

ITEM 1

FRANCHISOR, ITS PREDECESSORS AND AFFILIATES

To simplify the language in this Offering Circular, “Noodles Development”, “us” or “we” means Noodles Development, L.P. (“**Franchisor**”). “You” means the person, corporation, partnership or other entity that buys the franchise (“**Franchisee**”). If a corporation, partnership or other entity is the Franchisee, “you” includes the Franchisee’s owners.

The Franchisor, Its Predecessors and Affiliates

Noodles Development, LP was organized as a Texas limited partnership in March 2002. We have been offering franchises under the Nothing But Noodles® trademark since March 2002. Effective March 31, 2006, we changed our tradename from Nothing But Noodles® to Oodles the Art of Fresh™. We now offer franchises under the trademark Oodles the Art of Fresh™ instead of under the trademark Nothing But Noodles®. However, we reserve the right, in our sole discretion, to grant certain existing franchisees or new franchisees opening in markets in which we have already established a large number of Franchised Restaurants operating under the trademark Nothing But Noodles®, the right to use the trademark Nothing But Noodles® for some period of time into the future. We conduct business under our corporate name, Noodles Development, L.P., and our Franchised Restaurants and Company Restaurants, as of March 31, 2006, operate under the name Nothing But Noodles® or Oodles the Art of Fresh™. Our principal business address is 14500 N. Northsight, Suite 216, Scottsdale, Arizona 85260, which is the address for any service of process. We are not engaged in any other type of business activity.

Noodles Development has no predecessors and, as of the date of this Offering Circular, we have one affiliate (“**Affiliate**”), Noodles Management, L.L.C. (“**NM**”). NM is the general partner of Noodles Development, LP and owns 1% of Noodles Development, LP’s stock. NM was formed in November, 2001 and has never offered franchises in the restaurant business or in any other line of business. We do not have any other affiliates.

Noodles Development operates one Oodles the Art of Fresh™ restaurant in Scottsdale, Arizona. (“**Company Restaurant**”), and sells franchises under the Oodles the Art of Fresh™ name.

The Business

A Franchised Restaurant offers a menu of culturally diverse noodle and pasta-based dishes as well as a variety of fresh salads, soups, and deserts. The focal point of a typical Company Restaurant or Franchised Restaurant is to provide high-quality, made-to-order specialty food items in a fast-casual atmosphere. This concept fills the void between a typical fast-food outlet that so many people frequent due to lack of choices and time constraints and a full-service dining experience that is costly and time consuming.

We have developed a comprehensive system for developing and operating Oodles the Art of Fresh™ Restaurants, which includes trademarks (“**Marks**”), building designs and layouts, equipment, ingredients, recipes and specifications for authorized food products, methods of

inventory control and certain operational and business standards and policies (“**System**”), all of which we may improve, further develop or otherwise modify, in our discretion.

We also offer to select qualified persons the opportunity to acquire the exclusive right to develop multiple Franchised Restaurants in a designated development area (“**Development Area**”). If you are purchasing a Development Area, you must sign our Area Development Agreement and pay us the required Area Development Fee (as defined in ITEM 5).

Market and Competition

Throughout the United States, the food service industry is highly competitive with constantly changing market conditions, and is characterized by a profusion of operators, including well-financed and highly sophisticated national and regional chains. Franchised Restaurants will compete with restaurants, fast food outlets and certain Asian and Italian restaurants operated by national and regional chains and independent operators and, to some extent, with grocery and convenience stores that sell various prepared food products. Franchised Restaurants will compete with these competitors for market share, access to desirable locations, and food service personnel. Franchised Restaurants will offer Oodles the Art of Fresh Products (as defined in ITEM 16) primarily to individual consumers for on-site or off-site consumption. The market for restaurants selling noodle and pasta-based dishes is well-developed in some areas and developing in other areas, depending on the number of restaurants and stores operating in the particular area.

We market Oodles the Art of Fresh Products to consumers seeking the convenience of quick food service while also seeking a healthy alternative to typical fast food. You will have to compete with other food service businesses, including other franchised operations or restaurants. Investing in a Franchised Restaurant is a speculative risk and there are no warranties for your success. You will also face normal business risks that could have an adverse affect on your Franchised Restaurant. These include industry developments, such as pricing policies of competitors, supply and demand, and changing consumer tastes. Another risk factor is our dependence on key personnel, the loss of whom could have an adverse affect on us. Our ability to fulfill our obligations under our Franchise Agreement or Area Development Agreement depends in part on our present and future financial condition. Litigation risks also exist, including product liability litigation against you or us because of food-related illnesses, and future litigation which may not be foreseeable.

Regulations

Your Franchised Restaurant will be subject to various federal, state and local health and sanitation laws that apply to restaurant operations. (See **Exhibit J**, which summarizes certain special laws applicable to this business). In addition, your business will be subject to various employment regulations concerning wage rates, mandated employee benefits, employment taxes, tip reporting, worker safety, unemployment compensation, workers’ compensation, teenage labor practices, disabled employees and discrimination in employment practices. Environmental regulations will impact your restaurant operations, particularly in the area of sewer discharge. You will be subject to the Americans with Disabilities Act which prohibits practices that discriminate against physically and mentally challenged individuals regarding access to public

accommodations and employment opportunities. You must report and pay various sales, excise, property, income, use and inventory taxes. Additionally, you must obtain various licenses and permits at the federal, state and local level in order to conduct business including, but not limited to, those related to food preparation. In some cases, you may be required to obtain a liquor license. The laws in your state or municipality may be more or less stringent, but failure to comply with the above governmental regulations could have a material adverse impact on you and your business. You should examine these laws before purchasing an Oodles the Art of Fresh™ franchise.

ITEM 2 BUSINESS EXPERIENCE

Principal Officers of Noodles Development, LP:

Chad Everts - Co-Chief Executive Officer and Co-Founder

Chad Everts serves as our Co-Chief Executive Officer and co-founder of Noodles Development and has done so since May of 2001. Mr. Everts was the President of MVP&E Inc. (Multi Unit Retail Food Operator) in Albuquerque, New Mexico from October 1998 to November 2003, and President of Rocky Mountain Restaurants Inc. in Albuquerque, New Mexico from November 2000 to November 2003.

Todd Welker - Co-Chief Executive Officer and Co-Founder

Todd Welker has served as our Co-Chief Executive Officer and co-founder of Noodles Development since May of 2001. Mr. Welker was the President and CEO of Phibro Development Corporation, in Houston, Texas from August 1994 to April 2004.

Rick Howard – President and Chief Operating Officer

Rick Howard became President and COO of Noodles Development LP on March 1, 2006. Mr. Howard held the position of Vice President of Operations from September 2005 through February 2006 Prior to joining Noodles Development, LP, Mr. Howard was Director of Franchise Development with American Restaurant Development Corporation, based in Scottsdale, Arizona from April 2005 through August 2005. From March 1989 through January 2005 Mr. Howard held various Director and Senior Director positions in Training, Corporate Operations, Systems Development, Franchising, Entertainment, and Franchise Operations at Peter Piper, Inc. based in Scottsdale, Arizona.

Justin Crowder - Chief Financial Officer

Justin Crowder has served as our Chief Financial Officer since December 2004. Prior to this position, Mr. Crowder was a Senior Financial Analyst at the U.S. New Mexico Federal Credit Union in Albuquerque, New Mexico, from February 2000 through November 2004. Mr. Crowder also served as a Business Banking Credit Specialist at the Bank of Albuquerque in Albuquerque, New Mexico from October 1999 through January 2000.

John Baillon – Director of New Business Development

John Baillon has been the Director of New Business Development at Noodles Development LP since September 2005. Mr. Baillon was a consultant with AZCA Consultants based in Mesa, Arizona from December 2004 through August 2005. From July 2002 through November 2004 Mr. Baillon was the Director of Franchise Development for Hot Stuff Foods, a multi-branded Quick Service Restaurant franchisor for non-traditional business channels based in Sioux Falls, South Dakota. Mr. Baillon was the Director of Franchise Development for Shakey's Pizza, Inc. based in Garden Grove, California from May 2001 through June 2002. Mr. Baillon has spent 33 years in the franchise hospitality industry with various full and quick service restaurants.

Eric Coffee - Director of Construction

Eric Coffee has been our Director of Construction since February 2004. From October 1996 thru January 2004 Mr. Coffee was a Senior Project Manager, with Tuff Shed Inc. based in Albuquerque, New Mexico.

Vincent Zuckerman - Director of Franchise Operations

Vincent Zuckerman has been the Director of Franchise Operations since December 2005. From December 2003 through November 2005, Mr. Zuckerman held the position of Director of Training. Mr. Zuckerman served as the Director of Operations at Noodles Development, LP from June 2002 thru December 2003. Mr. Zuckerman was a General Manager for the Pacific Eateries Restaurant Chain, in Albuquerque, New Mexico, from August 1999 through June 2002.

Philip Pederson – Director of Training

Phil Pederson joined Noodles Development, LP in January 2006 as our Director of Training. From October 2002 until October 2005 Mr. Pederson held the position of Dean of Ice Cream University and from October 2004 thru December 2005 Mr. Pederson was a Profitability Consultant for Cold Stone Creamery World Headquarters, based in Scottsdale, Arizona. From September 1999 to October 2002 Mr. Pederson was an Area Supervisor for Peter Piper Pizza, Inc based in Scottsdale, Arizona.

ITEM 3 LITIGATION

Noodles Development, LP v. CD Associates, LLC, Case No. 050919931. In November 2005 we brought a civil action for injunctive relief against CD Associates, LLC (“**CD Associates**”), alleging CD Associates, a former franchisee, breached its duties under its Franchise Agreement. Specifically, we alleged the following: trademark infringement; false designation of origin, false description and “palming off”; and breach of contract. In December 2005 CD Associates filed an Answer and Counterclaim. In its Answer, CD Associates denied all trademark and breach of contract claims. CD Associates’ Counterclaim alleged several causes of action, including that we: violated the Utah Consumer Sales Practices Act; committed fraud based on misrepresentation of facts and omission of material facts; and committed negligent misrepresentation based on misrepresentation of facts and omission of material facts. We filed a

Motion to Dismiss the Counterclaim but no hearing date has been set. We deny all of CD Associates' allegations and plan to vigorously defend against the above claims.

Noodles Development, LP v. B&B Foods, Inc. (United States District Court for the Western District of Oklahoma, Case No. CIV-06-75-W). On January 20, 2006, we filed a complaint against B&B Foods, Inc. ("**B&B**"), a current franchisee of ours, claiming B&B unlawfully ceased operation of a Franchised Restaurant. On February 27, 2006, B&B filed a counterclaim against us, alleging breach of contract and misrepresentation. The Company has replied to the counterclaim by denying any liability. Discovery is in the early stages. Damages are unspecified.

Except for the litigation described above, no litigation is required to be disclosed in this Offering Circular.

ITEM 4 BANKRUPTCY

No person previously identified in ITEMS 1 or 2 of this offering circular has been involved as a debtor in proceedings under the U.S. Bankruptcy Code as required to be disclosed in this ITEM.

ITEM 5 INITIAL FRANCHISE FEE

Single Unit Franchises

When you sign a Franchise Agreement for a Franchised Restaurant, you must pay Noodles Development an Initial Franchise Fee of \$25,000. This fee is non-refundable under any circumstances once paid. Effective August 1, 2006, the Initial Franchise Fee will be \$30,000.

