaries within one year of receipt thereof.

2. Insurance Proceeds: Prepayments in an amount equal to 100% of the net cash proceeds of insurance paid on account of any loss of any property or assets of Holdco, the Borrower or its subsidiaries, other than net cash proceeds (not in excess of an amount to be agreed upon in the aggregate) that are reinvested in other long-term assets useful in the business of the Borrower and its subsidiaries (or used to replace damaged or destroyed assets) within one year of receipt thereof.

3. Incurrence of Indebtedness: Prepayments in an amount equal to 100% of the net cash proceeds received from the incurrence of indebtedness by Holdco, the Borrower or its subsidiaries (other than indebtedness otherwise permitted under the Loan

Documents), payable no later than the first business day following the date of receipt.

4. Excess Cash Flow: Prepayments in an amount equal to 100% of **"**excess cash flow**"** (to be defined in the applicable Loan Document (but in any event to include 50% of any Specified Litigation Proceeds (to be defined in the applicable Loan Document)[1] to the extent received and retained by the Borrower and its subsidiaries and not used to pay the allowed claims of unsecured creditors pursuant to the Plan)), payable within 45 days of each fiscal quarter-end solely to the extent the combined balance of unrestricted cash and Cash Equivalents (to be defined in the applicable Loan Document) of the Borrower and its subsidiaries as of the most recently ended calendar month (as such cash and Cash Equivalents are managed in good faith by the Borrower) is equal to or greater than $7.5 million.

All mandatory prepayments will be applied without penalty or premium and will be applied, first, to the Delayed-Draw Term Facility until the loans under the Delayed-Draw Term Facility are repaid in full and, second, to the Term Facility (and, with respect to each term facility, applied pro rata to remaining scheduled amortization payments, if applicable, and the payments at final maturity).

Security: Substantially the same as under the Existing First Lien Credit Agreement, including, without limitation, all assets of (i) The Regional Advertising Program Trust under Restated Declaration of Trust dated as of June 17, 2005 (as amended, restated, supplemented or otherwise modified prior to the date hereof) and (ii) The National Marketing Fund Trust under Restated Declaration of Trust dated as of June 17, 2005 (as amended, restated, supplemented or otherwise modified prior to the date hereof) ((i) and (ii) together, the "**Marketing Trusts**")), subject to any necessary modifications agreed to by the Lenders (collectively, the "**Collateral**"); *provided* that the Delayed-Draw Term Facility shall have a first-out claim with respect to the application of proceeds of the Collateral other than that owned by the Marketing Trusts; *provided further* that the security interests of the Lenders in the assets of the Marketing Trusts shall be senior to all other security interests other than the security interests granted to Vectra Bank Colorado, National Association, in its capacity as administrative agent under that certain Credit Agreement, dated as of September 26, 2007, among QAFT, Inc., solely in its capacity as trustee for the Marketing Trusts, as borrowers, the lenders party thereto and Vectra Bank Colorado, National Association, as administrative agent (as amended, restated, supplemented or otherwise modified prior to the date hereof).

[1] "Specified Litigation Proceeds" to refer to any claims and rights against former management and former owners of the Borrower relating to the Borrower's previous restructuring and any forecasts, projections, models, representations, or warranties made or provided in connection therewith.

Representations and Warranties:	The Loan Documents will contain such customary and appropriate representations and warranties by Holdco and the Borrower (with respect to Holdco, the Borrower and their respective subsidiaries) as are usual and customary for financings of this kind, including, without limitation: due organization; requisite power and authority; qualification; equity interests and ownership; due authorization, execution, delivery and enforceability of the Loan Documents; creation, perfection and priority of security interests; no conflicts; governmental consents; historical and projected financial condition; no material adverse change; no restricted junior payments; absence of material litigation; payment of taxes; title to properties; environmental matters; no defaults under material agreements; Investment Company Act and margin stock matters; ERISA and other employee matters; absence of brokers or finders fees; solvency; compliance with laws; full disclosure; and Patriot Act and other related matters.
Covenants:	The Loan Documents will contain such financial, affirmative and negative covenants by each of the Borrower and Holdco (with respect to the Borrower and Holdco and their subsidiaries) as are usual and customary for financings of this kind, including, without limitation:
- Financial Covenants:	Minimum EBITDA and Maximum Capital Expenditures covenants to be agreed.
- Affirmative Covenants:	Delivery of financial statements and other reports (including the identification of information as suitable for distribution to Public Lenders (to be defined in the Loan Documents) or non-Public Lenders); maintenance of existence; payment of taxes and claims; maintenance of properties; maintenance of insurance; books and records; inspections; lender meetings; compliance with laws; environmental matters; additional collateral and guarantors; cash management and further assurances, including, in each case, exceptions and baskets to be mutually agreed upon, and
- Negative Covenants:	Limitations with respect to other indebtedness; liens; negative pledges; restricted junior payments (e.g., no dividends, distributions, buy-back redemptions or certain payments on certain debt); restrictions on subsidiary distributions; investments, mergers and acquisitions; sales of assets (including subsidiary interests); sales and lease-backs; capital expenditures; transactions with affiliates; conduct of business; permitted activities of Holdco; amendments and waivers of organizational documents, junior indebtedness and other material agreements; and changes to fiscal year, including, in each case, exceptions and baskets to be mutually agreed upon.
Events of Default:	The Loan Documents will include such events of default (and, as appropriate, grace periods) as are usual and customary for financings of this kind, including, without limitation, failure to make payments when due, defaults under other agreements or instruments of indebtedness, certain events under hedging agreements,

noncompliance with covenants, breaches of representations and warranties, bankruptcy, judgments in excess of specified amounts, ERISA, impairment of security interests in collateral, invalidity of guarantees, and "change of control" (to be defined in a mutually agreed upon manner).

Conditions Precedent to Initial Borrowings: The several obligations of the Lenders to make, or cause one of their respective affiliates to make, loans under the Delayed-Draw Term Facility will be subject to the conditions precedent usual for facilities and transactions of this type and others to be reasonably specified by the Administrative Agent and the Lenders, including, without limitation, delivery of satisfactory legal opinions, corporate documents and officers' and public officials' certifications; first-priority perfected security interests in the Collateral (free and clear of all liens (other than in the assets of the Marketing Trusts, as to which the Lenders will have a second-priority perfected security interest) and subject to customary and limited exceptions to be agreed upon); receipt of satisfactory lien and judgment searches; execution of the Guarantees, which shall be in full force and effect; evidence of authority; payment of fees and expenses; obtaining of satisfactory insurance (together with a customary insurance broker's letter); and implementation of intercreditor arrangements satisfactory to the Administrative Agent and the Lenders.

Conditions to All Borrowings: The conditions to all borrowings will be customary and appropriate for financings of this type and will include requirements relating to prior written notice of borrowing, maximum cash balances, the accuracy of representations and warranties and, prior to and after giving effect to the funding of any loans under the Delayed-Draw Term Facility, the absence of any default or event of default.

Assignments and Participations: The Lenders may assign all or, in an amount of not less than (x) $1.0 million with respect to the Term Facility and (y) $2.5 million with respect to the Delayed-Draw Term Facility, any part of, their respective shares of the Senior Facilities to their affiliates (other than natural persons) or one or more banks, financial institutions or other entities that are eligible assignees (to be defined in the Loan Documents) which are reasonably acceptable to the Administrative Agent and (except during the existence of an Event of Default (to be defined in the applicable Loan Document)) the Borrower, each such consent not to be unreasonably withheld or delayed. The Borrower's consent shall be deemed to have been given if the Borrower has not responded within five business days of an assignment request. Upon such assignment, such affiliate, bank, financial institution or entity will become a Lender for all purposes under the Loan Documents; *provided* that assignments made to affiliates and other Lenders will not be subject to the above described consent or minimum assignment amount requirements. A $3,500 processing fee will be required in connection with any such assignment, with exceptions to be agreed. The Lenders will also have the right to sell participations (other than

