

SITE APPROVAL CHECKLIST

AD / DDM MARKET: Quiz-Tola, Inc.
REAL ESTATE CONTACT: Reed, Randy
STORE #: 10752
FRANCHISEE: Poole, David
PROJECT/STORE NAME: Airline Drive and Beene Boulevard
STORE ADDRESS: Airline Drive and Beene Boulevard Bossier City, LA 71111
STORE TYPE: Trad Shopping Center

FRANCHISE AGREEMENT EXECUTED

Amount Paid: \$25,000.00 Date: 03/24/2006

SITE EVENTS

Site Package Received:	By: Wagner, Dina	Date: 06/01/2006
LOI Received:	By: Laughlin, Leah	Date: 06/12/2006
Maps and Demos Received:	By: Wagner, Dina	Date: 06/01/2006
A&R:	By: Wagner, Dina	Date: 06/01/2006
AD Evaluation:	By: Wagner, Dina	Date: 06/01/2006
FO Evaluation:	By: Wagner, Dina	Date: 06/01/2006
Lead Sheet:	By: _____	Date: _____
Quizno's Shell:	By: Laughlin, Leah	Date: 06/12/2006
Site Plans (Exhibit A):	By: Wagner, Dina	Date: 06/01/2006
Site Approved:	By: Laughlin, Leah	Date: 06/12/2006

LEASE EVENTS

Lease Received:	By: _____	Date: _____
Lease Paid:	By: _____	Date: _____
Equipment Deposit Received:	By: _____	Date: _____
Lease Letter Sent:	By: _____	Date: _____
Lease Letter / Green:	By: _____	Date: _____
Cursory App. Letter Mailed:	By: _____	Date: _____
Addendum:	By: _____	Date: _____

APPROVAL REQUIRED

Proximity (w/i 1.5 miles) Project Costs (>250K) Low Demos Rent/Debt (>550K)
 Multi Unit Ops D&C Zone Signature
 Concentric Circle

Mgmt. Approval: _____ Date: _____

AUDIT STEPS

Greenfield Verification: _____ Date: _____
Scoring Sheet Updated in Access: By: _____ Date: _____

This is a replacement site for one which is now dead.
 This is a reopen of prior store. Prior store number: _____
 This site was previously approved as store number: _____
Associated Stores: 10753

Comments:

Pre-Approval Site Evaluation Form

Submitter First Name	Tony
Submitter Second Name	Colvin
Phone Number	262-344-3713
AD or DDM Name	Casual Dining
Store Number	10886
FO First Name	Fatmir
FO Second Name	Hamdia
Site Address 1	Highway 36 & Wounaty W
Site Address 2	
Site City	Burlington
Site State	WI
Site Zip	53105
Projected Opening Date	7/1/2007
Site Square Feet	1,600
Site Base Rent (\$ per foot ² per annum)	\$23.25
Annual Rent	\$34,404
CAM (\$ per annum)	\$4,000
Taxes (\$ per annum)	
Insurance (\$ per annum)	
Annual Rent, CAM, Taxes and Insurance	\$38,404
Landlord TI Money	\$40,000
New Construction (Yes or No)	Yes
Shell Type (1 = Q Shell, 2 = Vanilla Shell, 3 = As Is)	1
Requirements Not Paid by Landlord (included in FO's construction cost):	
New Floor and/or Tiles (Yes or No)	No
New Restroom or Move Restroom (0, 1, 2 or 3)	2
Interior Walls and/or Soffit (Yes or No)	No
Electrical Service and Panel (Yes or No)	No
HVAC (Yes or No)	No
Site Score - Visibility	3
Site Score - Competition	4
Site Score - Position in Trade Area	4
Site Score - Anchor Quality/Co-Tenants	4
Site Score - Access (Not Downtown/CBD)	5
Site Score - Parking (Not Downtown/CBD)	5
Video/photos Attached or Mailed?	no
Plan Attached, Mailed or Faxed? (mandatory for new construction)	yes