During our last fiscal year, ended December 31, 2005, the range of Initial Franchise Fees actually paid to us was \$0 to \$25,000.

Noodles Development is not obligated to sell any additional franchises to any particular applicant.

Area Developers

At our discretion, we may offer to qualified candidates an Area Development Agreement, attached to this Offering Circular as **Exhibit C**, pursuant to which the area developer ("**Area Developer**"), obtains the right to develop and operate a prescribed number of Franchised Restaurants. Each Area Developer must pay Noodles Development an area development fee ("**Area Development Fee**"). The Area Development Fee is computed upon the area population ("**Area Population**") located in the development territory ("**Development Territory**") as follows: Area Populations ranging from 75,000 to 250,000 residents have an Area Development Fee of \$50,000. Area Populations ranging from 250,001 to 500,000 residents have an Area Development Fee of \$75,000. Area Populations ranging from 500,001 to 1,000,000 residents have an Area Development Fee of \$100,000. In Development Territories in which the Area

Population exceeds 1,000,001, the Area Development Fee is equal to the sum of \$.10 multiplied by the number of people residing in the Development Territory, as determined by us in our sole discretion. We reserve the right to establish minimum and maximum territory sizes. The Area Development Fee is due upon execution of the Area Development Agreement, is deemed fully earned by us upon receipt, and is non-refundable even if you do not open any of the Franchised Restaurants required by your Area Development Agreement. Each Area Developer must pay the then-current Initial Franchise Fee, less a credit ("**Development Fee Credit**") equal to the then-current Initial Franchise Fee being charged to new franchises, for each Franchised Restaurant upon execution of each Franchise Agreement. Once the Area Development Fee is exhausted, you will be responsible for paying the entire Initial Franchise Fee at the time you sign each subsequent single-unit Franchise Agreement. Except for Area Developers, Noodles Development is not obligated to sell any additional franchises to any particular franchisee or applicant. We currently have one Area Developer. For a variety of business reasons, we elected not to charge an Area Development Fee to this Area Developer.

Area Developers are not permitted to enter into sub-franchise relationships. Area Developers must own at least a fifty-one percent equity interest in each Franchised Restaurant, unless otherwise approved in writing by Noodles Development.

ITEM 6 OTHER FEES

NAME OF FEE	AMOUNT	DUE DATE	REMARKS
Continuing Royalty Fees [†]	6% of weekly Gross Sales (1)	Payable on Tuesday of each week	We will debit your bank account for Continuing Royalty Fees due.
Creative Fund Contributions [†]	0.5% of weekly Gross Sales (1, 2)	Payable on Tuesday of each week	We will debit your bank account for Creative Fund Contributions due.
Local Advertising Expense	3.5% of monthly Gross Sales (1, 3)	Monthly	We require that you spend this amount on regional and local advertising each month.
Cooperative Advertising	Proportional share to be determined, but not to exceed 2.5% of Gross Sales (1, 3)	Monthly	Payable only if a cooperative is formed in your area.
Renewal Fee [†]	10% of then-current Initial Franchise Fee	Upon execution of a renewal Franchise Agreement	You must have complied with the terms of the Franchise Agreement during its term.
Audit Fee [†]	Cost of inspection or audit and cost of re-audit within 1 year of current audit. Costs may range from \$3,000-\$10,000	As incurred	Payable only if you understate your Gross Sales by 2% or more or fail to submit reports when due.
Transfer Fee [†]	25% of then-current Initial Franchise Fee (4)	Before consummation of transfer	Payable by you or your buyer when the Franchise Agreement or other interest in your Franchised Restaurant is transferred by you except transfers to an entity controlled by you or to certain family members. See Section 17.7 of the Franchise Agreement.
Relocation Fee	\$500 - \$5,000	Before relocation	Payable only if you request to relocate your Franchised Restaurant.
Interest [†]	1.5% per month	As incurred	Payable only if you are delinquent in any payments to us under the Franchise Agreement including, without limitation, Continuing Royalty Fees and CAB Contributions.

NAME OF FEE	AMOUNT	DUE DATE	REMARKS
Inspection Fee†	Our out-of-pocket expenses (5)	On demand	Only payable if you commit a major violation.
Insurance	Will vary based on location (6)	Insurance provider	Insurance requirements may be modified periodically by us in the Operations Manual.
Management Fee†	3% of weekly Gross Sales plus direct out-of-pocket costs and expenses	As incurred	Payable only if we manage your Franchised Restaurant as a result of your default or abandonment.
Indemnification†	Will vary under circumstances	As incurred	You must reimburse us if we are held liable for claims arising from your Franchised Restaurant operations.
Cost of Enforcement or Defense†	All costs including accounting and attorneys fees	Upon settlement or conclusion of claim or action	You must reimburse us if we are required to incur any expenses in enforcing our rights against you under the Franchise Agreement.
Required Additional Assistance†	Varies based on needs (7). The estimated range of costs are \$0-\$5,000 plus travel expenses. The estimated range of costs for travel are \$500-\$2,500	As incurred	Additional training and assistance may be necessary at your expense if you fail to meet our minimum requirements.
Requested Additional Assistance†	Varies based on needs (7). The estimated range of costs are \$0-\$5,000 plus travel expenses. The estimated range of costs for travel are \$500-\$2,500	As incurred	Additional training and assistance is available at your expense if you request additional training and assistance.
Additional Training Fee†	\$100 per person per day (8)	As incurred	Training for 3 persons is included in the Initial Franchise Fee.
Training Fee for a Replacement Operating Partner†	\$100 per person trained per day if training is held in Scottsdale, Arizona; \$300 per person trained per day if the training is held in your Franchised Restaurant (9)	As incurred	Payable only when training a second or subsequent replacement Operating Partner.
Operations Manual Replacement Fee†	\$500	Upon delivery	You must replace any part of the Operations Manual which is lost, stolen, or destroyed. The Operations Manual remains our property at all times.
Technology Maintenance Expense	The then-current cost of purchasing required point-of-sale and computer hardware and software upgrades. The estimated range of costs are \$0-\$5,000	At time of upgrade, which may be required at any time if we determine that the existing hardware and/or software is outdated	We impose no cap or limitation on the amount of expense you may incur for hardware and software upgrades.
Refurbishing	Varies based on refurbishment needs. The estimated range of costs is \$15,000-\$50,000	At time of refurbishment. The refurbishment may be required at the time the Franchise Agreement is renewed	We impose no cap or limitation on the amount of expense you may incur for refurbishing your Franchised Restaurant, but we will not require you to refurbish your Franchised Restaurant during the first 4 years of your Franchise Agreement.
Internet Service	\$20 - \$150 per month	Monthly	You must at all times have access to the Internet and an active email account with one of our designated service providers.
POS Service Fee††	\$220	Monthly	We will debit your bank account for POS Service Fees due.

NAME OF FEE	AMOUNT	DUE DATE	REMARKS
Convention Material Fee	Varies depending on cost to procure or produce convention materials, but will not exceed actual cost incurred to procure or produce the materials	Upon Delivery	Convention materials will be delivered to you regardless of whether you attend the Annual Convention.

[†] Denotes fees which are imposed by and payable to us or our affiliates. All of these fees are non-refundable under any circumstances once paid. You must to pay Continuing Royalty Fees and Creative Fund Contributions electronically by Automatic Clearing House (“ACH”) or another form of electronic withdrawal. (See **Schedule D** to the Franchise Agreement). Fees paid to vendors or other suppliers may or may not be refundable depending on your arrangement with your vendors and suppliers.

^{††} Denotes fees for the organization and administration of the “Gift Card” and “E-Frequency” Marketing Programs. We may increase this fee at any time by amending our Operations Manual and Advising you in writing 30 days before the fee increase becomes effective.

- (1) Gross Sales. Gross Sales means the total of all receipts derived from services performed or products sold at your Franchised Restaurant, whether these receipts are evidenced by cash, credit, checks, gift certificates, scrip, coupons, services, property or other means of exchange. For a comprehensive definition of Gross Sales, please see Section 27.4 of the Franchise Agreement. You may only exclude from the calculation of Gross Revenues (1) sales tax receipts that you must by law collect from customers and that you actually pay to the government; (2) promotional or discount coupons to the extent that you receive no revenue; and (3) the receipt of services or products by any employee to the extent of the discount offered to the employee or if those services or products are delivered free to the employee.
- (2) Creative Fund Contributions. Creative Fund Contributions are initially assessed at 0.5% of Gross Revenue through the end of the first term of the Franchise Agreement, but we reserve the right to increase this amount in the future. These funds are used for the creation of marketing materials and for administrative costs associated with our marketing efforts. (See ITEM 11).
- (3) Local Advertising Expense. We require, that you spend a minimum of 3.5% of your Gross Revenue on local and regional marketing and advertising each calendar month. You will make these expenditures directly, subject to approval by us or an advertising agency designated by us regarding your use of advertising and promotional material. We reserve the right, in our sole discretion, to require that up to 2.5% of your Gross Sales go towards contributions for cooperative advertising in your area if the franchisees in the System elect to form one or more advertising cooperatives. See ITEM 11 for further descriptions of the cooperative advertising and voting power of Company Restaurants owned by us or our affiliates. We will provide guidelines for local advertising and placement of this advertising in telephone directories. (See Section 5.6 of the Franchise Agreement).
- (4) Transfer Fee. No Transfer Fee is required if you transfer your Franchised Restaurant to a business entity in which you own the majority of the company’s issued equity securities, or if you transfer your Franchised Restaurant to a designated beneficiary at the time of your death or permanent disability. In all other cases you must pay a Transfer Fee equal to 25% of the then-current Initial Franchise Fee.
- (5) Inspection Fee. You must to reimburse us for all expenses incurred in making any inspection that discloses a major violation of your Franchise Agreement or the Operations Manual. Major

violations include, but are not limited to, the use of unauthorized products, changing a recipe without authorization, misreporting sales, unauthorized closing during business hours, grossly mismanaging your Franchised Restaurant, or failing a city or county health inspection.

- (6) Insurance. You must procure and maintain, at your own expense, insurance policies protecting you, us, our designated affiliates and the officers, directors and employees of us and our designated affiliates against any loss, liability, personal injury, death, property damage, or expense resulting from the operation of your Franchised Restaurant as we may require for your and our protection in our sole discretion. The insurance policies must contain certain clauses approved by us and waivers approved by us as outlined in the Operations Manual, and must be “occurrence” coverage rather than “claims made” coverage. We and our designated affiliates must be named as additional insureds in each policy. (See Section 13.1 of the Franchise Agreement). The following is a list of the required insurance coverage including minimum limits of coverage as of the date of this Offering Circular:

(a) “All Risks” coverage insurance on all furniture, fixtures, equipment, supplies, products and other property used in the operation of your Franchised Restaurant (which coverage must include flood and/or earthquake coverage where there are known exposures to either peril, and theft insurance) for full repair as well as replacement value, except that a reasonable deductible clause is permitted as determined by us in our sole discretion and set forth in the Operations Manual;

(b) Workers’ Compensation and Employer’s Liability insurance and other insurance required by statute of the state or county in which the Franchised Restaurant operates; and

(c) Comprehensive General Liability insurance, including a per premises aggregate with the following coverages: broad form contractual; personal and advertising injury; products/completed operations; product liability; tenant’s liability, and medical payments and fire damage liability; insuring you, us and our designated affiliates (each as an additional named insured) against all claims, suits, obligations, liabilities and damages, including attorneys’ fees, based upon or arising out of actual or alleged personal injuries or property damage resulting from, occurring in the course of, or otherwise concerning the Franchised Restaurant, including general aggregate coverage in the following limits:

Coverage	Minimum Limits of Coverage
General Aggregate	\$2,000,000
Products/Completed Operations Aggregate	\$1,000,000
Personal and Advertising Injury	\$1,000,000
Each Occurrence	\$1,000,000
Products Liability	\$1,000,000
Fire Damage (any one fire)	\$ 100,000
Medical Expense (and one person)	\$ 5,000

Note: These are fairly standard coverages for retail operators. You should confirm these proposed limits with you insurance agent.