	to natural persons), without restriction, subject to customary limitations on voting rights, in their respective shares of the Senior Facilities.
Requisite Lenders:	Amendments and waivers will require the approval of Lenders (other than Defaulting Lenders) holding more than 50% of total commitments or exposure under the Senior Facilities (**"Requisite Lenders"**), *provided* that, in addition to the approval of Requisite Lenders, (x) any amendment that would disproportionately affect the obligation of the Borrower to make payment of the loans under the Delayed-Draw Term Facility or the Term Facility will not be effective without the approval of holders of more than 50% of such class of loans and (y) the consent of each Lender directly and adversely affected thereby will be required with respect to matters relating to (a) increases in the commitment of such Lender, (b) reductions of principal, interest, fees or premium, (c) extensions of final maturity or the due date of any amortization, interest, fee or premium payment, (d) certain collateral issues and (e) the definition of Requisite Lenders. In addition, amendments affecting the first-out status of the Delayed-Draw Term Facility will require the approval of the Lenders under the Delayed-Draw Term Facility affected thereby.
Yield Protection:	The Senior Facilities will contain customary provisions protecting the Lenders against increased costs or loss of yield resulting from changes in reserve, capital adequacy and capital requirements (or their interpretation), illegality, unavailability and other requirements of law and from the imposition of or changes in certain withholding or other taxes. For all purposes of the Loan Documents, (i) the Dodd-Frank Wall Street Reform and Consumer Protection Act and all requests, rules, guidelines and directives promulgated thereunder and (ii) all requests, rules, guidelines or directives promulgated by the Bank for International Settlements, the Basel Committee on Banking Supervision (or any successor or similar authority) or the United States regulatory authorities, in each case, pursuant to Basel III, shall be deemed introduced or adopted after the date of the Loan Documents. The Senior Facilities will provide that all payments are to be made free and clear of any taxes (other than franchise taxes and taxes on overall net income), imposts, assessments, withholdings or other deductions whatsoever. Lenders will furnish to the Administrative Agent appropriate certificates or other evidence of exemption from U.S. federal tax withholding.
Indemnity:	The Senior Facilities will provide customary and appropriate provisions relating to indemnity and related matters in a form reasonably satisfactory to the Administrative Agent and the Lenders.
Governing Law and Jurisdiction:	The Senior Facilities will provide that the Borrower will submit to the exclusive jurisdiction and venue of the federal and state courts of the State of New York (except to the extent the Administrative Agent, the Collateral Agent (to be defined in the Loan Documents) or any Lender

requires submission to any other jurisdiction in connection with the exercise of any rights under any security document or the enforcement of any judgment) and will waive any right to trial by jury. New York law will govern the Loan Documents, except with respect to certain security documents where applicable local law is necessary for enforceability or perfection.

Counsel to the Lenders: Milbank Tweed Hadley & McCloy LLP.

The foregoing is intended to summarize certain basic terms of the Senior Facilities. It is not intended to be a definitive list of all of the requirements of the Lenders in connection with the Senior Facilities.

ANNEX I

GUARANTORS:

QCE FINANCE LLC
AMERICAN FOOD DISTRIBUTORS LLC
QFA ROYALTIES LLC
QIP HOLDER LLC
QUIZ-CAN LLC
QUIZNO'S CANADA HOLDING LLC
QUIZNOS GLOBAL LLC
RESTAURANT REALTY LLC
THE QUIZNO'S MASTER LLC
THE QUIZNO'S OPERATING COMPANY LLC
TQSC II LLC
THE MARKETING TRUSTS
QCE GIFT CARD LLC
QUIZ-DIA LLC
QUIZMARK LLC

ANNEX II

CASPIAN SELECT CREDIT MASTER FUND, LTD.
CASPIAN FOCUSED CREDIT FUND, L.P.
CASPIAN HLSC1, LLC
CASPIAN SC HOLDINGS, L.P.
CASPIAN SOLITUDE MASTER FUND, L.P.
MARINER LDC
SUPER CASPIAN CAYMAN FUND LIMITED
OAKTREE FF-A (CAYMAN) 1 CTB LTD.
OAKTREE PF V (CAYMAN) 1 CTB LTD.
MELBOURNE HOLDINGS 1, L.P.
MELBOURNE HOLDINGS 2, L.P.
SECOND STREET HOLDINGS 1, L.P.
SECOND STREET HOLDINGS 2, L.P.
SECOND STREET HOLDINGS 3, L.P.
SECOND STREET HOLDINGS 4, L.P.
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SECOND STREET HOLDINGS 12, L.P.
SECOND STREET HOLDINGS 13, L.P.
SECOND STREET HOLDINGS 14, L.P.
SECOND STREET HOLDINGS 15, L.P.
MSD CREDIT OPPORTUNITY MASTER FUND, L.P.

EXHIBIT B

JOINDER

JOINDER

The undersigned ("**Transferee**") hereby acknowledges that it has read and understands the Restructuring Support Agreement, dated as of March 11, 2014 (the "**Agreement**"), by and among (i) QCE Finance LLC, QCE LLC and certain of their respective direct and indirect subsidiaries (collectively, the "**Company**")**, [Transferor's Name]** ("**Transferor**"), and the other holders of claims against the Company signatory thereto, and agrees to be bound by the terms and conditions thereof to the extent Transferor was thereby bound, and shall be deemed a "**Consenting Lender**" or "**Consenting Existing Equity Holder**" as such terms are defined under the Agreement.

Date Executed: _____

TRANSFEREE

Name of Institution: _____

By: _____
Name: _____
Its: _____
Telephone: _____
Facsimile: _____

First Lien Lender Claims

$ _____

Second Lien Lender Claims

$ _____

Existing Equity Interests

_____

Exhibit C to Disclosure Statement

Financial Projections

QCE Finance LLC Financial Projections

Income Statement

($ in Millions)

	2013 (A)	2014 (E)	2015 (E)	2016 (E)	2017 (E)	2018 (E)	2019 (E)
Revenue							
Royalty	$39.3	$31.3	$31.6	$36.4	$44.5	$54.6	$67.1
Franchise Operations	1.4	2.3	3.3	5.1	6.7	7.9	9.5
Food Distribution	174.4	134.7	130.0	143.4	164.6	196.2	240.1
Company Stores	21.1	18.6	24.8	38.2	61.2	94.3	137.4
Total Revenue	**236.1**	**187.0**	**189.7**	**223.1**	**277.0**	**353.1**	**454.1**
Operating Expenses (excl. D&A)	**(201.7)**	**(173.9)**	**(175.7)**	**(196.1)**	**(235.4)**	**(291.7)**	**(368.1)**
EBITDA	**$34.4**	**$13.1**	**$13.9**	**$26.9**	**$41.6**	**$61.3**	**$86.0**
Depreciation and Amortization Expense	(7.0)	(4.1)	(4.7)	(5.3)	(5.6)	(6.8)	(9.3)
Interest Expense	(57.2)	(33.2)	(38.6)	(34.1)	(35.1)	(28.6)	(26.1)
Other Non-Operating Expenses	5.3	404.0	(2.0)	(2.4)	(2.9)	(3.5)	(12.3)
Net Income	**($24.5)**	**$379.7**	**($31.4)**	**($14.8)**	**($2.0)**	**$22.4**	**$38.3**

QCE Finance LLC Financial Projections

Balance Sheet

($ in Millions)

	2013 (A)	2014 (E)	2015 (E)	2016 (E)	2017 (E)	2018 (E)	2019 (E)
Assets							
Cash & Cash Equivalents	$9.6	$8.4	$10.2	$9.5	$12.4	$14.9	$18.6
Restricted Cash	0.3	0.3	0.3	0.3	0.3	0.3	0.3
Accounts Receivable, Net	2.8	1.6	1.7	2.1	2.7	3.4	4.4
Inventory held at Distribution Center(s)	8.1	6.8	7.3	8.7	10.8	13.7	17.6
Current Portion of Notes Receivable	0.1	0.1	0.1	0.1	0.1	0.1	0.1
Other Current Assets	3.1	2.5	2.5	3.0	3.7	4.7	6.1
Total Current Assets	**24.0**	**19.7**	**22.2**	**23.8**	**30.0**	**37.2**	**47.2**
Net Property, Plant, & Equipment	6.3	8.4	8.5	11.1	18.6	28.7	41.6
Other Assets	0.9	7.9	8.5	7.1	5.6	4.2	2.7
Intangible Assets/Goodwill	679.8	258.4	258.4	258.4	258.4	258.4	258.4
Total Assets	**$711.1**	**$294.4**	**$297.6**	**$300.4**	**$312.6**	**$328.5**	**$349.8**
Liabilities							
Accounts Payable	7.3	3.6	4.1	5.3	7.1	9.6	12.9
Accrued Expenses & Other Current Liabilities	655.5	20.0	21.3	23.9	27.8	33.0	39.9
Total Current Liabilities	**662.8**	**23.6**	**25.4**	**29.1**	**34.9**	**42.6**	**52.8**
Long Term Debt	2.6	238.8	271.6	283.8	290.2	273.3	242.7
Other Long Term Liabilities	27.7	24.1	24.1	25.2	26.8	28.8	31.5
Total Liabilities	**693.1**	**286.5**	**321.0**	**338.1**	**351.8**	**344.6**	**327.0**
Total Members' Equity	18.0	7.9	(23.4)	(37.7)	(39.2)	(16.2)	22.8
Total Liabilities & Members' Equity	**$711.1**	**$294.4**	**$297.6**	**$300.4**	**$312.6**	**$328.5**	**$349.8**