Preliminary Site Evaluation Output

FO Cash Requirement		70,000	
Less: Franchise Fee		<u>25,000</u>	
Net Funds Available		45,000	
Gross Construction Costs	67,571		
Less: Landlord TI	(40,000)		
Equipment Costs	70,000		
Other Costs (Attorneys Fees, Training, ...)	<u>20,000</u>		
New Investment		<u>117,571</u>	
Borrowing Requirement		72,571	
Prime Rate	7.50%		
Prime Rate + 2.75%	10.25%		
Years of Loan	10		
Periods per Year	12		
Annual Debt Payment		11,629	
Annual Rent (including CAM , Taxes & Insurance)		38,404	
Estimated Other Fixed Costs (per Year)		<u>24,000</u>	
Total Yearly Fixed Costs		74,033	
Estimated AUV (based on Demographics)		455,413	
Margin (@ Chain Average)	26.00%	118,407	
Fixed Cost Coverage Ratio		1.60	
Target Margin		10%	
Fixed Cost & Target Margin Coverage Ratio		1.45	
Quality Adjustment - Submitter (Black) and HQ RE (Green)		96.7%	96.7%
Quality Ajusted Fixed Cost & Target Margin Coverage Ratio		1.41	1.41
Estimated AUV (based on Demographics and Quality)		440,253	440,253
Minimum Net 2 Revenue to Breakeven (including Target Margin)		313,218	313,218
Positive/(Negative) Net 2 Variance		127,036	127,036
Accptable Increase in Fixed Costs/(Required Decrease in Fixed Costs) to Breakeven [after allowing for Target Margin and adjusting for Site Quality]		40,433	40,433

This site is Green - RE Team approves

This score provides a best faith estimate given provided data but does not commit Quiznos to the ongoing store profitability.

SITE EVALUATION FOR TRADITIONAL SITES

Store # 10752 Franchise Agreement Executed on: 3.24.06

Franchisee Name: David Poole Company Name: _____

Phone #'s Office: 318-246-1280 Fax: _____ Home: _____

Home Address: 221 Radbrook Dr. Bossier City La 71112

Franchisee e-mail: the.poules@BellSouth.net Real Estate Representative: Bill McFadden

Prepared by: Gary Carr Date: 5-19-06 Phone: 318-218-6284

LOCATION: Airline Dr + Beane Blvd Bossier City La 71111 Bossier Parish LA 71302

Stirling Properties
Landlord/Developer: _____ Contact: _____ Phone: _____ E-mail Address: _____

Project Name: _____

- TYPE: Check all that apply
- | | | | | |
|---|-----------------------------------|--|---|---------------------------------------|
| <input type="checkbox"/> Airport | <input type="checkbox"/> C & G | <input type="checkbox"/> Downtown | <input type="checkbox"/> Enclosed Mall | <input type="checkbox"/> Freestanding |
| <input type="checkbox"/> Food Court | <input type="checkbox"/> Hospital | <input type="checkbox"/> Office Building | <input type="checkbox"/> Outlet Center | <input type="checkbox"/> SPOD |
| <input checked="" type="checkbox"/> Shopping Center | <input type="checkbox"/> Stadium | <input type="checkbox"/> Truck Stop | <input type="checkbox"/> University | <input type="checkbox"/> Strip Center |
| <input checked="" type="checkbox"/> End Cap | <input type="checkbox"/> In Line | <input checked="" type="checkbox"/> New construction | <input checked="" type="checkbox"/> Vacant Land | Other _____ |

Space currently: Vacant Occupied

Current or Prior Use: Pecan Grove

Days of operation: 7 6 5 other _____ Patio available: Yes No Number of seats: 35

SIZE: Dimensions of space / building: 1600 ft. frontage x 200' ft. depth = 80' Total Sqft
Total Size (GLA) 600,000 Sqft. of shopping center 70 % leased

SIGNAGE: Standard Quiznos sign Yes No, Size _____ L _____ H, % of Store Front _____ %
Pylon or Monument sign Yes No, Size _____ L _____ H, Height from ground _____
Directory sign Yes No, Size _____ L _____ H
Window Neon Yes No
Standard Quiznos Awning Yes No, Size _____ L _____ H _____ W

ZONING/PERMITS: Current zoning Retail ? How long for; Health Dept. approval 60 days

Building Permits _____ ?
Special permits/variances required for carryout Yes No, or sit down food use? Yes No

PROPOSED LEASE SUMMARY: Turn over date to Quiznos March 07 Estimated opening date July 07

Primary lease term 10 years 2 Options for 5 years. Security Deposit \$ 3000 % Rent 6

Base rent Yr.1 \$ 2800 /mo. Yr.2 \$ 3000 /mo. Yr.3 \$ 3000 /mo. Yr.4 \$ 3000 /mo. Yr.5 \$ 3133 /mo.

Taxes \$ _____ /mo. Insurance \$ _____ /mo. CAM \$ 42.00 /mo. Other \$ _____ /mo. Total \$ _____ /mo.