We may periodically modify the amounts required above to reflect inflation or future experience with claims by adjusting the required amounts in the Operations Manual.

(d) Business interruption insurance for actual losses sustained, including lost Continuing Royalty Fees, Creative Fund Contributions, and other payments due to us or our affiliates, for a 12 month period minimum.

(e) Automobile liability insurance to cover employees making deliveries and handling catering events, with minimum coverage of five hundred thousand dollars (\$500,000) per occurrence.

(f) Other insurance and types of coverage that may be required by the terms of any lease or sublease for the Franchised Restaurant or that we may require occasionally in the Operations Manual, including renter's insurance, if the premises are leased.

Within sixty days of signing the Franchise Agreement, but not later than the date when you acquire an interest in the real property from which you will operate the Franchised Restaurant, you must furnish us with an Accord Form Certificate of Insurance showing compliance with our insurance requirements for approval. The certificate must state that each policy may not be canceled or materially altered without at least thirty days prior written notice to us. The certificate must reflect proof of payment of all required premiums. Maintenance of the insurance and your performance of the obligations under the insurance provisions of the Franchise Agreement will not relieve you of liability under the Franchise Agreement's indemnity provisions. We may modify the minimum insurance requirements occasionally in our sole discretion and notify you of the changes in writing. (See Section 13.1 of the Franchise Agreement).

If you fail to procure and maintain this insurance coverage, we have the right and authority to procure this insurance coverage and to charge you, which charges, together with a reasonable fee for our expenses incurred in this procurement, you will pay immediately upon notice. (See Section 13.1 of the Franchise Agreement).

We reserve the right to require you to subscribe to our group insurance plan, if we establish one, for the purpose of providing all or part of the insurance coverage to be taken out by you. We may modify the group insurance plan occasionally as we may specify in the Operations Manual or by other written notice. If we offer the plan, you must participate in the plan. If the underwriters of the plan increase the premiums under the plan as a result of any act or occurrence at the Franchised Restaurant, or as a result of any act or omission on your part, then you must, for the duration of the Franchise Agreement, pay the amount of this increase in premiums. You must comply with all recommendations made by the underwriters of the plan. You acknowledge that we may receive a rebate, commission or some other benefit in connection with the purchase of group insurance and that we are entitled to keep this rebate, commission or other benefit for our own use and benefit. (See Section 13.3 of the Franchise Agreement).

- (7) Additional Assistance. The Initial Franchise Fee includes twenty-one days of training for you, or your Operating Partner and up to two other employees at a location designated by us. Ongoing assistance by telephone is also included. If you require or request additional on-site assistance beyond what is provided by us, you can request that we send a representative to provide further assistance to you. If we provide additional assistance at your request, we must agree in advance to the charges you will pay and the length of the visit. The cost of additional assistance will depend on your needs, and the amount of assistance you desire. We may also require you to receive additional assistance if you are not meeting our requirements. This additional assistance will be at your expense as described above.
- (8) Additional Training Fee. Training for up to three people is included in your Initial Franchise Fee. Additional charges are only applied if you choose to train more than three people. The Additional Training Fee is set out in the Operations Manual and can be increased or decreased by us at any time in our discretion.

- (9) **Training a Replacement Operating Partner.** If your designated Operating Partner quits or is terminated for any reason, you must allow us to train your new Operating Partner at a location designated by us in our discretion. We will train the first replacement Operating Partner for you at no additional charge. If the replacement Operating Partner quits or is terminated, we will charge you a training fee when we train your subsequent Operating Partner. The training fee is included in our Operations Manual, and the current training fee is \$150 per day for every day we conduct the training in our Scottsdale store, and \$300 per day if we train your subsequent Operating Partner at the Franchised Restaurant operated by the Operating Partner. We reserve the right to change this training fee at any time in our discretion. If we train any replacement Operating Partner, you will need to pay for airfare, lodging, ground transportation, meals, salary and benefits, and other personal expenses of your new Operating Partner while he or she is in training.

ITEM 7 INITIAL INVESTMENT

You may incur the following initial expenditures in the establishment of a Franchised Restaurant. Additional factors regarding each expenditure category are described in the notes following the chart. The figures provided for the initial investment are estimates and may vary.

Expense	Amount	Method of payment	When due	To Whom Payment is to be Made	Refundable
Initial Franchise Fee (1) (a) Single Unit Franchisees (b) Area Developers (1 million+ Area Population); (c) Area Developers (Area Population under 1 million). See ITEM 5	(a) \$25,000 (b) \$.10 multiplied by the number of people resident in the Territory to be developed (c) See ITEM 5	(a) Lump sum (b) Lump sum (c) Lump sum	(a) Upon signing Franchise Agreement (b) Upon signing Area Development Agreement (c) Upon signing Area Development Agreement	Us	See Note 1
Travel and living expenses while training (2)	\$2,000 - \$3,500	As incurred	As incurred during training	Airline, hotel, restaurants, transportation	No
Lease deposit (3)	\$1,000 - \$8,500	Lump sum	At signing of the Lease	Landlord	See Note 3
Architectural & Engineering Fees (4)	\$13,000 - \$18,000	As arranged	Before opening	Architect	No
Equipment (Furniture & Fixtures, Smallware, Mirrors, etc.) (5)	\$90,000 - \$105,000	As arranged	Before opening	Suppliers	No
Leasehold Improvements (6)	\$224,000 - \$315,000	As arranged	Before opening	Contractor	No
Opening Advertising (7)	\$5,000 - \$8,000	As arranged	Within 60 days of opening	Advertising media	No
Opening Inventory (8)	\$7,500	As incurred	Before opening	Suppliers approved by Noodles Development	No
Point-of-Sale System, Art and Décor, Misc. (9)	\$18,000 - \$23,000	As arranged	Before opening	Suppliers	No
Professional Fees (10)	\$600 - \$2,200	As arranged	Before Opening	Attorneys, accountants and other professionals	No
Security Deposits, Utility Deposits, Permits and Business Licenses (11)	\$3,600 - \$5,600	Lump sum	Before opening	Landlord, suppliers or government agencies	No

Expense	Amount	Method of payment	When due	To Whom Payment is to be Made	Refundable
Signage (12)	\$7,000 - \$12,000	As arranged	Before opening	Suppliers	No
Additional Funds (3 months) (13)	\$10,000 - \$20,000	As incurred	Varied times	Suppliers and Employees	No
Insurance (14)	\$1,800 - \$2,000	Lump sum or as agreed	As agreed	Us or Insurance Company	No
Total Estimated Initial Investment (15)	\$408,500-\$555,300				

NOTES:

- (1) The Initial Franchise Fee is currently \$25,000, but it will be increased to \$30,000 effective August 1, 2006. The Initial Franchise Fee is deemed fully earned when paid and not refundable under any circumstances. The Area Development Fee is fully earned and non-refundable once paid, even if you do not open any of the Franchised Restaurants required by your Area Development Agreement. We do not offer refunds of any other fees or expenses. We do not finance any fees or expenses.
- (2) You must pay for all travel and accommodation costs incurred by you and your employees in attending the Initial Training Program at our head office or at another location designated by us. There is no fee charged to you for the training session itself.
- (3) A commercial lease normally requires payment of the first month's rent, a security deposit and a rent deposit equal to one month's rent. A lease deposit may or may not be refundable and lease deposits vary widely from location to location. The location of any commercial space must be approved in writing by us.
- (4) This includes engineering drawings and architectural design layout drawings.
- (5) Actual equipment and furniture costs may vary due to additional seating and costs associated with installing the ventilation system. The current price is based on seating for 70 to 140 customers and a restaurant of 2,800 to 4,000 square feet.
- (6) Actual leasehold improvement costs may vary depending on the physical size of the location, current condition of the premises, and the extent of renovations required. The current price is based on a restaurant of 2,800 to 4,000 square feet. Landlords on occasion may contribute to these costs by providing a tenant improvement allowance which will offset some of the total leasehold improvement costs. However, there is no guarantee that your landlord will provide you with any financial or other assistance in the build-out of your store, and you should not rely on receiving such assistance. The amounts reflected in this table assume that you do not receive any tenant improvement allowance.
- (7) This includes pre-opening training, a pre-opening "mock party" the printing of promotional coupons, menus, and the distribution of promotional food items.
- (8) This includes a sufficient opening supply of food inventory, cleaning supplies and paper products.

- (9) You must to secure an email account and point-of-sale software and hardware that meet the standards and specifications required by us. The standards and specifications we are currently using are set forth in the Operations Manual. The amount also includes a POS activation fee of \$250, a gift card activation fee of \$100, and an E-frequency card activation fee of \$200. (See ITEM 6 for a summary of monthly POS Services Fees).
- (10) These fees are the estimated fees charged by your lawyer to review the Franchise Agreement and other documentation, to advise you, and to incorporate a business entity on your behalf to enter into the Franchise Agreement. You are also encouraged to seek the advice of an accountant and a financial advisor.
- (11) These fees will vary based upon the square footage and the location of your Franchised Restaurant. The landlord may impose other fees and expenses, depending on the terms and conditions of the lease. Additional fees and expenses, if any, will be as set out in the lease or sublease, as the case may be.
- (12) This includes window graphics and design, and interior and exterior signage.
- (13) This is the amount of working capital that we recommend you have in your bank account upon store opening to cover various expenses during your first three months of operation. The actual amount of additional funds will depend on your local wage rates, competition, your management skill, your sales, your compensation and other factors. This amount does not include any revenues you may generate during the first three months of operating your Franchised Restaurant.
- (14) Insurance requirements are outlined in ITEM 6, Note 6.
- (15) The high/low amounts will vary and may exceed our estimates based on the size of your Nothing Franchised Restaurant.

We relied on the experience of certain officers of Noodles Development in the quick service restaurant business to complete these estimates. You should review these figures carefully with a business advisor before making any decision to purchase the franchise. We do not provide or assist with financing arrangements for you. If you obtain financing from others to pay for some of the expenditures necessary to establish and operate your Franchised Restaurant, the cost of financing will depend on many factors, such as your credit worthiness, collateral, the financier's lending policies, the financial condition of the lender, and the regulatory environment.