QCE Finance LLC Financial Projections

Cash Flow Statement

($ in Millions)

	2013 (A)	2014 (E)	2015 (E)	2016 (E)	2017 (E)	2018 (E)	2019 (E)
Cash Flow from Operations							
Net Income	($24.9)	$379.7	($31.4)	($14.8)	($2.0)	$22.4	$38.3
Depreciation & Amortization	7.0	4.1	4.7	5.3	5.6	6.8	9.3
Non-Cash Interest Expense	12.2	20.8	35.2	18.4	19.6	0.0	0.0
Changes in Working Capital	1.1	11.6	2.3	3.0	3.8	4.4	5.5
Other Cash Flows	2.1	(403.5)	2.2	3.0	3.6	4.1	4.6
Total Cash Flow from Operations	**(2.5)**	**12.7**	**13.0**	**14.8**	**30.6**	**37.7**	**57.8**
Cash Flow from Investing							
Investment in Property, Plant, & Equipment	(1.1)	(4.9)	(3.3)	(6.6)	(11.8)	(15.6)	(20.9)
Other	2.9	(0.9)	(1.1)	0.1	0.1	0.1	0.1
Total Cash Flow from Investing	**1.8**	**(5.8)**	**(4.4)**	**(6.5)**	**(11.7)**	**(15.5)**	**(20.8)**
Cash Flow from Financing							
Debt Borrowings/(Repayments)	(4.0)	13.5	(4.8)	(7.4)	(14.5)	(18.0)	(31.7)
Restructuring & Professional Fees paid by QCE Finance LLC	0.0	(19.6)	(0.4)	0.0	0.0	0.0	0.0
Other Distributions to QCE Finance LLC	0.0	(2.0)	(1.6)	(1.6)	(1.6)	(1.6)	(1.6)
Total Cash Flow from Financing	**(4.0)**	**(8.1)**	**(6.9)**	**(9.0)**	**(16.1)**	**(19.7)**	**(33.3)**
Beginning Cash	14.2	9.6	8.4	10.2	9.5	12.4	14.9
Change in Cash	(4.7)	(1.2)	1.8	(0.6)	2.8	2.5	3.7
Ending Cash	**$9.6**	**$8.4**	**$10.2**	**$9.5**	**$12.4**	**$14.9**	**$18.6**

QCE Finance LLC Financial Projections

Pro Forma Balance Sheet

($ in Millions)	Projected Jun-14	Pro Forma Adj.	Pro Forma Jun-14
Assets			
Cash & Cash Equivalents	$13.2	-	$13.2
Restricted Cash	0.3	-	0.3
Accounts Receivable, Net	1.8	-	1.8
Inventory held at Distribution Center(s)	7.4	-	7.4
Current Portion of Notes Receivable	0.1	-	0.1
Other Current Assets	2.8	-	2.8
Total Current Assets	**25.5**	**-**	**25.5**
Net Property, Plant, & Equipment	8.5	-	8.5
Other Long Term Assets	4.2	-	4.2
Intangible Assets/Goodwill	679.8	(421.4)	258.4
Total Assets	**$718.1**	**($421.4)**	**$296.7**
Liabilities			
Accounts Payable	$4.4	-	$4.4
Accrued Expenses & Other Current Liabilities	20.0	-	20.0
Total Current Liabilities	**24.4**	**-**	**24.4**
Long Term Debt	15.0	200.0	215.0
Other Long Term Liabilities	24.7	-	24.7
Liabilities Subject to Compromise	657.0	(657.0)	-
Total Liabilities	**721.1**	**(457.0)**	**264.2**
Total Members' Equity	(3.1)	35.6	32.5
Total Liabilities & Members' Equity	**$718.1**	**($421.4)**	**$296.7**

Financial Projections

A. Introduction

The Financial Projections consist of (a) a statement of operations (the "Income Statement"), (b) a statement of financial position (the "Balance Sheet") and (c) a cash flow statement (the "Cash Flow Statement"), each for the time period from January 1, 2013 through December 31, 2019 and (d) a pro form statement of the financial position (the "Pro Forma Balance Sheet"), as of June 30, 2014. The Financial Projections are based on the Debtors' February 2014 business plan and the forecasted consolidated financial results of the Debtors and the Reorganized Debtors. A Pro Forma Balance Sheet has been provided with adjustments to account for the reorganization and related transactions pursuant to the Plan. The Balance Sheet and Pro Forma Balance Sheet may not be in accordance with generally accepted accounting practices.

THE DEBTORS' MANAGEMENT PREPARED THE FINANCIAL PROJECTIONS WITH THE ASSISTANCE OF THEIR PROFESSIONALS. THE DEBTORS' MANAGEMENT DID NOT PREPARE SUCH FINANCIAL PROJECTIONS TO COMPLY WITH THE GUIDELINES FOR PROSPECTIVE FINANCIAL STATEMENTS PUBLISHED BY THE AMERICAN INSTITUTE OF CERTIFIED PUBLIC ACCOUNTANTS OR THE RULES AND REGULATIONS OF THE UNITED STATES SECURITIES AND EXCHANGE COMMISSION. THE DEBTORS' INDEPENDENT ACCOUNTANTS HAVE NEITHER EXAMINED NOR COMPILED THE FINANCIAL PROJECTIONS THAT ACCOMPANY THE DISCLOSURE STATEMENT AND, ACCORDINGLY, DO NOT EXPRESS AN OPINION OR ANY OTHER FORM OF ASSURANCE WITH RESPECT TO THE FINANCIAL PROJECTIONS, ASSUME NO RESPONSIBILITY FOR THE FINANCIAL PROJECTIONS, AND DISCLAIM ANY ASSOCIATION WITH THE FINANCIAL PROJECTIONS. EXCEPT FOR PURPOSES OF THE DISCLOSURE STATEMENT, THE DEBTORS DO NOT PUBLISH FINANCIAL PROJECTIONS OF THEIR ANTICIPATED FINANCIAL POSITION OR RESULTS OF OPERATIONS. THE FINANCIAL PROJECTIONS ARE QUALIFIED IN THEIR ENTIRETY BY THE DESCRIPTION THEREOF CONTAINED IN ARTICLE V OF THE DISCLOSURE STATEMENT.

MOREOVER, THE FINANCIAL PROJECTIONS CONTAIN CERTAIN STATEMENTS THAT ARE "FORWARD-LOOKING STATEMENTS" WITHIN THE MEANING OF THE PRIVATE SECURITIES LITIGATION REFORM ACT OF 1995. THESE STATEMENTS ARE SUBJECT TO A NUMBER OF ASSUMPTIONS, RISKS, ANDUNCERTAINTIES, MANY OF WHICH ARE BEYOND THE CONTROL OF THE DEBTORS, INCLUDING THE CONSUMMATION AND IMPLEMENTATION OF THE PLAN, THE CONTINUING AVAILABILITY OF SUFFICIENT BORROWING CAPACITY OR OTHER FINANCING TO FUND OPERATIONS, ACHIEVING OPERATING EFFICIENCIES, MAINTENANCE OF GOOD EMPLOYEE RELATIONS, EXISTING AND FUTURE GOVERNMENTAL REGULATIONS AND ACTIONS OF GOVERNMENTAL BODIES, NATURAL DISASTERS AND UNUSUAL WEATHER CONDITIONS, ACTS OF TERRORISM OR WAR, INDUSTRY-SPECIFIC RISK FACTORS (AS DETAILED IN ARTICLE VI OF THE DISCLOSURE STATEMENT ENTITLED "CERTAIN FACTORS TO BE CONSIDERED PRIOR TO VOTING"), AND OTHER MARKET AND COMPETITIVE CONDITIONS. HOLDERS OF CLAIMS AND INTERESTS ARE CAUTIONED THAT THE FORWARD-LOOKING STATEMENTS SPEAK AS OF THE DATE MADE AND ARE NOT GUARANTEES OF FUTURE PERFORMANCE. ACTUAL RESULTS OR DEVELOPMENTS MAY DIFFER MATERIALLY FROM THE EXPECTATIONS EXPRESSED OR IMPLIED IN THE FORWARD-LOOKING STATEMENTS, AND THE DEBTORS UNDERTAKE NO OBLIGATION TO UPDATE ANY SUCH STATEMENTS.

