

REQUIRED LEASE TERMS

The terms and conditions in the attached Lease Addendum to Lease Agreement (“Lease Addendum”) must be included in the Franchisee’s Lease for the location of the Franchised Business via execution of the attached Lease Addendum or through modifications to the actual Lease

LEASE ADDENDUM TO LEASE AGREEMENT

("Lease Addendum")

Dated _____, 20__

Between

City of Killeen and CCL Ventures, LLC
(Landlord Name) (Tenant Name)

8101 S. Clear Creek Rd., Killeen, Texas 76549
(Address of Premises)

1. Use of Premises.

During the term of the Lease and until such Lease is terminated, the Premises may be used only for the operation of a quick service restaurant under the Blimpie® system, trademarks, trade names, and logos, which specialize in the sale of hot and cold submarine and deli-style sandwiches with all of the toppings, beverages, other fast food-related menu items and any other items sold under the Blimpie system. Landlord consents to Tenant’s use of such trademarks, trade names, logos, tag lines, signs, decor items, color schemes, and related components of the Blimpie franchise system as Kahala Franchising, L.L.C., franchisor of the Blimpie brand (“Kahala”), or any of its affiliates, may prescribe for the Blimpie franchisees and which may be altered or changed by Kahala from time to time.

2. Assignment and Notices.

a. Notwithstanding anything to the contrary in the Lease, Tenant shall have the right to assign the Lease and all amendments thereto, as applicable, including this Lease Addendum (collectively, "Lease"), and all rights hereunder to Kahala or to a third-party Blimpie franchisee approved by Kahala, upon the expiration or termination of the current franchise agreement by and between Kahala and Tenant (“Franchise Agreement”), with Landlord’s consent which will not be unreasonably denied and without the imposition of any assignment fee or similar charge, except that any assignee shall be required to post a performance bond, cash deposit or other financial assurance acceptable to the Airport in the amount of \$2,000 for the full term and any renewal term that shall be forfeited if it fails to perform all the terms and conditions of the Lease. Landlord shall not accelerate the rent owed hereunder in connection with such assignment(s), so long as Kahala, its affiliate(s) or its third-party franchisee(s) assumes in writing the obligations of Tenant under the Lease. Nothing in this Section 2.a shall serve to extend the term of the Lease or provide Kahala any occupancy rights, options to renew or other rights not expressly set forth to Tenant in the Lease.

b. Landlord agrees to furnish Kahala with copies of any and all letters and notices to Tenant pertaining to the Lease and the Premises at the same time that such letters and notices are sent to Tenant. Landlord further agrees that, if it intends to terminate the Lease, the Landlord will give Kahala the same advance written notice of such intent as provided to Tenant, specifying in such notice all defaults that are the cause of the proposed termination. Kahala shall have the right to cure, at its sole option, any such default within the time periods granted to Tenant under the Lease. If neither Tenant or Kahala cures all such defaults within said time periods (or such longer cure periods as may be specifically permitted by the Lease), then the Landlord may terminate the Lease, re-enter the Premises and/or exercise all other rights as set forth in the Lease.

c. Subject to Art. IV, Par. 12 of the Lease, prior to the expiration or termination of the Lease, Kahala shall have the right to enter the Premises to make any reasonable modifications or reasonable alterations necessary to protect Kahala's interest in the Blimpie brand and its trademarks, trade names, logos, tag lines, signs, decor items, color schemes, and related components of the Blimpie franchise system, or to cure any default under the Lease, and Landlord and Tenant agree that Kahala shall not be liable for trespass or any other crimes or tort.

3. Notices.

All notices and demands required to be given hereunder shall be in writing and shall be sent by personal delivery, expedited delivery service, certified or registered mail, return receipt requested, first-class postage prepaid, email or facsimile (provided that the sender confirm the facsimile, telegram or telex by sending an original confirmation copy by certified transmission), to the respective parties at the following addresses unless and until a different address has been designated by written notice to the other parties.

If directed to Tenant, the notice shall be addressed to:

Killeen Fort Hood Regional Airport
8101 S. Clear Creek Rd.
Killeen, Texas 76549
Attn: _____
Facsimile: (254) 501-8744
Email: _____

If directed to Landlord, the notice shall be addressed to:

Attn: _____
Facsimile: _____
Email: _____

If directed to Kahala, the notices shall be addressed to:

Kahala Franchising, L.L.C.
9311 E. Via De Ventura
Scottsdale, AZ 85258
Attn: Real Estate Department
Facsimile: (480) 362-4792
Email: realestate@kahalamgmt.com

Any notices sent by personal delivery shall be deemed given upon receipt. Any notices given by email or facsimile shall be deemed given on the business day of transmission, provided confirmation is made as provided above. Any notice sent by expedited delivery service or registered or certified mail shall be deemed given three (3) business days after the time of mailing. Any change in the foregoing addresses shall be effected by giving fifteen (15) days

written notice of such change to the other parties.

4. Amendments.

Landlord and Tenant will not amend, renew, extend, or otherwise modify this lease in any manner which would materially affect any of the foregoing provisions without Kahala's prior written consent.

5. Third Party Beneficiary.

Landlord and Tenant agree that Kahala is a third party beneficiary of the Lease.

6. Miscellaneous

The terms and conditions of this Lease Amendment will supersede any conflicting terms of the Lease. Any capitalized term not specifically defined in this Addendum shall have the meaning ascribed to such term in the Lease.

IN WITNESS WHEREOF, the parties hereto, by and through their respective representatives authorized to enter into and bind each respective party without further consent or authorization, have duly executed and delivered this Lease Addendum in duplicate as of the date set forth above.

LANDLORD:

By: _____

Name: Ronald L. Olsen

Title: City Manager

TENANT:

By: _____

Name: _____

Title: _____

By: _____

Name: _____

Title: _____