ITEM 8

RESTRICTIONS ON SOURCES OF PRODUCTS AND SERVICES

Product Purchases

In order to maintain our standards of consistent, high quality Oodles the Art of Fresh Products and uniformity in Oodles the Art of Fresh Restaurants, you must purchase all products and services required for the operation of your Franchised Restaurants from suppliers that we have identified and approved as meeting all of our specifications and standards or, if we require, from us directly. We will give to you and you must comply with our standards and specifications for the services and products offered at your Franchised Restaurant, food and beverages, menu, food type and quality, promotional items, uniforms, small wares, computer software and

hardware, telephone equipment, services, furnishings, fixtures, and equipment used in connection with operating your Franchised Restaurant, leasehold improvements, food preparation and storage, supplies, recipes, materials, forms, and other Oodles the Art of Fresh Products sold or used through a Franchised Restaurant. We reserve the right to change the standards and specifications occasionally on written notice to you or as may be specified by the Operations Manual. We estimate that these items are approximately 70% to 90% of your cost in establishing your Franchised Restaurant and approximately 85% to 95% of the cost of on-going operation of the business. During the year ended December 31, 2005, we received no revenues from these purchases.

Rebates

Presently we are not an approved supplier of any of the items that you must purchase, but we reserve the right to designate Noodles Development or an affiliate as an approved or designated supplier in the future. We reserve the right to receive rebates from certain of the approved suppliers, ranging from 1% to 1.5% of the amount of purchases by Franchisees from those suppliers. We may retain these payments to partially compensate us for our ongoing efforts in establishing and maintaining quality sources of supply, in evaluating potential new suppliers, and in monitoring and evaluating approved suppliers and upstream manufacturers to insure that those suppliers and manufacturers meet our quality and performance standards. We intend to allocate most of these payments toward covering some of the costs of our annual franchise meeting. During our last fiscal year ended December 31, 2005, we collected rebates from designated and approved suppliers in the amount of \$26,856, representing approximately 1% of our total revenues. We do not presently participate in any purchasing or distribution cooperatives, but we reserve the right to do so in the future.

Standards and Specifications; Suppliers

We have developed and, in the future may modify, our standards and specifications based on our commitment to provide Oodles the Art of Fresh Products of the highest quality and to protect and enhance the value of the System and the Marks. Standards and specifications for the items that we require you to use in developing and operating your Franchised Restaurant are available to franchisees and suppliers occasionally through the Operations Manual.

We have approved the suppliers identified in the Operations Manual as approved suppliers based on our evaluation of, among other things, their price terms and their ability to meet our strict quality standards. If you wish to use suppliers that are not on our list of approved suppliers, you must to notify us in writing before using your preferred supplier and, if we request, provide us with samples of the product and any relevant data. We will, upon receiving this request, determine whether the product meets our specifications and will notify you whether that is the case within thirty (30) days of receiving samples of the product and other relevant data. You will reimburse us for any expenses incurred by us relating to the testing or granting or approval of the supplier. If we determine that your preferred supplier does not meet our specifications, you must not use your preferred supplier. When making our determination, some of our considerations will include whether or not your proposed supplier:

(a) meets our specifications, including our quality, quantity, warranty, variety, service, health and safety specifications, for the product and for the facilities used in the production and distribution of the product;

(b) has the capacity to supply your requirements;

(c) has a sound financial condition and business reputation;

(d) will supply product to a sufficient number of Oodles the Art of Fresh franchisees to enable us to economically monitor compliance by the supplier with our specifications; and

(e) has met other criteria as may be established by us, acting reasonably, occasionally and as set out in the Operations Manual.

Other than making the System available to you as provided in the Franchise Agreement, we do not provide any specific benefits to you based on your use of approved sources of supply. However, your failure to use approved sources of supply or to comply with our standards and specifications would be a breach of the Franchise Agreement, and we would have the right to exercise our remedies for your breach of the Franchise Agreement, including our rights to terminate your Franchise Agreement. We currently negotiate purchase arrangements with some suppliers for your benefit, although we are not obligated to do so. You should not rely on the availability of any particular purchasing arrangements in deciding whether to purchase the franchise. You will not receive a material benefit from us based on your use of any particular designated or approved sources.

Obligation to Purchase or Lease Products or Services that Meet the Standards and Specifications of Noodles Development

You must purchase or lease certain products and services which satisfy the written standards and specifications established by Noodles Development. This requirement is necessary to ensure that you adhere to the uniformity requirements and quality standards associated with all Oodles the Art of Fresh restaurants. Noodles Development will provide you with standard prototype plans and specifications for a typical Franchised Restaurant premises, standard sign plans and specifications, and standards and specifications for the décor of your Franchised Restaurant, your telecommunications equipment, computer hardware and software. All insurance companies must be acceptable to Noodles Development and licensed in the state where coverage is provided. You must maintain insurance as specified by us in the Operations Manual (See ITEM 6 for more details regarding current insurance requirements).

Noodles Development determines its standards and specifications at its sole discretion. Noodles Development may modify its written standards and specifications and you must comply with any modifications. You will be responsible for ensuring that all products and services selected by you will continue to conform to the standards and specifications established by Noodles Development.

ITEM 9 FRANCHISEE'S OBLIGATIONS

THIS TABLE LISTS YOUR PRINCIPAL OBLIGATIONS UNDER THE FRANCHISE AGREEMENT. IT WILL HELP YOU FIND MORE DETAILED INFORMATION ABOUT YOUR OBLIGATIONS IN THE FRANCHISE AGREEMENT AND IN OTHER ITEMS OF THIS OFFERING CIRCULAR.

Obligation	Section in Franchise Agreement	ITEM in Offering Circular
(a) Site Selection & Acquisition/Lease	Sections 1.3 & 10	ITEMS 5, 7 & 11
(b) Pre-opening purchases/lease	Sections 1.3, 8, 10, 11 & 12	ITEMS 7 & 8
(c) Site development & other pre-opening requirements	Sections 1.3, 10, 11 & 12	ITEMS 7 & 11
(d) Initial & ongoing training	Section 15	ITEM 11
(e) Opening	Section 15	ITEMS 7 & 11
(f) Fees	Sections 1, 2, 3, 4, 5, 15, 16 & 17	ITEMS 5, 6, 7, & 17
(g) Compliance with standards & policies/operating manual	Sections 7, 8, 9, 12, 13, 15	ITEMS 8 & 11
(h) Trademarks & proprietary information	Sections 9 & 14	ITEMS 13 & 14
(i) Restrictions on products/services offered	Section 8	ITEMS 8 & 16
(j) Warranty & customer service requirements	None	None
(k) Territorial development	None	ITEM 12
(l) Ongoing product/service purchases	Section 8	ITEM 8
(m) Maintenance, appearance & remodeling requirements	Sections 2, 7, 10, 11, 12 & 19	ITEMS 11 & 17
(n) Insurance	Section 13	ITEMS 5, 6, 7 & 8
(o) Advertising	Sections 5 & 7.7	ITEMS 6, 7 & 11
(p) Indemnification	Section 22	ITEMS 6 & 14
(q) Owners participation/management/staffing	Sections 7 & 15	ITEMS 11 & 15
(r) Records/reports	Sections 4, 6, 7 & 18	ITEMS 6 & 17
(s) Inspection/audits	Sections 6 & 7	ITEMS 6 & 17
(t) Transfer/Assignment	Section 17	ITEMS 6 & 17
(u) Renewal	Section 2	ITEM 17
(v) Post-Termination obligations	Section 19	ITEM 17
(w) Non-competition covenants	Section 20	ITEM 17
(x) Dispute resolution; Governing Law	Section 23	ITEM 17
(y) Confidentiality	Section 9	ITEM 14
(z) Termination	Sections 18 & 19	ITEM 17

ITEM 10 FINANCING

Neither we nor any agent or affiliate of ours offers direct or indirect financing. We do not guarantee your note, lease or other obligation. We do not currently place financing with anyone and do not receive any payment or benefit for placement of financing. We do not have any past or present practice to sell, assign or discount to any third party, in whole or in part, any financing arrangements. We reserve the right to offer financing or assist Franchisees in obtaining financing in the future.

ITEM 11 FRANCHISOR'S OBLIGATIONS

Except as listed below, Noodles Development does not provide any assistance to you.

Pre-Opening Obligations

Before the opening of your Franchised Restaurant, we (or our designee) are required by the Franchise Agreement or the Area Development Agreement to provide the following assistance and services to you.

1. We assist you in your site selection process by approving and accepting a site for the Franchised Restaurant and approving and accepting a final lease for the Franchised Location. (See Section 10, Franchise Agreement).

2. We provide you with our standards and specifications for the interior and exterior design of the building, layout, floor plan, parking and driveway facilities, signs, color, decor, equipment, and machines. (See Section 10, Franchise Agreement).

3. We loan you one copy of our confidential and proprietary Oodles the Art of Fresh operations manual ("**Operations Manual**") (See Section 9.1, Franchise Agreement). The table of contents for the Operations Manual is attached as **Exhibit I**.

4. We provide you with recommendations and requirements for your telecommunication equipment, point-of-sale system, computer hardware and software, and Internet service. (See Section 12, Franchise Agreement).

5. At our sole expense, we will have one of our representatives on site to assist you in training employees and in the opening of the Franchised Restaurant for ten consecutive days during the opening of your Franchised Restaurant. (See Section 15.5, Franchise Agreement).

6. We make available to you technical advice regarding the construction and installation of the equipment for the Franchised Restaurant. (See Section 10, Franchise Agreement).

7. We provide an initial training program for you or, if you are not an individual, your Operating Partner, and two other persons at a location chosen by us. (See Section 15.1, Franchise Agreement).

8. If you sign an Area Development Agreement, we grant to you the Development Territory within which you may develop a specified number of Franchised Restaurants. (See Section 1.1, Area Development Agreement).

Continuing Obligations

During the term of the Franchise Agreement, we (or our designee) are required to provide the following assistance and services to you:

1. We provide you advice and consultation in writing or by phone, as we believe is necessary, regarding the continuing operation and management of your Franchised Restaurant. (See Section 16.1, Franchise Agreement). There are no separate charges for these services.

2. We make available to you information regarding any new product, service or suppliers or any updated methods of doing business. (See Section 16.1, Franchise Agreement). There are no separate charges for these services.

3. We make available to you advertising and promotional programs and materials. (See Section 5.3, Franchise Agreement). These materials are paid for by your Creative Fund Contributions.

4. We make available to you multi-area marketing programs and special promotions. (See Section 5.7, Franchise Agreement). You must participate at your own cost in all multi-area marketing programs and special promotions conducted in your area.

5. In our discretion, a representative of ours may visit your Franchised Restaurant one or more times a year to inspect the Franchised Restaurant and provide consulting assistance. (See Sections 7.17 and 16.2, Franchise). If we elect to send a representative to your Franchised Restaurant, there are no additional charges for these services. However, if you require additional on-site assistance beyond what is provided by us, you can request that we send a representative to provide further assistance. If we provide additional assistance at your request, we must agree in advance the charges you will pay and the length of the visit. (See Section 16.2, Franchise Agreement). The estimated range of charges for the additional assistance is \$0 to \$5,000 plus travel expenses. The estimated range of costs for travel are \$500 to \$2,500

6. We may choose to provide you with continuing national, regional or local workshops and seminars which we hold in our discretion. (See Section 15.7, Franchise Agreement). Further, once there are seventy or more fully operational Franchised Restaurants, we will hold a mandatory annual convention ("**Annual Convention**") for the Area Developers and Franchisees that make up our franchise System. (See Section 15.7, Franchise Agreement). Each Annual Convention may be held at a different location in our discretion. The Annual Convention may include, in our discretion, programs on the on-going changes in the industry, products, food preparation, recipes, sales techniques, personnel training, bookkeeping, accounting, inventory control, performance standards, and advertising programs, among other things. Your attendance at conferences, workshops and seminars is strongly encouraged, and your attendance at the Annual Convention is mandatory. If you fail to attend the Annual Convention for two consecutive years without our prior approval, your Franchise Agreement could be terminated (See Section 18.4, Franchise Agreement). You will bear all expenses of attending conferences, workshops and seminars, including travel, lodging, meals and entertainment. For any Annual Convention, we may prepare and deliver to you, and you must pay us a fee ("**Convention Material Fees**") for convention materials such as audio or video cassette recordings or DVDs, written materials, agendas, publications, or summaries of the activities at the Annual Convention, all as determined in our discretion. The Convention Material Fee for each Annual Convention will be established by us in our discretion, but it will not exceed the actual cost incurred by us in obtaining or preparing such materials. (See ITEM 6 and Section 15.7, Franchise Agreement.)