THE FINANCIAL PROJECTIONS, WHILE PRESENTED WITH NUMERICAL SPECIFICITY, ARE NECESSARILY BASED ON A VARIETY OF ESTIMATES AND ASSUMPTIONS WHICH, THOUGH CONSIDERED REASONABLE BY THE DEBTORS, MAY NOT BE REALIZED AND ARE INHERENTLY SUBJECT TO SIGNIFICANT BUSINESS, ECONOMIC, COMPETITIVE, INDUSTRY, REGULATORY, MARKET, AND FINANCIAL UNCERTAINTIES AND CONTINGENCIES, MANY OF WHICH ARE BEYOND THE REORGANIZED DEBTORS' CONTROL. THE DEBTORS CAUTION THAT NO REPRESENTATIONS CAN BE MADE OR ARE MADE AS TO THE ACCURACY OF THE FINANCIAL PROJECTIONS OR TO THE REORGANIZED DEBTORS' ABILITY TO ACHIEVE THE PROJECTED RESULTS. SOME ASSUMPTIONS INEVITABLY WILL BE INCORRECT. MOREOVER, EVENTS AND CIRCUMSTANCES OCCURRING SUBSEQUENT TO THE DATE ON WHICH THE DEBTORS PREPARED THE FINANCIAL PROJECTIONS MAY BE DIFFERENT FROM THOSE ASSUMED, OR, ALTERNATIVELY, MAY HAVE BEEN UNANTICIPATED, AND THUS THE OCCURRENCE OF THESE EVENTS MAY AFFECT FINANCIAL RESULTS IN A MATERIALLY ADVERSE OR MATERIALLY BENEFICIAL MANNER. THE DEBTORS AND REORGANIZED DEBTORS, AS APPLICABLE, DO NOT INTEND AND UNDERTAKE NO OBLIGATION TO UPDATE OR OTHERWISE REVISE THE FINANCIAL PROJECTIONS TO REFLECT EVENTS OR CIRCUMSTANCES EXISTING OR ARISING AFTER THE DATE ON WHICH THE DISCLOSURE STATEMENT IS INITIALLY FILED OR TO REFLECT THE OCCURRENCE OF UNANTICIPATED EVENTS. THEREFORE, THE FINANCIAL PROJECTIONS MAY NOT BE RELIED UPON AS A GUARANTY OR OTHER ASSURANCE OF THE ACTUAL RESULTS THAT WILL OCCUR. IN DECIDING WHETHER TO VOTE TO ACCEPT OR REJECT THE PLAN, HOLDERS OF CLAIMS ENTITLED TO VOTE ON THE PLAN MUST MAKE THEIR OWN DETERMINATIONS AS TO THE REASONABLENESS OF SUCH ASSUMPTIONS AND THE RELIABILITY OF THE FINANCIAL PROJECTIONS AND SHOULD CONSULT WITH THEIR OWN ADVISORS.

I. Income Statement and Cash Flow Statement

(1) Approach

The Income Statement consolidates the financial performance of QCE LLC and its debtor and non-debtor direct and indirect subsidiaries using a highly detailed, department-specific approach established by the Debtors' management and professionals to forecast operating results. The Income Statement accounts for current near term conditions in the business, including store closures, food costs and contractual royalty rates.

The Income Statement forecasts royalty revenue, food distribution revenue and costs and company-owned store revenue and costs. It also forecasts operating expenses, franchise opening and transfer revenue and volume related vendor rebate revenue in detail. The Income Statement does not include certain expenses related to the restructuring that are recorded at the holding company level (QCE Finance LLC). However, these costs are recorded on the cash flow of QCE LLC as a distribution to the holding company.

(2) Revenue Drivers

Total revenue represents revenues derived from royalties, food distribution, company-owned stores and franchise openings and transfers.

Royalty revenues are derived from franchisee sales in the United States, Canada and in other international store locations. Each store has a contractual royalty rate of franchise sales that is paid on a weekly basis. Store count and average weekly franchisee store sales forecasts are used to derive total franchisee sales ("System Wide Sales"). The forecast utilizes separate average royalty rates for the United States, Canada and other international locations to determine total royalty revenue.

Franchise operations revenue is obtained from fees charged for initial franchise fees, master franchise fees (mostly international) and store transfer fees.

Food distribution revenues are derived from food orders (placed by the franchisee operators to the distribution centers) as well as associated freight costs. Typical items ordered are meats, cheeses, bread, produce and paper. Distribution centers are required to keep a minimum inventory level on hand at all times. Food revenues vary based on monthly franchisee System Wide Sales and average food and freight cost for the franchisee. Vendor rebate revenues are based on meeting volume requirements set forth in the contracts between the Debtors and the vendors.

The revenues from company-owned stores are derived from store level sales, less any promotional discounts. The forecast uses average weekly sales for the United States, Canada and Denver International Airport based on historical trends.

(3) Operating and Food Costs

Operating expense represents the direct costs associated with, among other things, operating the food distribution and franchisor business. Operating expenses include corporate payroll, legal and professional services, corporate insurance, occupancy and marketing expenses.

Food expenses include costs charged by the contracted food vendors and freight providers. Distribution centers dictate frequency and quantity of orders based on inventory levels and franchisee ordering.

Company-owned stores' expenses represent the costs associated with operating the stores. These costs include among other thing, food costs, alcohol and supply costs, employee expense, freight expense and rent expense.

Franchise operations expense represents franchisee incentives for developing new stores as well as international commission.

(4) Interest Expense

The projections assume that, immediately after the Effective Date, the Debtors' debt will include a $200 million Amended First Lien Credit Facility and a $25 million New Delayed-Draw Term Facility, as discussed further in the Disclosure Statement. The projections also assume that on the Effective Date, the $15 million DIP Facility will be fully repaid and the New Delayed-Draw Term Facility will be drawn down by $15 million.

(5) Income Taxes

For purposes of forecasting provisions for taxes after the Effective Date, the Financial Projections assume that the Debtors emerge with no available net operating losses ("NOLs"). The Debtors assumed a Internal Revenue Code section 382(l)(6) election and utilized Internal Revenue Code section 108(b)(2) attribute reduction ordering rules. The Debtors' cancellation of debt ("COD") income is assumed to be all debt discharged plus any other liabilities discharged through a chapter 11 proceeding less new debt and fair market equity value.

(6) Capital Expenditures

Projected Capital Expenditures include, among others, implementation of a point of sale ("POS") system that will give management better visibility into current store economic conditions and improve royalty revenue accuracy. In addition, a company-owned store at the Denver International Airport is being remodeled in 2014 and will be closed for approximately 3 months. All other future capital expenditures are derived from projected sales.

II. Balance Sheet

The Balance Sheet was developed from the Debtors' December 2013 unaudited balance sheet of QCE Finance LLC, and adjusted for the projected income and cash flows through fiscal year 2019. The Pro Forma Balance Sheet was developed for illustrative purposes only to demonstrate the effect of the Plan on the Balance Sheet.

The Pro Forma Balance Sheet contains certain adjustments reflecting the filing of the Chapter 11 Cases and consummation of the Plan. Liabilities are treated in accordance with the Plan, with some liabilities being extinguished and others being converted to equity as a result of the Plan.

The Pro Forma Balance Sheet assumes that on the Effective Date, the Reorganized Debtors will enter into the New First Out Facility Agreement and use the proceeds thereof to satisfy, in full in Cash, DIP Facility Claims, Allowed Administrative Claims, Allowed Priority Tax Claims, Allowed Other Priority Claims, and cure costs associated with any assumed executory contract or unexpired lease.