Base Rent in Option period's 1st \$ 3658.00 2nd \$ 4097.00 3rd \$ _____

Quiznos Addendum attached: Yes No Exclusive Use: Yes No Approved signage attached: Yes No

Radius Clause: Yes No 1st 2nd generation space. Tenant takes space as is: Yes No

Tenant Improvement by Landlord \$ 40,000 Mark who pays for (L= Landlord, T= Tenant, mark L if existing)

Tap Fees L, Meter Fees L, 3/4" water min. L 1 1/2" gas L, 4" Sewer min. L, 225A, 120/208V, 3 phase, 4 wire, L
1 1/2" gas _____, 2 ADA Restrooms L, HVAC 1 ton/ 1 sqft = 150 tons, new: Yes No, warranty for _____ yrs.

List other: J. Box Sign 2x4 lighting 50 gal water heater

[Signature]



David L. Poole, Jr 21 May 06

TRADE AREA: (circle the one that applies)

- Downtown CBD High Density
 Mall Rural Small Town Urban commercial/residential

Source of business lunch: High Traffic Area
 Source of business dinner: High Traffic Major Retail Center
 Positive features of location: At 2 Major Intersections
 Negative features of location: New Center

Traffic counts: Airline Dr 48,000 45
Main street name # cars/aver. weekday speed limit
I-220 45,000 70
Cross street name # cars/aver. weekday speed limit

Access: Excellent Good Poor Left turns in: Yes No
 Left turns out: Yes No Medians: Yes No

Visibility: Distance storefront is visible from North ___ ft. South ___ ft. East ___ ft. West ___ ft.

Parking: Quiznos spaces available 50, Shared parking sufficient Yes No, Walk up only

Demographics: Attach copy of demographic report to site package.

Primarily a drive-to site

1. Residential population 1 mile 4,452 2 mile 14,409 3 mile 28,230
 2. Median family income 1 mile \$9,212 2 mile \$9,604 3 mile \$9,600
 3. Daytime population 1/2 mile 2,022 1 mile 7,776 2 mile 21,438

Primarily a CBD walk to site

1. Daytime population .1 mile _____ .2 mile _____ .3 mile _____

Distance from other Quiznos

Location: 1185 Distance: 2.7 miles. Location: 4076 Distance: 18.6 miles.
 Location: 1051 Distance: 11 miles. Location: 7943 Distance: 6.5 miles.

The undersigned hereby requests approval of the above site. The undersigned acknowledges and agrees that:

- His/Her approval of such site is not a result of any representations regarding projected sales volumes, market potential revenues, or Profits made by Franchisor's employees, agents, consultants, Area Directors, or representatives.
- He/She has had the opportunity to obtain legal, financial, and other expert advice prior to the approval of such site.

The undersigned makes the following independent estimates relating to the subject site:

- Leasehold Improvements \$ TBD (Total leasehold improvements less landlord contribution)
- Total Project Cost \$ 200,000⁷ (Note: all costs including but not limited to franchise fee, Leasehold improvements, furniture, fixtures, equipment, signage, deposits, working capital, training, legal, architecture, attorneys, etc.)
- Total Financing \$ 90,000; Interest Rate 9 %, Term 7 yrs., mo. Pmt \$ 1448⁰⁰
- Lender Name TBD

The undersigned also understands that an acceptance of the site and Site Submittal Package by Franchisor, its Area Director, employees, or representative does not mean that Franchiser agrees with and/or approves any or all of the undersigned's cost estimates, construction estimates, or terms and conditions of the lease or contract to buy the location. Nor does it constitute a recommendation, endorsement, warranty, or guaranty of the suitability of the location, and the undersigned has taken all steps necessary to ascertain that such location is acceptable to the undersigned.

Submitted by: [Signature] David L. Pale Jr 21 May 06
Franchisee Signature Print Name Date



ACKNOWLEDGEMENT AND RELEASE FORM

The undersigned, individually and as Franchisee, under a Franchise Agreement dated, 1 March, 2008 (the "Franchise Agreement") by and between the undersigned and Quizno's Franchising II LLC or its successors, assigns or affiliates ("Franchisor") hereby states as follows:

1. All capitalized terms used herein shall have the same meaning as ascribed thereto in the Franchise Agreement.
2. The undersigned acknowledges that the Franchisor or its agents or employees, including Franchisor's Area Director, may have entered into preliminary discussions or negotiations concerning the economic or other material terms of a possible lease for property or space on or in which the Franchised Business facilities may be located, and may have prepared or provided the information in a Site Submittal Package or other form of information relating to the subject site, which premises are located at Highway 131/132 BLVD. Franchisee further acknowledges that no lease or binding agreement to enter into a lease has been executed or agreed to by Franchisor and that, pursuant to the Franchise Agreement, Franchisee will undertake negotiation of any such lease and is not bound by any preliminary discussions or negotiations engaged in by Franchisor or its agents and employees. The undersigned acknowledges that the final lease may contain certain provisions that create additional risks to the Franchisee, including but not limited to the following:
 - (a) Risks associated with high rental amounts, and the corresponding minimum monthly sales volume necessary to fulfill the undersigned's initial expenses and ongoing expenses. Please refer to the Real Estate/Design and Construction Workbook (the "Workbook").
 - (b) Risks associated with a lease term that is less than the term of the Franchise Agreement. The lease may expire before the Franchise Agreement. The undersigned acknowledges that it may have to relocate the store to another location at its sole cost and expense, and subject to Franchisor's prior approval of the new location. As a result thereof, the undersigned would likely incur significant expense, including build out of another store.
 - (c) Risks associated with a site location in an area containing population that is below Quiznos corporate standards, causing an adverse effect on the monthly sales volumes needed to fulfill initial expenses and ongoing expenses. Please refer to the Workbook.

The undersigned acknowledges that there may be other risks not mentioned herein, and that despite such risks, the undersigned would like to proceed with the operation of a Quiznos Sub restaurant at the above-referenced location.

3. The undersigned acknowledges and agrees that when the undersigned's proposed Lease is submitted to Quizno's for approval it must be accompanied by an equipment deposit check made payable to Source One Distribution LLC ("SOD") (currently in the amount of \$35,000). If the Lease is not accompanied by the SOD check, Franchisor must receive the check no later than 28 days from the date Franchisor receives the Lease. The undersigned further acknowledges and agrees that if the SOD check is not received within the 28 days, undersigned will be in default under the Franchise Agreement and Franchisor will be entitled to transfer the undersigned's site to another franchisee without notice to the undersigned. In the event the Lease relates to a new construction site, Franchisor will verify that the site is new construction and the SOD deposit check must be received by Franchisor prior to the undersigned being scheduled for training (QU 102). Also in the case of new construction sites, if the SOD deposit check is not received prior to the date the undersigned would otherwise be able to be scheduled for training, the undersigned will be in default under the Franchise Agreement and Franchisor will be entitled to transfer the undersigned's site to another franchisee without notice to the undersigned.

4. The undersigned further acknowledges that although Franchisor or its agents or employees, including its Area Director, may have been involved in approving site(s) for the location of the Franchised Business facilities, Franchisee has assumed sole and full responsibility for final site selection and approval. Franchisee understands that each possible site is unique and provides different risks and benefits, which may affect the success of the Franchised Business. Franchisee further understands that as part of analyzing the location, it is Franchisee's responsibility to meet with the local city planner to determine that there are no street, highway, interchange, city, or other planned changes that would negatively affect the location. Franchisee hereby releases and forever discharges Franchisor, its affiliates, and its Area Director and the officers, directors, shareholders, members, partners, employees, counsel and agents of each, from any loss, cost, claim, liability or expense arising out of or relating to the selection of or Franchisor's approval of the location and/or lease for the Franchised Business or the suitability of such location for the successful operation of the Franchised Business.

5. THIS PROVISION APPLIES ONLY IF THE FRANCHISEE INTENDS TO SUBLEASE PURSUANT TO, OR ACCEPT AN ASSIGNMENT OF, AN EXISTING LEASE NEGOTIATED BY OR ON BEHALF OF FRANCHISOR OR ITS AFFILIATES(S): In the event the undersigned intends to sublease the Franchised Business facilities from Franchisor or its affiliate or Area Director or accept an assignment of the tenant's interest in a lease entered into by Franchisor or its affiliate or Area Director, the undersigned acknowledges that although Franchisor or one of its agents negotiated the terms and provisions of the existing lease, Franchisee has independently investigated the suitability of the location of the premises in questions for location of the Franchised Business facilities and determined that such premises are suitable. In addition, Franchisee has been afforded the opportunity to review the existing Lease (and, if applicable, sublease) and, if so desired, to have Franchisee's attorney or other consultants review it and has found all of the terms and provisions thereof to be acceptable. Franchisee has been notified that it is in Franchisee's best interest to fully and independently review the proposed location with advisors or consultants of its choosing and Franchisee is not relying on any representation, warranties or information provided by Franchisor (other than the Lease) in determining to proceed as assignee or subtenant. Accordingly, Franchisee hereby releases and forever discharges Franchisor, its affiliates, and its Area Director and the officers, directors, shareholders, members, partners, employees, counsel and agents of each from any loss, cost, claim, liability or expense arising out of or relating to the selection of the location for the Franchised Business, the suitability of such location for the successful operation of the Franchised Business and the negotiation of or including of any provision in the existing lease.