Advertising Programs

We require you to spend 3.5% of your total monthly Gross Sales for marketing purposes in your local area ("**Local Advertising Expense**"). We encourage you to dedicate the Local Advertising Expense for local advertising, to be selected and placed by you, in the market area surrounding your Franchised Location.

Under the Franchise Agreement, you must pay us a creative fund contribution ("**Creative Fund Contribution**") equal to 0.5% of your weekly Gross Revenue. The Creative Fund Contribution will be payable on weekly. We will deposit the Creative Fund Contribution into a separate bank account, commercial account or savings account ("**Creative Fund**") which will be exclusively controlled by us. We will require Company Restaurants operated by us or our affiliates to contribute to the Creative Fund in the same percentage as well. The Creative Fund will be administered by us, in our discretion, and may use a professional advertising agency or media buyer to assist us.

We may reimburse ourselves from the Creative Fund for administrative costs, independent audits, reasonable accounting, bookkeeping, reporting and legal expenses, taxes and all other reasonable direct or indirect expenses that may be incurred by us or our authorized representatives and associated with the programs funded by the Creative Fund. We assume no other direct or indirect liability or obligation to collect amounts due to the Creative Fund or to maintain, direct or administer the Creative Fund. Any unused funds in any calendar year will be applied to the following year's funds, and we reserve the right to contribute or loan additional funds to the Creative Fund on any terms we deem reasonable. Since we do not have this fund audited, audited financial statements are not available to franchisees. We will make available to you an annual accounting for the Creative Fund that shows how the Creative Fund proceeds have been spent for the previous year.

We may use the Creative Fund for the creation, production, agency costs and commissions; creation and production of video, audio and written advertisements; administering multi-regional advertising programs, direct mail and other media advertising; in-house staff assistance and related administrative costs; local promotions; supporting public relations; market research and other advertising and marketing activities. Advertising may be placed in local, regional or national media of our choice, including print, direct mail, radio or television. We do not guarantee that advertising expenditures from the Creative Fund will benefit you or any other franchisee directly, on a pro rata basis, or at all.

In our fiscal year ended December 31, 2005, we spent 100% of the Creative Fund on production, 0% on media placement, 0% on administration of the Creative Fund, 0% on other uses. We did not use the Creative Fund to solicit the sale of franchises during our last fiscal year, nor will we use Creative Fund monies to solicit franchisees in our current fiscal year. Neither we nor our affiliates receive payments for providing goods or services to the Creative Fund, except for reimbursement of expenses as described above.

You may create your own advertising and promotional materials; however, all advertising and promotions created by you must be approved by us in advance before you use them and must comply with our graphic standards. Your request will be reviewed by us and we will respond in

writing within fifteen days from the date we receive all requested information. Our failure to notify you in the specified time frame will be deemed a disapproval of your request. Use of logos, Marks and other name identification materials must be consistent with our approved standards. You may not use our logos, Marks and other name identification materials on items to be sold without our prior written approval. If we approve of promotional items that will be sold in your Franchised Restaurant, those items must be included in your regular sales and you will be required to pay Continuing Royalty Fees on all Gross Sales generated by these items.

We also may designate any geographic area in which two or more Franchised Restaurants are located as a region for establishing an advertising cooperative ("**Cooperative**"). The members of the Cooperative for any area will consist of all Oodles the Art of Fresh Restaurants, whether franchised or operated by us or our affiliates. We will determine in advance how each Cooperative will be organized and governed and when it must start operation. Each Cooperative will be organized for the sole purposes of administering advertising programs and developing, subject to our approval, promotional materials for use by the members in local advertising. If a Cooperative has been established for a geographic area where your Franchised Restaurant is located when the Franchise Agreement is signed, or if any Cooperative is established during the term of the Franchise Agreement, you must become a member of the Cooperative and abide by the rules of the Cooperative. We reserve the right to form, change, dissolve or merge any Cooperative.

If we have established a Cooperative for your area, you must contribute to the Cooperative the amounts required by its governing documents. However, you will not be required to contribute more than 2.5 % of your Gross Sales during any calendar month to the Cooperative. Your contributions to the Cooperative, if any, may be credited against the Local Advertising Expense we require you to expend. Your total contributions to the Cooperative and Local Advertising Expense will not exceed 3.5 % of your Gross Sales. All contributions to the Cooperative will be maintained and administered according to the documents governing the Cooperative. The Cooperative will be operated solely as a conduit for collecting and spending cooperative fees for the purposes outlined above. The Cooperative may not use any advertising or promotional plans or materials without our prior approval.

The amount of contribution will be determined by the members of the Cooperative, subject to our approval. We anticipate that each member will have one vote for each Franchised Restaurant or Company Restaurant operated by the member within the geographic area subject to the Cooperative. Each Cooperative will have to prepare an annual financial statement reporting its expenditures for the previous year to its members. If a Cooperative is established, we will provide you with a copy of the governing documents.

You must also pay your pro rata share of the cost of a Yellow Pages advertisement or other business listings to be placed by us or any Cooperative on behalf of all Franchised Restaurants in the local market area, as determined by us or the Cooperative. If you operate the only Franchised Restaurant under the System in the local market area, you will be responsible for full payment of the Yellow Pages advertising or other business listing, unless we determine, in our discretion, that placement of a Yellow Pages advertisement or other business listings for the local market area is not economically justified. Any amount you pay for the Yellow Pages listing

or other business listings will apply toward satisfaction of your Local Advertising Expense requirement.

Except as described above, we are not obligated to spend any amount on advertising in the geographical area where your Franchised Restaurant is or will be located.

Computer Systems

You must purchase and use an electronic point-of-sale recording system which meets our specifications. This system permits us to receive information on a timely basis concerning sales and inventory of your Franchised Restaurant, and provides you with detailed information necessary to prepare your financial statements, including sales and inventory information. The system is also capable of running the computer software and control system described below. We have the right to independently access your electronic information and data through the electronic point-of-sale recording system, and to collect and use your electronic information and data in any manner we choose to promote the development of the System and the sale of franchises. There is no contractual limitation on our right to receive information through the electronic point-of-sale recording systems.

You must purchase the computer system required by us which will be a complete package that includes the hardware, software, set-up and configuration, a five year software license, inventory related equipment, and five years of technical support.

The computer point-of-sale system will have all the necessary software pre-installed and will be shipped direct to your Franchised Restaurant. The hardware components are not proprietary to us but the software package is proprietary to us or our affiliates. The specifications of the computer point-of-sale system you will be purchasing from us is in the chart below:

ALOHA POS SYSTEMS FROM AVENTA DATA SYSTEMS HARDWARE

	Unit	abv/below	Qty	Length	Width	Height	Power	Telephone
FRONT COUNTER								
	UPS Backup	below	3	11.20	3.60	6.50	duplex	-
	Power Supply	below	3	7.50	2.50	1.25	UPS	-
	Line Conditioner	below	3	9.00	5.00	4.25	power supply	-
	Terminal	above	3	2.30	11.80	10.30	line cond.	-
	Terminal Base	above	3		9.75	9.75	-	-
	Terminal Post	above	3	1.0 dia.	-	-	-	-
	Rec. Printer	above	3	8.50	5.75	6.00	line cond.	-
	Cash Drawer	below	3	16.70	15.90	3.86	-	-
COOK LINE								
	Power Supply	below	3	8.00	3.00	1.75	duplex	-
	Line Conditioner	below	3	9.00	5.00	4.25	power strip	-
	Remote Printer	above	3	9.50	5.50	6.00	line cond.	-
OFFICE								
	POS/Cook j-box	top	-	-	-	-	-	-
	UPS Backup	top	1	-	-	-	duplex	-
	Hub	top	1	-	-	-	line cond.	-
	Line Conditioner	top	1	11.80	8.10	4.29	UPS	-
	Ext. Modem	top	1	-	-	-	line cond.	2 lines

	Unit	abv/below	Qty	Length	Width	Height	Power	Telephone
	Computer Server	below	1	-	-	-	line cond.	-
	Flat Monitor	counter	1	-	-	-	duplex	-
	Laser Printer	shelf	1	-	-	-	duplex	-

Software

We require you to purchase Aloha Systems software to operate your point-of-sale system.

We may revise our specifications at any time in our discretion. You must, at your sole cost, to periodically update your computer hardware and software to meet our then-current standards and specifications. We do not limit or cap those costs or expenses in any way.

You are solely responsible for protecting yourself from viruses, computer hackers, and other communications and computer-related problems, and you may not sue us for any harm caused by these communications and computer-related problems.

Site Selection

You must select the site ("**Franchised Location**") for the Franchised Restaurant subject to our approval. You may not relocate the Franchised Restaurant without our prior written consent, and we may charge you a Relocation Fee as part of the approval process in order to cover our costs associated with processing your requests. Before leasing or purchasing the Franchised Location for the Franchised Restaurant, you must submit to us, in the form we specify, a description of the Franchised Location, together with other information and materials that we may reasonably require, including a letter of intent or other evidence that confirms your favorable prospects for obtaining the Franchised Location. We will have thirty days after we receive this information and materials to approve or disapprove the proposed Franchised Location. Factors that we may consider when reviewing your proposed Franchised Location include the size and dimensions of the Franchised Location, visibility factors, traffic flow and patterns, access and exits to and from the Franchised Location, area population and market conditions. If we do not approve or disapprove the proposed Franchised Location within this 30 days, the Franchised Location will be deemed disapproved. If we do not approve your proposed Franchised Location you will need to locate another proposed Franchised Location for your Franchised Restaurant and receive our acceptance of the alternate Franchised Location. In the event we do not approve your alternate site, we may, at our sole discretion, extend your opening deadline while you continue to look for another alternate site or terminate the Franchise Agreement. We may extend the construction period for your Franchised Restaurant to accommodate delays in selecting and obtaining our approval of an alternate site. If a site cannot be agreed upon, the Franchise Agreement could be terminated. You must purchase or lease, at your expense, the Franchised Location for the Franchised Restaurant within 60 days after we approve it. You must obtain our approval of any sale or lease contract before you sign it.

Although your Franchised Location is subject to our approval, you have the ultimate responsibility in choosing, obtaining and developing the Franchised Location for your Franchised Restaurant. Our consultation and approval is not a promise or guarantee that the Franchised Restaurant operated at the Franchised Location will be successful.