Exhibit D to Disclosure Statement

Liquidation Analysis

QCE Finance LLC
Hypothetical Liquidation Analysis

Assets available for Distribution	Notes	Estimated Balance 6/30/2014 (1)	Realization Percentage Low	Realization Percentage High	Hypothetical Liquidation Value Low	Hypothetical Liquidation Value High
Cash and Cash Equivalents	2	$ 13,567			$ -	$ -
Other Assets & Net Property & Equipment	3	704,484			80,000	120,000
Total Assets and Net Proceeds Available to Creditors		**$ 718,051**	11%	17%	**$ 80,000**	**$ 120,000**
Estimated Ch. 7 Expenses						
	Notes					
Chapter 7 Trustee Fees	4				2,423	3,623
Chapter 7 Sale Fees	5				2,000	1,200
Chapter 7 Wind-Down Expenses & Professional Fees	6				5,769	4,615
Total Chapter 7 Expenses					10,192	9,438
Net Proceeds After Chapter 7 Expenses					**$ 69,808**	**$ 110,562**
Estimated Creditor Recoveries						
	Notes	Estimated Debtor's Claims	Realization Percentage Low	Realization Percentage High	Hypothetical Liquidation Value Low	Hypothetical Liquidation Value High
Administrative Claims	7	$ 9,337	100%	100%	9,337	9,337
Priority Tax Claims	8	-	0%	0%	-	-
Debtor-In-Possession Credit Draws as of Conversion Date	9	15,000	100%	100%	15,000	15,000
Class A1 – First Lien Facility Secured Claims Against the Term Loan Debtors	10	461,917	9%	18%	43,371	84,125
Class A2 – Priority Non-Tax Claims Against the Term Loan Debtors	11	-	0%	0%	-	-
Class A3 – Other Secured Claims Against the Term Loan Debtors	11	-	0%	0%	-	-
Class A4 – Unsecured Claims Against the Term Loan Debtors	12	215,431	0%	0%	-	-
Class A5 – Subordinated Claims Against the Term Loan Debtors	11	-	0%	0%	-	-
Class A6(a) – Claims and Interests in Holdco	11	-	0%	0%	-	-
Class A6(b) – Intercompany Interests in the Term Loan Debtors Other Than Holdco	11	-	0%	0%	-	-
Class B1 - Marketing Fund Trusts Facility Claim	13	7,052	30%	30%	2,100	2,100
Class B2 - Priority Non-Tax Claims Against Class B Debtors	11	-	0%	0%	-	-
Class B3 - Other Secured Claims Against Class B Debtors.	11	-	0%	0%	-	-
Class B4 - Unsecured Claims Against Class B Debtors	14	5,520	0%	0%	-	-
Class B5 - Intercompany Interests in Class B Debtors.	11	-	0%	0%	-	-
Total Debtors' Claims					69,808	110,562
Net Proceeds Available to Equity Holders					$ -	$ -

QCE Finance LLC
Hypothetical Liquidation Analysis

Notes:

(1) Balances estimated as of the Conversion Date (6/30/14).
(2) Assumes Cash and Cash Equivalents, including restricted cash and cash held in Canadian accounts, are included in the sales price.
(3) Assumes transaction closes on 12/31/14.
(4) Chapter 7 Trustee Commission is calculated in accordance with 11 U.S.C. section 326(a).
(5) Assumes a transaction fee of 1% (High case) to 2.5% (low case) of the gross sale proceeds, excluding cash balances.
(6) Assumes a 6-month post-sale wind down period wherein a staff of finance, HR, IT, and other company and non-company professionals are maintained to wind down the estate and administer the claims process.
(7) Estimated unpaid Ch. 11 Professional Fees as of the Conversion Date.
(8) Assumes that any priority tax claims are either (a) paid in the ordinary course pursuant to the Ch. 11 first day orders or (b) assumed or paid by the Buyer.
(9) Estimated DIP Financing balance as of 6/29/14.
(10) Estimated principal and accrued interest though the Ch. 11 Petition Date.
(11) No claims identified; to the extend claims are allowed within this class they will be lower in priority than the First Lien Facility Secured Claims, and will therefore receive no distribution.
(12) Includes the Second Lien Facility (including interest accrued through the Ch. 11 petition date), trade payables, anticipated lease rejection claims, and other known or expected unsecured claims.
(13) Secured claim of Vectra. Assumes that adequate protection payments of $150k per week are made during post-petion and pre-Conversion date, but that these payments cease upon Conversion.
(14) Identified unsecured claims at the Marketing Trust level.

Debtors' Liquidation Analysis

A. Best Interests Test

Under the "best interests" of creditors test set forth in section 1129(a)(7) of the Bankruptcy Code, the Bankruptcy Court may not confirm a plan of reorganization unless the plan provides each holder of a claim or interest who does not otherwise vote in favor of the plan with property of a value, as of the effective date of the plan, that is not less than the amount that such holder would receive or retain if the debtor was liquidated under chapter 7 of the Bankruptcy Code. To demonstrate that the Plan satisfies the "best interests" of creditors test, the Debtors have prepared the following hypothetical liquidation analysis (the "Liquidation Analysis"), which is based upon certain assumptions discussed in the Disclosure Statement and in the notes accompanying the Liquidation Analysis (the "Notes"). Capitalized terms not defined in the Notes shall have the meanings ascribed to them in the Plan and the Disclosure Statement.

The Liquidation Analysis estimates potential Cash distributions to Holders of Allowed Claims in a hypothetical chapter 7 liquidation of the Debtors' assets (the "Assets"). Asset values discussed in the Liquidation Analysis may differ materially from values referred to in the Plan and Disclosure Statement. The Debtors prepared the Liquidation Analysis with the assistance of the Debtors' professionals.

The Debtors believe that their creditors will receive at least as much, and likely significantly more, under the Plan as they would receive in a chapter 7 liquidation of the Assets for the following reasons, among others: (i) the fees payable to a chapter 7 trustee and newly appointed estate professionals; (ii) the rejection of a material number of contracts that are to be assumed under the Plan; (iii) the likelihood that one or more acquirers of the Assets would not assume liabilities that are to be assumed under the Plan and (iv) the likely discounts that would be realized in one or more chapter 7 auctions of the Assets.

B. Approach and Purpose of the Liquidation Analysis

The determination of the costs of, and hypothetical proceeds from, the liquidation of the Debtors' Assets is an uncertain process involving the extensive use of estimates and assumptions that, although considered reasonable by the Debtors, are inherently subject to significant business, economic, and competitive uncertainties and contingencies beyond the control of the Debtors, their management, and the Debtors' professionals. Inevitably, some assumptions in the Liquidation Analysis would not materialize in an actual chapter 7 liquidation, and unanticipated events and circumstances could affect the ultimate results in an actual chapter 7 liquidation. In addition, the Debtors' management cannot judge with any degree of certainty the impact of the forced liquidation asset sales on the recoverable value of the Debtors' Assets. The Liquidation Analysis was prepared for the sole purpose of generating a reasonable good faith estimate of the proceeds that would be generated if the Debtors were liquidated in accordance with chapter 7 of the Bankruptcy Code. The Liquidation Analysis is not intended, and should not be used, for any other purpose. The underlying financial information in the Liquidation Analysis was not compiled or examined by any independent accountants. No independent appraisals were conducted in preparing the Liquidation Analysis. NEITHER THE DEBTORS NOR THE DEBTORS' PROFESSIONALSS MAKE ANY REPRESENTATION OR WARRANTY THAT THE ACTUAL RESULTS WOULD OR WOULD NOT APPROXIMATE THE ESTIMATES AND ASSUMPTIONS REPRESENTED IN THE LIQUIDATION ANALYSIS. ACTUAL RESULTS COULD VARY MATERIALLY.

In preparing the Liquidation Analysis, the Debtors estimated Allowed Claims based upon a review of various loan documents and internal accounting records. The Liquidation Analysis includes estimates for Claims that would not be asserted or Allowed until the hypothetical conversion to chapter 7 occurred, including Administrative Claims, wind-down costs, trustee fees, tax liabilities, and certain lease and

contract rejection damages Claims. The Debtors' estimate of Allowed Claims set forth in the Liquidation Analysis should not be relied on for any other purpose, including determining the value of any distribution to be made on account of Allowed Claims under the Plan. NOTHING CONTAINED IN THE LIQUIDATION ANALYSIS IS INTENDED TO BE OR CONSTITUTES A CONCESSION OR ADMISSION OF THE DEBTORS. THE ACTUAL AMOUNT OF ALLOWED CLAIMS IN THE CHAPTER 11 CASES COULD MATERIALLY DIFFER FROM THE ESTIMATED AMOUNTS SET FORTH IN THE LIQUIDATION ANALYSIS.

C. Global Notes to the Liquidation Analysis

Conversion Date and Appointment of a Chapter 7 Trustee

The Liquidation Analysis assumes conversion of the Debtors' Chapter 11 Cases to chapter 7 liquidation cases on or about June 29, 2014 (the "Conversion Date"). On the Conversion Date, it is assumed that the Bankruptcy Court would appoint one chapter 7 trustee (the "Trustee") to oversee the liquidation of the Debtors' estates, and that the Trustee would engage new professionals to assist in the execution of the liquidation and administration of the post-conversion Estates.

Primary Assets of the Debtors

The Liquidation Analysis assumes a liquidation of all of the Debtors' Assets, to include assets held at QCE Finance LLC, a Delaware limited liability company ("HoldCo"), QCE LLC, a Delaware limited liability company ("QCE") and, together with HoldCo and certain of their direct and indirect subsidiaries, including Canadian subsidiaries, the "Company"). The Liquidation Analysis assumes that the Assets have the greatest potential recovery value if liquidated for the purposes of continuing to operate as a restaurant franchisor. It should be noted, however, that management cannot judge with any degree of certainty the impact of the forced liquidation asset sale on the recoverable value of the Assets.

Going-Concern Liquidation

The Liquidation Analysis assumes that the Assets will have the greatest potential recovery value if the Debtors are liquidated for the purposes of continuing to operate as a restaurant company and franchisor. The going-concern value is estimated at $200 million, which is the low end of the valuation range further described in the Disclosure Statement. A reduction of 40-60% was made in order to estimate a liquidation value which reflects the forced-sale nature of chapter 7 liquidation. These reductions were derived by considering, among other things, such factors as the shortened time period involved in the sale process, discounts buyers would require given a shorter due diligence period and therefore potentially higher risks buyers might assume, potential incremental store closures due to the uncertainty around a chapter 7 sale, reductions in the collection of accounts receivable, the closing of franchised stores and/or bankruptcies of franchisees, the need for additional deposits, the availability of any necessary financing, potentially negative perceptions involved in liquidation sales, the current state of the capital markets, the limited universe of prospective buyers, and the "bargain hunting" mentality of liquidation sales. The discount further allows for any unforeseen contract cures, Bankruptcy Code section 503(b)(9) claims, or other expenses that would be deducts from the closing price.

This estimated liquidation value for the Assets was used to determine the recovery percentage based on the estimated book values from the Debtors' forecast balance sheet as of June 30, 2014.

The Liquidation Analysis assumes a liquidation of the Debtors' Assets would occur over six months (the "Sale Period"). This reflects an estimate of the time required to prepare sale materials, engage potential buyers, manage a brief sales process, and ultimately consummate a transaction to dispose of the Assets.

The Liquidation Analysis assumes that restaurant operating activity would not be negatively impacted during the Sale Period and that cash flows during the Sale Period would be consistent with the Company's current operating plan and thus do not impact the hypothetical liquidation values. However, it is possible that the Company's operations could be negatively impacted and that cash flows during the Sale Period could be significantly lower than the Company's current operating plan. Should operating results not meet or exceed the Company's current operating plan, recovery percentages in the Liquidation Analysis could change materially.

While the Liquidation Analysis assumes that the Trustee will assume and assign to the purchaser(s) of the Assets the same executory contracts and unexpired leases contemplated in the Plan, it is likely that purchaser(s) would not assume all such contracts and leases.

The Liquidation Analysis assumes that during the Sale Period, the Debtors would not remit franchise contributions to Vectra during the chapter 7 liquidation. It is further assumed that the eventual purchaser(s) would not assume any liability to Vectra, such that Vectra would not receive additional payments following the conversion of the Chapter 11 Cases to chapter 7.

This Liquidation Analysis also assumes that the majority of staff currently employed at the Debtors will remain with the Debtors and maintain employment at the time of the hypothetical sale. If the cash flows from the Debtors' operations are not sufficient to fund the ongoing operations during this period, the Trustee may have to lower expectations related to potential recovery value for the Assets and further reduce the recovery estimates contained in this Liquidation Analysis.

Substantive Consolidation of the Debtors' Estates

Consistent with the structure of the Plan, the Liquidation Analysis assumes that the Debtors' Estates will be substantively consolidated into a single Estate from which all distributions to creditors are made. Should the Bankruptcy Court not authorize substantive consolidation of all of the Debtors' Estates in a chapter 7 liquidation, recovery percentages in the Liquidation Analysis could change materially.

Factors Considered in Valuing Hypothetical Liquidation Proceeds

Certain factors may limit the amount of the liquidation proceeds generated from the liquidation of the Debtors' Assets, plus Cash estimated to be held by the Debtors on the Conversation Date (the "Liquidation Proceeds") available to the Trustee. Certain of these factors that relate specifically to the liquidation of the Assets are discussed in further detail below. In addition, it is possible that distribution of the Liquidation Proceeds would be delayed while the Trustee and his or her professionals become knowledgeable about the Chapter 11 Cases and the Debtors' business and operations. This delay could materially reduce the value, on a "present value" basis, of the Liquidation Proceeds.

D. Specific Notes to the Asset Assumptions Contained in the Liquidation Analysis

The Liquidation Analysis refers to certain categories of Assets. The numerical designation below corresponds to the line items listed in the attached chart with a specific note.

Cash and Cash Equivalents

Cash and equivalents represent existing Cash that the Debtors maintain at local banks, including Canadian banks and the advertising fund accounts. As discussed above, this Liquidation Analysis assumes that the Company will maintain a normal level of Cash and Cash equivalents that would be assumed by the buyer in a sale transaction.

Other Assets and Net Property and Equipment

This Liquidation Analysis assumes that the Debtors are sold as a continuing operation with a normal level of working capital. Therefore, the recovery percentage related to these Assets is based on the estimated range of value that may be obtained in this going-concern sale transaction. This Liquidation Analysis assumes that the normalized working capital level is purchased by the buyer of the Assets.

E. Specific Notes to the Liability Assumptions Contained in the Liquidation Analysis

The Liquidation Analysis assumes that the Liquidation Proceeds will be available to the Trustee. This Liquidation Analysis sets forth an allocation of the Liquidation Proceeds to creditors in accordance with the priorities set forth in section 726 of the Bankruptcy Code. The Liquidation Analysis provides for high and low recovery percentages for Claims upon the Trustee's application of the Liquidation Proceeds. The high and low recovery ranges reflect a high and low range of estimated Liquidation Proceeds from the Trustee's sale of the Assets.

Estimated Chapter 7 Expenses

Wind-down costs consist of the costs of any professionals the Trustee employs to assist with the liquidation process, including investment bankers, attorneys, and other advisors. Chapter 7 Trustee fees necessary to facilitate the sale of the Debtors' Assets were calculated in accordance with 11 U.S.C. § 326. These fees would be used specifically for developing marketing materials and facilitating the solicitation process for the parties. Given the complexity and nature of the Debtors' Estates, this Liquidation Analysis assumes an additional 6 months would be required to settle claims and wind down the accounting and tax affairs of the Debtors' Estates. This estimate also takes into account the time that will be required for the Trustee and any professionals to become educated with respect to the Debtors' businesses and the Chapter 11 Cases.

Administrative Claims

Administrative Claims consist of Claims entitled to administrative expense priority under section 503 of the Bankruptcy Code. This category includes, but is not limited to, post-petition payables, professional fees, and Claims arising from the post-conversion rejection of executory contracts and unexpired leases that were assumed during the Chapter 11 Cases and/or, separately, executory contracts and unexpired leases entered into after the Petition Date but before the Conversion Date. Based on the Liquidation Analysis, these Claims will be satisfied in full in a chapter 7 liquidation case.

Tax Priority Claims

Priority Tax Claims, and Priority Non-Tax Claims consist of Claims that are entitled to priority under section 507 of the Bankruptcy Code. This Liquidation Analysis also assumes that any priority tax claims are either (a) paid in the ordinary course or (b) assumed or paid by the purchaser(s) of the Assets.

DIP Facility Claims

There is estimated to be approximately $15.0 million outstanding under the DIP Facility, which is assumed to be satisfied in full in a chapter 7 liquidation case.

First Lien Facility Secured Claims Against the Term Loan Debtors
First Lien Facility Claims are comprised of Claims arising from or related to the Debtors' First Lien Credit Agreement. Based on the Liquidation Analysis, these Claims will receive between 9 and 18 percent of their value.