Schedule for Opening

We estimate that the typical length of time between the signing of the Franchise Agreement and the opening of your Franchised Restaurant is approximately 6 to 9 months. Some factors which may affect this timing are your ability to locate an acceptable Franchised Location, the time to acquire the Franchised Location through lease negotiations, your ability to secure any necessary financing, your ability to comply with local zoning and other ordinances, the timing of the delivery and installation of equipment and signs, and the time to convert, renovate or build the premises. The conversion of an existing facility to a Franchised Restaurant usually takes 45 to 75 days, depending on the extent of the conversion of the premises, equipment and operational systems that may be necessary. Area Developers shall open Franchised Restaurants in accordance with the Development Schedule agreed to in the Area Development Agreement.

You must order your fixtures, inventory, and computer system before your Franchised Restaurant is scheduled to open. In each case, you must give our designated equipment manufacturers lead time of 45 days, and you must have these items delivered at least 14 days before the date your Franchised Restaurant is scheduled to open. This means that fixtures, inventory, and the computer system must be ordered at least 60 days before the date your Franchised Restaurant is scheduled to open.

Training Programs

Before the opening of your Franchised Restaurant, we provide an initial training program conducted at the times and locations designated by us. This training is usually conducted at our corporate headquarters located in Scottsdale, Arizona, but the training course may be held elsewhere in the future in our discretion. The initial training program lasts for a minimum of 21 days and consists of both classroom instruction, on-site training, and off-site training. Training generally begins 60 days before the projected opening of your Franchised Restaurant. You or, if you are not an individual, your Operating Partner must attend and successfully complete the training program. We encourage you to have a minimum of two people attend the training program, but you may bring up to a total of three people to training at no additional training expense, and additional employees may also attend if space is available and you pay us the additional training fee ("**Additional Training Fee**") for each additional employee trained (See ITEM 6). The Additional Training Fee is set out in the Operations Manual and may be modified by us at any time in our discretion. If an Operating Partner's employment with you is terminated, you must designate a new Operating Partner who must begin our initial training program within thirty days after the date the new Operating Partner is hired, unless we do not hold an initial training program during that thirty day period in which case the replacement Operating Partner must attend and successfully complete the first available initial training program held by us. You may be charged a training fee for a replacement Operating Partner (See ITEM 6), and the costs for airfare, ground transportation, lodging, meals, and the Operating Partner's salary and benefits must be paid by you.

There is no tuition or fee for the initial training program. You will incur expenses for airfare, lodging, meals, ground transportation and other personal expenses. You will also be required to pay all wages, taxes, and other expenses for any Operating Partner or other employee you send to training. (See ITEM 7).

The subjects covered in the initial training program are described below:

TRAINING SCHEDULE

Course	Instructional Material	Hours of Classroom Training	Hours of On-The-Job Training	Instructor
Orientation		4 hours	2 hours	Training Staff
Prep Procedures	TSM (1) / RM (2)	1 hour	10 hours	Training Staff
Recipe Production	TSM / RM	2 hours	18 hours	Training Staff
Noodle Bowl Production	TSM / RM	1 hour	20 hours	Training Staff
Salad Production	TSM / RM	1 hour	8 hours	Training Staff
Ordering	MDM (3)	½ hour	3 hours	Training Staff
Register Procedures	TSM	1 hour	8 hours	Training Staff
Daily Paperwork	MDM	2 hours	8 hours	Training Staff
Opening and Closing Procedures	TSM	1 hour	10 hours	Training Staff
Interviewing & Hiring	MDM	1 hour		Training Staff
Food Handling, Sanitation and Safety	TSM	2 hours	2 hours	Training Staff
Management Procedures	MDM	1 hour	17.5 hours	Training Staff
Menu Costing	MDM	1 hour		Training Staff
Catering	MDM	1 hour		Training Staff
Inventory	MDM	3 hours	3 hours	Training Staff
Marketing	MDM	2 hour		Training Staff
Review & Questions	MDM	4 hours	4 hours	Training Staff
Exams, Questions, Concerns	MDM	3 hours		Training Staff
TOTAL (145 hours)		31.5 hours	113.5 hours	

NOTES:

- (1) "TSM" means the Oodles the Art of Fresh Training Standards Manual.
- (2) "RM" means the Oodles the Art of Fresh Recipe Manual.
- (3) "MDM" means the Oodles the Art of Fresh Management Development Manual.

Instructors for the initial training program may rotate. The initial training program will be supervised by Philip Pederson, our Director of Training. See ITEM 2 for additional information on Mr. Pederson. Noodles Development instructors are persons who are knowledgeable in the operations of the Franchised Restaurants, and seek to direct trainees in both theory and practice. The training course and all materials are presented in English; therefore sufficient oral, reading, and writing skills in English are required to complete the training program.

We also provide periodic in-store training and supply manuals and materials, which you must to use in the training of your personnel.

ITEM 12 TERRITORY

If you sign a Franchise Agreement, you will not receive any exclusive territorial rights other than the sole right to operate the Franchised Restaurant at the Franchised Location.

You may purchase area development rights to open and operate more than one Franchised Restaurant. If you purchase area development rights for Franchised Restaurants, you will be granted a temporary exclusive territory ("**Development Territory**") in which your Franchised Restaurants must be established during implementation of the development schedule ("**Development Schedule**"). The Development Territory is based on demographics and other characteristics of the surrounding area, natural boundaries, extent of competition and the amount and size of urban, suburban and rural areas. The Development Territory is customarily designated by city, county or other political, geographical or physical boundaries. When and if the Development Schedule has been timely satisfied, you will no longer have any rights in the Development Territory and each Franchised Restaurant will be limited to operating at the Franchised Location, as described above.

During the term of the Area Development Agreement, we do not have the right to establish our own, or to grant to others the right to establish, Franchised Restaurants within the Development Territory; however, we reserve the right to sell Oodles the Art of Fresh Products and services, under the Marks or any other marks, through any other retail location, at special events or through any other channels of distribution, and we reserve the right to establish or grant Express Units utilizing the System and the Marks in the Development Territory.

While preservation of a Development Territory is not contingent upon sales volume, if an Area Developer does not meet its Development Schedule, grounds for default exist. Loss of exclusivity in the Development Territory could then result as we may elect, in our sole discretion, to terminate the Area Development Agreement, reduce or eliminate the territorial exclusivity, or reduce the size of the Development Territory.

Unless a renewal of the Area Development Agreement and an extension of the Development Schedule is negotiated by the parties, the Area Developer will no longer have a Development Territory upon the expiration or termination of the Area Development Agreement. However, each Franchised Restaurant in good standing will retain its protected rights at the Franchised Location as set forth in the Franchise Agreement.

Our Reservation of Rights

Except as expressly limited in the Franchise Agreement or Area Development Agreement, we (for ourselves, our affiliates and our designees) retain all rights with respect to Franchised Restaurants, the Marks, the Copyrighted Works and the sale of Oodles the Art of Fresh Products anywhere in the world, including the right to:

- (a) establish, operate or license to any other person or entity the right to establish or operate, a Franchised Restaurant owned or licensed by the us at any location outside of the Franchised Location or, in the case of an Area Developer, outside of the Development Territory;
- (b) develop, market, own, operate or participate in any other business under the Marks or any other trademarks;
- (c) develop, lease and license the use of, at any location inside or outside the Franchised Location or Development Territory, trademarks other than the Marks, in

connection with the operation of a system which offers products or services which are the same as or similar to those offered under the System on any terms or conditions which we deem advisable;

(d) merge with, acquire or be acquired by any other business, including a business that competes with your Franchised Restaurant, or to acquire and convert to the System operated by us any restaurants, including restaurants operated by competitors located inside or outside the Franchised Location or Development Territory, or otherwise operated independently or as part of, or in association with, any other system or chain, whether franchised or corporately owned;

(e) distribute, sell or license other persons to distribute or sell non-System products and Oodles the Art of Fresh Products, whether inside or outside the Franchised Location or Development Territory, through all other channels. **"Other Channels"** means locations other than traditional restaurants owned or licensed by us, and includes sale by or through other channels of trade including, without limitation, kiosks, carts, grocery stores, convenience stores, airports, food chains, electronic mail, Internet sales, malls, universities, schools, hospitals, military bases, casinos, convention centers, arenas, stadiums, special events, health, medical and fitness facilities, office buildings, theme parks, movie theatres, amusement facilities and such other non-traditional locations as described in the Operations Manual and modified by us periodically in our discretion; and

(f) implement multi-area marketing programs which may allow us or others to solicit or sell to customers anywhere and to issue mandatory policies to coordinate this multi-area marketing programs.

ITEM 13 TRADEMARKS

Prior to March 31, 2006, we licensed our franchisees to operate the Franchised Restaurant under the trademark, "NOTHING BUT NOODLES®". Effective March 31, 2006 the Franchise Agreement grants you the nonexclusive right to use our Marks, including the trademark "OODLES THE ART OF FRESH™", and various designs and logo types associated with our products and services. We may make exceptions, in our sole discretion, to this requirement for certain existing franchisees or new franchisees opening in markets in which we have already established a large number of Franchised Restaurants operating under the trademark Nothing But Noodles®" and those franchisees may be granted the right to operate their Franchised Restaurants using the name "Nothing But Noodles®" for some period of time into the future.

You may also use our other current or future Marks as we may designate to operate your Franchised Restaurant. You must indicate, as required in the Franchise Agreement and specified in the Operations Manual, that you are an independent operator of the Franchised Restaurant and you shall use only the appropriate and authorized Marks as indicated by us.

Noodles Management, L.L.C., the general partner of Noodles Development, LP, has granted us an exclusive, royalty-free license ("**Trademark License**") to use the Oodles the Art of Fresh™ for the purpose of franchising the Oodles the Art of Fresh System around the world. The Trademark License is a perpetual license commencing January 1, 2006, provided we are not in default or do not materially breach the Trademark License by engaging in any activity which damages the Marks or the goodwill of the System.

Noodles Management, L.L.C., the general partner of Noodles Development, LP, has also granted us an exclusive, royalty-free license ("**Noodles Trademark License**") to use other trademarks, including the trademark "Nothing But Noodles®". The Noodles Trademark License commenced on January 2003.

Pursuant to the Trademark License and the Noodles Trademark License, we are licensed to use and claims rights to the following Marks:

Mark	Filing Date	Serial or Registration Number
Oodles The Art of Fresh	August 31, 2005	S/N 78704850
Nothing But Noodles	July 1, 2003	Reg. 2,731,921
Nothing But Noodles Design/Logo	July 1, 2003	Reg. 2,731,922

You must follow our rules when you use our Marks. You may not use any of the Marks alone or with modifying words, designs or symbols as part of a corporate or business name or in any form on the Internet, including URLs, domain names, e-mail addresses, locators, links, metatags or search techniques, except as we license to you. You must get our prior written approval of your company name before you file any registration documents. Guidelines regarding proper trademark use and notices are in the Operations Manual and will be updated periodically in our discretion.

You may not use our Marks with an unauthorized product or service, or in a manner not authorized in writing by us.

There are no currently effective material determinations of the USPTO, the Trademark Trial and Appeal Board, the trademark administrator of any state or any court, any pending infringement, opposition or cancellation proceedings or any pending material litigation involving any of our Marks which are relevant to the use of these Marks. No currently effective litigation affects our use or ownership rights in any Mark. No currently effective agreement limits our right to use or license the use of our Marks.

You must notify us within three days of when you learn about an infringement of or challenge to your use of our Marks. We will take the action necessary, in our sole discretion, to protect the unauthorized use of our Marks, which may include payment of reasonable costs associated with the action.