Marketing Fund Trust Facility Claims
This Liquidation Analysis assumes that adequate protection payments are made during the post-petition, pre-conversion period at a rate of $150k/per week, but that franchise contributions into the advertising fund and remittances to Vectra do not continue during the Sale Period. This Liquidation Analysis also

assumes that the eventual purchaser(s) would not pay additional amounts to Vectra following the conversion of the Chapter 11 Cases to Chapter 7.

All Other Classes

There are insufficient Liquidation Proceeds for any recovery in the Liquidation Analysis by any Holders of Claims and Interests in any other Class.

Exhibit E to Disclosure Statement

Valuation Analysis

Valuation of Reorganized Holdco

THE VALUATION INFORMATION CONTAINED IN THIS SECTION IS NOT A PREDICTION OR GUARANTEE OF THE ACTUAL MARKET VALUE THAT MAY BE REALIZED THROUGH THE SALE OF ANY SECURITIES TO BE ISSUED PURSUANT TO THE PLAN.

A. Lazard's Estimated Valuation

Lazard has estimated the consolidated value of QCE Finance LLC and its subsidiaries (collectively, "Reorganized Holdco") based on projections provided by the Debtors' management of QCE LLC for 2014 – 2019 (the "Projection Period"), which are attached to this Disclosure Statement as Exhibit C. Lazard has undertaken this valuation analysis (the "Valuation Analysis") to estimate the value available for distribution to Holders of Allowed Claims entitled to receive a distribution under the Plan. The Valuation Analysis assumes that the Effective Date occurs on June 30, 2014.

The estimated total value (the "Distributable Value") of the Debtors available for distribution to Holders of Allowed Claims entitled to receive distributions under the Plan described above consists of the estimated value of the Reorganized Debtors' operations on a going concern basis (the "Enterprise Value"), plus an estimate of cash at the Effective Date, less the remaining balance of the Amended Marketing Fund Trust Credit Agreement, less any borrowings outstanding under the New First Out Facility.

Based on the projections and solely for the purposes of the Plan, Lazard estimates that the Enterprise Value of the Reorganized Debtors falls within a range of $200 to $275 million. Lazard estimates that the Distributable Value of Reorganized Debtors falls within the range of $190 to $265 million. The Distributable Value includes the Enterprise Value plus the projected balance sheet cash of $10 million on the Effective Date. The Distributable Value is reduced by (a) the remaining balance of the Amended Marketing Fund Trusts Credit Agreement of $5 million and (b) $15 million of estimated borrowings outstanding under the New First Out Facility at the Effective Date.

Lazard has estimated that the total equity value of Reorganized Holdco falls within a range of $0 to $65 million. The equity value is equal to the Distributable Value less $200 million of the Amended First Lien Credit Facility provided to Holders of Allowed First Lien Facility Claims.

Company Specified Litigation Proceeds, if any, allocable to the Debtors and Holders of Allowed Unsecured Claims would be incremental to Distributable Value and the equity value of Reorganized Holdco.

ESTIMATED VALUATION SUMMARY ($ IN MILLIONS)		
	LOW	HIGH
Total Enterprise Value	**$200**	**$275**
Plus: Company Specified Litigation Proceeds[(a)]	TBD	TBD
Plus: Estimated Cash at Emergence[(b)]	$10	$10
Less: Amended Marketing Trusts Agreement	($5)	($5)
Less: New First Out Facility[(c)]	($15)	($15)
Distributable Value	**$190**	**$265**
Less: Amended First Lien Credit Facility	($200)	($200)
Less: Company Specified Litigation Proceeds allocable to Holders of Allowed Unsecured Claims[(d)]	TBD	TBD
Equity Value	**$0**	**$65**

(a) Company Specified Litigation Proceeds, if any, allocable to the Debtors and Holders of Allowed Unsecured Claims, would be incremental to Distributable Value and the equity value of Reorganized Holdco.

(b) Assumes cash balance net of DIP facility repayment. Estimated cash balance based on weekly cash flow forecast ending 6/29/14. Cash balance may differ from the estimated cash balance of the Projections as of the Effective Date due to timing, actual vs. forecast differences and application of projection methodology (cash vs. accrual basis).

(c) DIP facility assumed to be repaid with drawings under the New First Out Facility.

(d) Company Specified Litigation Proceeds, if any, for distribution to Holders of Allowed Unsecured Claims; excludes any amounts to be retained by the Debtors.

B. Valuation Methodology

Lazard has estimated the consolidated value of Reorganized Holdco by primarily relying on three generally accepted valuation techniques: (i) Discounted Cash Flow ("DCF") Analysis, (ii) Comparable Company Analysis, and (iii) Precedent Transactions Analysis.

(i) Discounted Cash Flow Analysis:

The DCF analysis is a forward-looking enterprise valuation methodology that estimates the value of an asset or business by calculating the present value of expected future cash flows to be generated by that asset or business. Under this methodology, projected future cash flows are discounted by the business' weighted average cost of capital (the "Discount Rate"). The Discount Rate reflects the estimated blended rate of return that would be required by debt and equity investors to invest in the business based on its capital structure. The Enterprise Value of the firm is determined by calculating the present value of the unlevered after-tax free cash flows based on the Projections provided by management plus an estimate for the value of the firm beyond the Projection Period, known as the terminal value. The terminal value is derived by applying a perpetuity growth rate to the normalized unlevered after-tax

free cash flow in the final year of the Projection Period, discounted back to the assumed Effective Date.

(ii) Comparable Public Company Analysis:

The Comparable Public Company Analysis estimates the value of a company based on a relative comparison with other publicly traded companies with similar operating and financial characteristics. Lazard first selected a set of publicly traded companies that it believes have relatively similar business and financial characteristics to Reorganized Holdco. Criteria for the selected reference group included, among other relevant characteristics, similarity in business, business risks, growth prospects, maturity of business, market presence, size and scale of operations, and product mix. The selected reference group may not be comparable to the Reorganized Debtors in all aspects, and may differ materially in others.

In deriving Enterprise Value ranges under the Comparable Public Company Analysis methodology, Lazard used earnings before interest, taxes, depreciation and amortization ("EBITDA") as its base line valuation metric. Lazard calculated 2014 and 2015 multiples of this reference group and applied certain qualitative judgments based on differences between the characteristics of the Reorganized Debtors and their selected reference group. Lazard then applied a range of multiples to Reorganized Holdco's implied 2014 and 2015 EBITDA.

(iii) Precedent Transaction Analysis:

The precedent transactions analysis estimates value by examining public merger and acquisition transactions. The valuations paid in such acquisitions or implied in such mergers are analyzed as ratios of various financial results. These transaction multiples are calculated based on the purchase price (including any debt assumed) paid to acquire companies that are comparable to the Reorganized Debtors.

In evaluating precedent transactions, Lazard researched recent M&A transactions in the limited service restaurants sector and analyzed the prices paid as a multiple of last-twelve months ("LTM") EBITDA. Lazard evaluated the transaction multiples for a set of transactions and then applied a range of multiples to the Reorganized Debtors' implied 2013 LTM EBITDA.

THE FOREGOING VALUATION ANALYSIS REFLECTS WORK PERFORMED BY LAZARD ON THE BASIS OF INFORMATION AVAILABLE TO LAZARD AS OF THE DATE OF THIS DISCLOSURE STATEMENT, AND IS PREMISED ON, AMONG OTHER THINGS, A PROJECTED EFFECTIVE DATE OF JUNE 30, 2014. ALTHOUGH SUBSEQUENT DEVELOPMENTS MAY AFFECT LAZARD'S CONCLUSIONS, NEITHER LAZARD NOR THE DEBTORS HAVE ANY OBLIGATION TO UPDATE, REVISE OR REAFFIRM THESE ESTIMATES.

Lazard assumed that the Financial Projections prepared by the management of the Debtors were reasonably prepared in good faith and on a basis reflecting the Debtors' most accurate currently available estimates and judgments as to the future operating and financial performance of Reorganized Holdco. Lazard's Valuation Analysis assumes the Reorganized Debtors will achieve their Financial Projections in all material respects, including revenue and EBITDA growth and improvements in EBITDA margins, earnings and cash flow as projected. If the business performs at levels below those set forth in the Financial Projections, such performance may have a materially negative impact on the value of the Reorganized Debtors and their securities. Conversely, if the business performs at levels above those set forth in the Financial Projections, such performance may have materially positive impact on the value of the Reorganized Debtors and their securities.

In performing its Valuation Analysis for the Reorganized Debtors, Lazard: (a) reviewed certain historical financial information of QCE LLC and its subsidiaries for recent years; (b) reviewed certain internal financial and operating data of QCE LLC and its subsidiaries, which data was prepared and provided to Lazard by the management of the Debtors and which relates to the Reorganized Debtors' business and prospects; (c) met with the Debtors' senior management team to discuss the Reorganized Debtors' proposed operations and future prospects; (d) reviewed certain publicly available financial data for, and considered the market value of, public companies that Lazard deemed generally relevant in evaluating the operating business of the Reorganized Debtors; (e) considered certain economic and industry information relevant to the operating business; and (f) conducted such other studies, analyses, inquiries and investigations as it deemed appropriate. Lazard assumed and relied on the accuracy and completeness of all financial and other information furnished to it by management of the Debtors as well as publicly available information.

Lazard did not independently verify the Financial Projections in connection with its Valuation Analysis, and no independent valuations or appraisals of the Reorganized Debtors were sought or obtained in connection herewith. Such estimates were developed solely for purposes of the formulation and negotiation of the Plan.

Lazard's Valuation Analysis of the Reorganized Debtors does not constitute a recommendation to any Holder of an Allowed Claim entitled to vote to accept or reject the Plan. Lazard has not been asked to, and does not express, any view as to what the trading value of Reorganized Holdco's securities may be when issued on the Effective Date or the prices at which they may trade in the future. Lazard's Valuation Analysis of the Reorganized Debtors set forth herein does not constitute an opinion as to fairness from a financial point of view to any person of the Distribution to be received by such person under the Plan.

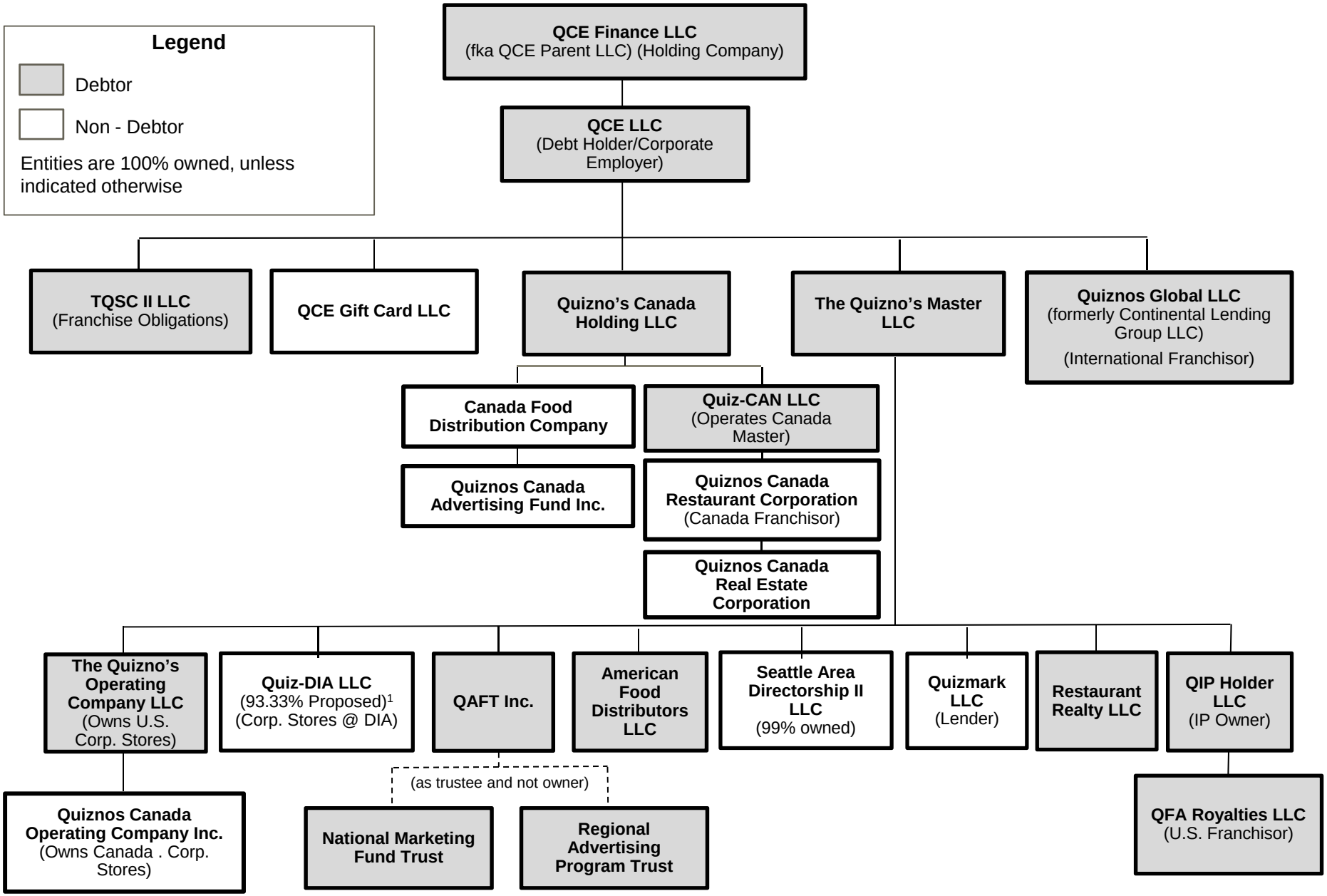
Lazard's Valuation Analysis reflects the application of standard valuation techniques and does not purport to reflect or constitute appraisals, liquidation values or estimates of the actual market value that may be realized through the sale of any securities to be issued pursuant to the Plan, which may be significantly different than the amounts set forth herein. The value of an operating business is subject to numerous uncertainties and contingencies which are difficult to predict and will fluctuate with changes in factors affecting the financial condition and prospects of such a business. As a result, the estimated valuation ranges of the Reorganized Debtors set forth herein are not necessarily indicative of actual outcomes, which may be significantly more or less favorable than those set forth herein. None of the Reorganized Debtors, Lazard, nor any other person assumes responsibility for any differences between the estimated valuation ranges and such actual outcomes. Actual market prices of securities at issuance will depend upon, among other things, the operating performance of the Reorganized Debtors, prevailing interest rates, conditions in the financial markets, the anticipated holding period of securities received by prepetition creditors (some of whom may prefer to liquidate their investment rather than hold it on a long-term basis), developments in the Reorganized Debtors' industry and economic conditions generally, and other factors which generally influence the prices of securities.

THE SUMMARY SET FORTH ABOVE DOES NOT PURPORT TO BE A COMPLETE DESCRIPTION OF THE ANALYSES PERFORMED BY LAZARD. THE PREPARATION OF A VALUATION ESTIMATE INVOLVES VARIOUS DETERMINATIONS AS TO THE MOST APPROPRIATE AND RELEVANT METHODS OF FINANCIAL ANALYSIS AND THE APPLICATION OF THESE METHODS IN THE PARTICULAR CIRCUMSTANCES AND, THEREFORE, SUCH AN ESTIMATE IS NOT READILY SUITABLE TO SUMMARY DESCRIPTION. IN PERFORMING THESE ANALYSES, LAZARD AND THE REORGANIZED DEBTORS MADE NUMEROUS ASSUMPTIONS WITH RESPECT TO INDUSTRY PERFORMANCE, BUSINESS AND ECONOMIC CONDITIONS AND OTHER MATTERS. THE ANALYSES PERFORMED BY LAZARD ARE NOT NECESSARILY INDICATIVE OF ACTUAL VALUES OR FUTURE RESULTS, WHICH MAY BE SIGNIFICANTLY MORE OR LESS FAVORABLE THAN SUGGESTED BY SUCH ANALYSES.

Exhibit F to Disclosure Statement

Debtors' Corporate Structure

Quiznos Organizational Chart



[1] Presently Quiz-DIA LLC is owned 100% by The Quizno's Master LLC; however pursuant to ongoing discussions and to the Amended and Restated Joint Venture Operating Agreement of Quiz-DIA LLC, LEI Companies, Inc. has an outstanding option to purchase a 6.67% Membership Interest in Quiz-DIA LLC pursuant to the Membership Interest Purchase Agreement.