You must modify or discontinue the use of a Mark if we modify or discontinue its use. If this happens, we will reimburse you for your tangible cost of compliance (for example, changing

signs). You must not directly or indirectly contest our right to our Marks, trade secrets or business techniques that are part of our business or the System.

We do not know of any infringing uses that could materially affect your use of our Marks. You should understand that there could be other businesses operating in or near the areas where you may do business or otherwise, using trademarks, trade names, or other commercial symbols similar to our Marks with superior rights to our rights. Before opening your Franchised Restaurant, we strongly urge you to research this possibility, using telephone directories, trade directories, Internet directories, or otherwise before your signing the Franchise Agreement, any other documents, or expending or paying any sums or making any commitments, in order to avoid the possibility of having to change your Franchised Restaurant name.

ITEM 14

PATENTS, COPYRIGHTS AND PROPRIETARY INFORMATION

The information contained in the Operations Manual is proprietary and is protected by copyright and other laws. The Operations Manual and the limitations of the use of it by you and your employees is described in ITEM 11. The designs contained in the Marks, the layout of our advertising materials, the content and format of our Oodles the Art of Fresh Products and menus, as well as any other writings or recordings in print or electronic form are also protected by copyright and other laws. Although we have not filed an application for copyright registration for the Operations Manual, the Marks, the advertising materials, the content and format of our Oodles the Art of Fresh Products and menus, and other writings and recordings, we claim common law and federal copyrights in these items. We grant you the right to use this proprietary and copyrighted information (“**Copyright Works**”) in connection with your operation of your Franchised Restaurant, but these copyrights remain our sole property.

You must notify us within three days after you learn about another’s use of language, a visual image, or a recording of any kind, that you perceive to be identical or substantially similar to one of our Copyright Works or if someone challenges your use of our Copyright Works. We will take whatever action we deem appropriate, in our sole and absolute discretion, to protect our rights in and to the Copyright Works, which may include payment of reasonable costs associated with the action.

We will indemnify, hold harmless, and reimburse you for your liability and reasonable costs in connection with defending your use of our Copyright Works. To receive reimbursement you must have notified us within the required timeframe upon your learning of the use of identical or substantially similar language or visual image, and you must have used the Copyright Works only per the terms of the Franchise Agreement.

You must add, modify, or discontinue the use of a Copyright Work if we instruct you to do so. If this happens, we will reimburse you for your tangible cost of compliance. You must not directly or indirectly contest our rights to any of our Copyright Works that are part of our business or the System.

Our Operations Manual, electronic information and communications, sales and promotional materials, the development and use of our Oodles the Art of Fresh Products, and

other related materials are proprietary and confidential and are considered to be our property to be used by you only as described in the Franchise Agreement or the Operations Manual. Where appropriate, certain information has also been identified as trade secrets ("**Trade Secrets**"). You must maintain the confidentiality of our information and adopt reasonable procedures to prevent unauthorized disclosure of our Trade Secrets and confidential information. We reserve the right to convert the Operations Manual into an exclusively electronic format and to require you to access either document through the Internet or through an intranet created and supported by us.

No patents are material to us at this time.

We own all records with respect to the customers, suppliers, and other services providers of, and related in any way to, your Franchised Restaurant. This includes, without limitation, all databases (whether in print, electronic, or other form), including, among other things, all names, addresses, phone numbers, e-mail addresses, and customer purchase records. We may use or transfer the records in any way we wish, both before and after any termination, expiration, repurchase, transfer or otherwise. (See Section 7.28 of the Franchise Agreement). We may contact any or all of your customers, suppliers, and other service providers for quality control, market research, and other purposes as we deem appropriate, in our sole discretion. (See Section 7.17 of the Franchise Agreement).

ITEM 15

OBLIGATION TO PARTICIPATE IN THE ACTUAL OPERATION OF THE FRANCHISE BUSINESS

You, or your managing shareholder or partner, are not obligated to participate personally in the direct operation of your Franchised Restaurant so long as a designated operating principal ("**Operating Partner**"), who has completed our initial training program, does so. Your Operating Partner must have at least five years' experience in the food service industry. If you are a legal or business entity, your Operating Partner must own an equity interest of at least ten percent in the entity. You or your Operating Partner must devote full time and best efforts to the management and operation of the Franchised Restaurant. You or, if applicable, your Operating Partner, must successfully complete our mandatory initial training program by demonstrating to us appropriate levels of competence in the subject matters taught in the training program, in our discretion. If your Operating Partner's employment with you is terminated, you must designate a new Operating Partner who must begin, and successfully complete, our initial training program within thirty days after the termination of the initial Operating Partner, unless we do not hold an initial training program during that 30-day period, in which case the replacement Partner must attend and successfully complete the first available initial training program held by us. (See ITEM 6 regarding the payment of required fees for replacement training).

If you are a legal or business entity, we may require that your Operating Partner and each of your officers, directors, partners, shareholders or members (and, if you are an individual, immediate family members) sign our standard Guaranty and Indemnity or our Non-Disclosure and Non-Competition Agreement. (See Franchise Agreement **Schedule E**, and our Non-Disclosure and Non-Competition Agreement attached to this Offering Circular as **Exhibit E**).

In signing the Franchise Agreement, you acknowledge that the risks, financial and otherwise, which are inherent with the beginning of any new business, are yours alone. We, as a matter of policy, will not assist you in any decision-making process that may affect the operations of your Franchised Restaurant. The success or failure of the franchise as a business enterprise is dependent on your efforts. The purchase of this franchise should not be considered by anyone who is unfamiliar with standard business practices or is unwilling to accept the responsibilities associated with running a small business.

ITEM 16 RESTRICTIONS ON WHAT THE FRANCHISEE MAY SELL

You must keep your Franchised Restaurant open and in normal operation for the minimum hours and days we may specify. You must refrain from using or permitting the use of your Franchised Restaurant for any other purpose or activity at any time without first obtaining our written consent.

You must offer for sale and sell all those products ("**Oodles the Art of Fresh Products**") and services that we designate as required. You must not offer or sell any other types of products or services or operate or engage in any other type of business or profession from or through your Franchised Restaurant. You acknowledge that it is essential to sell Oodles the Art of Fresh Products made from confidential proprietary recipes and obtained from designated sources in order to assure the consistency and quality of the Oodles the Art of Fresh System and the services offered at your Franchised Restaurant. We have the right to change the types of authorized Oodles the Art of Fresh Products and services, and there are no limits on our right to do so, although we will provide you with written notice thirty days before any changes become effective. Supplies and equipment used in your Franchised Restaurant must be purchased from us or a vendor approved by us or meet the standards and specifications set by us occasionally in the Operations Manual.

ITEM 17 RENEWAL, TERMINATION, TRANSFER AND DISPUTE RESOLUTION

The following table lists important provisions of the Franchise Agreement and the Area Development Agreement. You should read these provisions in the Franchise Agreement attached to this Offering Circular.

Franchised Restaurants

Provision	Section in Franchise Agreement	Summary
a. Term of the franchise	Section 2.1	10 years.
b. Renewal or extension of the term	Section 2.2	Term of the then-current Franchise Agreement.

Provision	Section in Franchise Agreement	Summary
c. Requirements for you to renew or extend	Sections 2.2 & 2.3	You must give notice; have complied with all material terms of the current Franchise Agreement; paid all monetary obligations owed to Noodles Development and timely met your obligations to Noodles Development during the term of the Franchise Agreement; agree in writing to remodel, modernize and redecorate your Franchised Location; have the right to continue to occupy the Franchised Location; additional training of you or your Operating Partner; sign the then-current Franchise Agreement; pay 10% of the then-current Franchise Fee.
d. Termination by you	None	None.
e. Termination by Noodles Development without cause	None	None.
f. Termination by Noodles Development with cause	Section 18	If you breach the Franchise Agreement.
g. "Cause" defined – curable defaults	Section 18.1	You will have 10 days to cure if you: violate any material provision of the Franchise Agreement; fail to pay any uncontested fee to anyone; issue any check which is dishonored; fail to timely file and/or pay any federal or state income or sales tax return; fail to provide, or permit Noodles Development to audit your financial records. You have 5 days to cure a failure to pay any monetary obligation or fees due to Noodles Development.
h. "Cause" defined – defaults which cannot be cured	Section 18.4	Noodles Development has the right to terminate the Franchise Agreement immediately upon notice if you: misrepresented or omitted material facts when acquiring the franchise; fail to satisfactorily complete training; contest our Marks; make an unauthorized transfer or other entity change; are convicted of or plead guilty or no contest to any law relating to your Franchised Restaurant or a felony; lose possession of the Franchised Location, lose your food service license for any reason; are deemed insolvent; make an assignment for the benefit of creditors; abandon the Franchised Location; materially impair the Marks or the System; violate any material provision three or more times during a 12 month period; have two consecutive unexcused absences from the Annual Convention.
i. Your obligations on termination/non-renewal	19	You must pay what you owe under the Franchise Agreement within five days of termination; immediately return all printed materials relating to the Franchised Restaurant; cease using the Marks and the System; alter the appearance of your Franchised Location; transfer your telephone directory listings to Noodles Development.
j. Assignment of Franchise Agreement by Noodles Development	Section 17.1	No restrictions on the right of Noodles Development to assign this Franchise Agreement.
k. "Transfer" by you-defined	Sections 17.2, 17.3 & 17.4	Includes assignment to owned or controlled corporation, assignment in the event of death or disability, sale of ownership interests, and transfer of rights under the Franchise Agreement.
l. Noodles Development approval of transfer by you	Section 17.5	Noodles Development has the right to approve any transfer proposed by you, but approval will not be unreasonably withheld.

Provision	Section in Franchise Agreement	Summary
m. Conditions for Noodles Development's approval of transfer	Section 17.5	You must provide Noodles Development with 60 days written notice of the transfer; pay all money owed to Noodles Development; sign a transfer agreement between you and Noodles Development; sign a joint and mutual release between you and Noodles Development; pay the transfer fee. The transferee must meet the standards established by Noodles Development for franchisees; sign a transfer and assignment agreement between the transferee and Noodles Development; acquire the right to occupy the Franchised Location; acquire a valid food service license; successfully complete training.
n. Noodles Development right of first refusal to acquire your business	Section 17.4	Noodles Development has 10 days to decide to acquire your Franchised Restaurant before a transfer.
o. Noodles Development option to purchase your business	Section 17.4	Noodles Development has 10 days to decide to acquire your Franchised Restaurant before a transfer.
p. Your death or disability	Section 17.3	If you are an individual, your Franchise Agreement may be transferred to your beneficiary without paying a transfer fee to Noodles Development, subject to the requirements described in (m) above.
q. Non-competition covenants during the term of the Franchise Agreement	Section 20.2	You may not participate in any competitive restaurant business.
r. Non-competition covenants after the Franchise Agreement is terminated or expires	Section 20.2	For a period of two years after the termination of your Franchise Agreement, you may not participate in any competitive restaurant business that is within ten miles of the Franchised Location or any other Franchised Restaurant, or within any exclusive area granted by Noodles Development.
s. Modification of the Agreement	Section 23.8	Only by written agreement signed by you and Noodles Development.
t. Integration/merger clause	Section 23.9	The Franchise Agreement constitutes the entire and complete agreement between you and Noodles Development (subject to state law).
u. Dispute resolution by arbitration or mediation	None	Arbitration in Scottsdale, Arizona.
v. Choice of forum	Section 23.11	Scottsdale, Arizona, except as in the State Addenda to this Offering Circular.
w. Choice of law	Section 26.1	Governing law will be the laws of the State of Arizona, except as in the State Addenda to this Offering Circular.

Additional Provisions for Area Developers

Provision	Section in Area Development Agreement	Summary
a. Term of the Area Development Agreement	Section 2	The term of the Area Development Agreement will be negotiated by the parties.
b. Renewal or extension of the term	Section 2	Any renewal term must be negotiated by the parties. You must be in good standing to renew.
c. Requirements for you to renew or extend	Sections 2 and 7	Not in default under the Area Development Agreement or any Franchise Agreement.
d. Termination by you	None	
e. Termination by Noodles Development without cause	None	

Provision	Section in Area Development Agreement	Summary
f. Termination by Noodles Development with cause	Section 7	Noodles Development can terminate you only if you are in default.
g. "Cause" defined – defaults which can be cured	None	
h. "Cause" defined – defaults which cannot be cured	Section 7	Failure to comply with Development Schedule, failure to comply with any obligations in the Area Development Agreement or any Franchise Agreement, etc.
i. Your obligations on termination/non-renewal	Section 11	Non-competition.
j. Assignment of contract by Noodles Development	Section 8.1	No restriction on Noodles Development's right to assign.
k. "Transfer" by you – definition	Section 8.2	Includes transfer of contract, assets, any Franchise Agreement or ownership change.
l. Noodles Development's approval of transfer by Area Developer	Section 8.2	Noodles Development must approve all transfers and Noodles Development has right of first refusal on all proposed transfers.
m. Conditions for Noodles Development's approval of transfer	Section 8.2	Paid up, not in default, release signed, transfer fee paid, transferee is approved, signs current Area Development Agreement and attends training, etc. (See also r, below).
n. Noodles Development's right of first refusal to acquire your business	Section 8.2(e)	Noodles Development may match any bona fide offer for your area development rights.
o. Noodles Development's option to purchase your business	Section 8.2(e)	Noodles Development may match any bona fide offer for your area development rights.
p. Your death or disability	None	
q. Non-competition covenants during the term of the franchise	Section 11	No involvement in competing business anywhere.
r. Non-competition covenants after the franchise is terminated or expires	Section 11.2	No competing business for two years within 50 miles of the territory of any Franchised Restaurant or Area Developer.
s. Modification of the Agreement	Section 12	Modifications only upon written agreement of the parties.
t. Integration/merger clause	Section 12	The Franchise Agreement, Area Development Agreement and their attachments constitute the entire agreement between the parties. Any other promises may not be enforceable.
u. Dispute resolution by arbitration or mediation	Section 21	Arbitration in Scottsdale, Arizona.
v. Choice of forum	Section 18	Scottsdale, Arizona (except as provided in a state specific Addendum)
w. Choice of law	Section 18	Arizona law applies (except as provided in a state specific Addendum)

NOTES:

These states have statutes which may supersede the Franchise Agreement in your relationship with us, including the areas of termination and renewal of your franchise: ARKANSAS (Stat. Section 42-72-201-210), CALIFORNIA (Bus. & Prof. Code Sections 20000-20043), CONNECTICUT (Gen. Stat. Section 42-133e 133h), DELAWARE (Code, tit. 6, Chapter 25, Sections 2551-2556), HAWAII (Rev. Stat. Section 482E-6), ILLINOIS (815 ILCS 705/1-44), INDIANA (Stat. Section 23-2-2.7), IOWA (Code Sections 523H.1-523H.17), MARYLAND (Stat. Sections 11-1301 to 11-1307), MICHIGAN Stat. Section 445.152), MINNESOTA (Stat. Section 80C.14), MISSISSIPPI (Code Section 75-24-51 to 75-24-61), MISSOURI (Stat. Section 407.400 to 407.420), NEBRASKA (Rev. Stat. Section 87-401 to 87-

410), NEW JERSEY (Stat. Section 56:10-1 to 56:10-12), SOUTH DAKOTA (Codified Laws Section 37-5A-51), VIRGINIA (Code 13.1-557-574-13.1-564), WASHINGTON (Code Section 19.100.180 to 19.100.190), WISCONSIN (Stat. Section 135.01 to 135.07). These and other states may have court decisions which may supersede the Franchise Agreement in your relationship with us, including the areas of termination and renewal of your franchise.

The above summaries are, as a result of disclosure regulations, necessarily brief. You are strongly urged to read in full all provisions of the Franchise Agreement, Area Development Agreement and other documents before signing any binding documents, paying any amounts or making any investments. Regardless of any provisions of state law to the contrary, we intend to fully enforce the provisions of the Franchise Agreement, Area Development Agreement, and other documents, including all venue, choice of law and arbitration provisions, and to rely on federal preemption under the Federal Arbitration Act (9 U.S.C.A. 1 et. seq.).

ITEM 18 PUBLIC FIGURES

Noodles Development does not use any public figures to promote its franchise, but reserves the right to do so in the future.

ITEM 19 EARNINGS CLAIMS

We do not furnish or authorize our salespersons to furnish any oral or written information concerning the actual or potential sales, costs, income or profits of Franchised Restaurants. Actual results vary from location to location and we cannot estimate the results of any particular franchise.

ITEM 20 LIST OF OUTLETS

THE NAMES, ADDRESSES AND TELEPHONE NUMBERS OF ALL CURRENT FRANCHISEES ARE LISTED IN **EXHIBIT G**. ALSO LISTED IN **EXHIBIT G** ARE THE NAMES AND LAST KNOWN ADDRESS AND TELEPHONE NUMBERS OF EVERY FRANCHISEE WHO HAS HAD AN OUTLET TERMINATED, CANCELLED, NOT RENEWED OR OTHERWISE VOLUNTARILY OR INVOLUNTARILY CEASED DOING BUSINESS UNDER THE FRANCHISE AGREEMENT DURING 2005 OR WHO HAS NOT COMMUNICATED WITH US WITHIN 10 WEEKS OF THE DATE OF THIS OFFERING CIRCULAR.

FRANCHISED BUSINESS LOCATIONS STATUS SUMMARY FOR YEARS 2003/2004/2005

State	Transfers	Canceled or Terminated	Not Renewed	Reacquired by Us	Left the system-other	Total from left columns	Franchises operating at year end
Alabama	0/0/0	0/0/0	0/0/0	0/0/0	0/0/0	0/0/0	0/1/1
Arizona	0/0/0	0/0/0	0/0/0	0/0/0	0/0/1	0/0/1	2/5/5
Georgia	0/0/0	0/0/0	0/0/0	0/0/0	0/0/0	0/0/0	0/0/1
Indiana	0/0/0	0/0/0	0/0/0	0/0/0	0/0/0	0/0/0	0/2/3
Iowa	0/0/0	0/0/0	0/0/0	0/0/0	0/0/0	0/0/0	0/1/1

State	Transfers	Canceled or Terminated	Not Renewed	Reacquired by Us	Left the system-other	Total from left columns	Franchises operating at year end
Kentucky	0/0/0	0/0/0	0/0/0	0/0/0	0/0/0	0/0/0	0/0/1
Michigan	0/0/0	0/0/0	0/0/0	0/0/0	0/0/0	0/0/0	0/0/1
Missouri	0/0/0	0/0/0	0/0/0	0/0/0	0/0/0	0/0/0	0/2/2
Nebraska	0/0/0	0/0/0	0/0/0	0/0/0	0/0/0	0/0/0	1/1/2
New Mexico	0/0/0	0/0/0	0/0/0	0/0/0	0/0/0	0/0/0	1/2/2
New York	0/0/0	0/0/0	0/0/0	0/0/0	0/0/0	0/0/0	0/0/1
Ohio	0/0/0	0/0/0	0/0/0	0/0/0	0/0/0	0/0/0	0/2/3
Oklahoma	0/0/0	0/0/0	0/0/0	0/0/0	0/0/0	0/0/0	2/3/3
Oregon	0/0/0	0/0/0	0/0/0	0/0/0	0/0/0	0/0/0	0/1/1
Pennsylvania	0/0/0	0/0/0	0/0/0	0/0/0	0/0/0	0/0/0	0/0/1
Texas	0/0/0	0/0/0	0/0/0	0/0/0	0/0/2	0/0/2	1/3/2
Utah	0/0/0	0/0/1	0/0/0	0/0/0	0/0/0	0/0/1	0/1/0
Washington	0/0/0	0/0/0	0/0/0	0/0/0	0/0/0	0/0/0	0/0/1
Wisconsin	0/0/0	0/0/0	0/0/0	0/0/0	0/0/1	0/0/1	0/0/2
TOTALS	0/0/0	0/0/1	0/0/0	0/0/0	0/0/4	0/0/5	7/24/33

The following table reflects the Company Restaurants by state:

**Company-Owned Restaurants
For Fiscal Years 2003/2004/2005**

State	Company-Owned Restaurants Closed	Company-Owned Restaurants Opened	Total Company-Owned Restaurants Operating At Year End (1)
Arizona	0/0/0	1/0/0	1/1/1
New Mexico	0/0/0	1/0/0	1/0/0
Totals:	0/0/0	2/0/0	2/1/1

(1) As of May 31, 2004, our Company Restaurant in Albuquerque, New Mexico was sold to an Area Developer.

The following table reflects the projected openings of Franchised Restaurants by state:

Projected Openings as of December 31, 2005

State	Franchise Agreements Signed But Restaurants Not Yet Open	New Franchised Restaurants Projected in Next Fiscal year
Alabama	1	1
Arizona	1	2
California	0	1
Georgia	0	1
Hawaii	0	1
Indiana	0	1
Kansas	0	1
Michigan	0	1
Missouri	0	1
North Carolina	1	1
Ohio	1	1
Oregon	0	0
Pennsylvania	0	1
Texas	1	2
Wisconsin	0	0
TOTALS	5	15

The following table reflects signed Area Development Agreements by state and number of Franchised Restaurants provided in each Agreement:

Signed Area Development Agreements as of December 31, 2005

Area Development Agreements Signed by State	Number of Franchised Restaurants provided
Arizona	15
California	3
Georgia	5
Iowa	11
Indiana	16
Kentucky	1
Michigan	4
Nebraska	3
New Mexico	7
New York	6
North Carolina	6
Ohio	26
Oklahoma	3
Oregon	12
Pennsylvania	26
Texas	11
Washington	3
Wisconsin	6
TOTALS	164

The following table reflects the projected number of Area Development Agreements by state:

Projected Area Development Agreements as of December 31, 2005

Area Development Agreements Signed by State	Number of Franchised Restaurants Provided
Florida	5
Hawaii	4
Illinois	4
Kansas	5
Michigan	4
Missouri	2
Texas	2
TOTALS	26

**ITEM 21
FINANCIAL STATEMENTS**

Attached to this Offering Circular as **Exhibit A** are our audited financial statements as of December 31, 2005, December 31, 2004 and December 31, 2003, with the independent auditor's report attached.

ITEM 22
CONTRACTS

Attached hereto are copies of the Franchise Agreement (**Exhibit B**) and the Area Development Agreement (**Exhibit C**).

ITEM 23
RECEIPT

Exhibit K contains two detachable pages acknowledging the receipt of the Offering Circular by you. One copy is for your records, and one copy must be signed and dated by you and returned to us.