6. The undersigned acknowledges and agrees that the success, if any, of a given location of a Quiznos Sub restaurant is the responsibility of the Franchisee and no representations or statements of actual, average, projected or forecasted sales, profits or earnings for a particular demographic area are provided to prospective franchisees by the Franchisor or its representatives. Neither officers, agents, consultants, Area Directors, or employees of the Franchisor are authorized to make any claims or statements as to the prospect or chances of success that any prospective Franchisee can expect at a particular Quiznos Sub restaurant location nor will information be given on past or recent achievements of franchisees, other than summary sales reports routinely provided to all franchisees. The Franchisor specifically instructs its personnel, agents, consultants, Area Directors, or employees, that they are not permitted to make such statements as to the prospects or chances of success at a particular location, nor are they authorized to represent or estimate dollar figures as to a given store's operation. The Franchisor recommends that prospective Franchisees make their own survey of existing Quiznos Sub stores (other than those owned by the Franchisor or one of its employees or agents) and judge their general operation procedure. The information supplied by existing franchise holders should allow the prospective Franchisee to determine whether or not they are profitable.

The undersigned hereby represents and warrants that it has freely and voluntarily executed this Acknowledgement and Release as of the 21st day of

11th, 2008.

By:

[Signature]
Franchisee Signature

Print Name:

David L. Peale, Jr.



Site Evaluation Form for Area Directors

LOCATION: Airline Dr + Beene Rd **STORE #:** 10252

Street Address _____ Suite _____ City _____ State _____ Zip _____ County _____ Cross Street _____

Franchisee: David Poole Corporate Name: _____

Franchise agreement effective date: _____ amount paid: \$ _____ date paid: _____

- AD has performed the Pre-Opening Orientation? Franchisee completed & signed Site Evaluation
- AD has verified that there are no territorial commitments The site has been registered?
- from other franchisees? Acknowledgement & Release?
- AD has confirmed that there is no radius clause in the lease?
- There are Quizno's approved LOI Addendum _____ Sign Criteria attached?

DISTANCE FROM OTHER QUIZNO'S LOCATIONS:

Location 1845-B Airline Dr distance 2.7 miles Location 4076 distance _____ miles 18.6 mile
 Location 1051 distance 11 miles Location 7943 distance _____ miles 6.5

SITE CRITERIA:

AD has reviewed the Site Evaluation Form and feels the majority of the minimum requirements in each category have been satisfactorily met, or are not relative to this specific location. Yes No

COMMENTS: Very Good Traffic, New Target Anchor Center with 600,000 SF Retail

Positive features of location: Access from two major Highways Strongest North Corridor in city

Negative features of location: _____

Estimated Total Project Cost	\$ <u>200,000⁰⁰</u>	
Estimated Landlord Contribution	\$ (<u>40,000⁰⁰</u>)	
Estimated Net Project Cost	<u>160,000⁰⁰</u>	\$ _____
Lender's Name	_____	\$ <u>1448⁰⁰</u> <u>84</u> 78 months
Amount Financed	<u>90,000⁰⁰</u>	% Term
Rate	<u>9.0%</u>	months
Debt Payment	<u>\$1448⁰⁰</u>	Annual \$

Square Footage	<u>1600</u> Sq Ft % Rent <input checked="" type="checkbox"/> No <input type="checkbox"/> Yes _____ %
Initial term	Years <u>10</u> Options: # <u>2</u> Years <u>5</u>
Minimum Rent	Annual \$ <u>34,400⁰⁰</u>
Taxes/Insurance/CAM	Annual \$ <u>4,000⁰⁰</u>
Additional Rent	Annual \$ <u>N/A</u>
Total Occupancy Cost	Annual \$ <u>38,400⁰⁰</u>

Annual Sales required to cover Annual Debt & Total Occupancy per 15% formula \$ 371,840.00

This form is solely for the purpose of assisting in the evaluation of the relative merits of the available locations as judged by the person examining the site. It is not to be construed as a prediction of the future success of the unit. This form is CONFIDENTIAL AND FOR INTERNAL USE ONLY.

Area Directors Signature: Gary [Signature] Date: 5-19-06



Letter of Intent Franchise Location

1. TENANT: David Poole d.b.a. QUIZNOS SUB
2. LANDLORD: Stirling Bossier L.L.C
3. PREMISES: Commonly known as: Beene Blvd, Tract F-specific location to be determined prior to construction.

Street Address Suite # (if any)

City of: Bossier City County of: Bossier Parish

State of: Louisiana Zip Code: 71111

Description: Tract F of Stirling Bossier LLC to be located at the intersection of Airline Drive at I-220 in Bossier City, LA. Demised premises to contain 1,600 sf with a drive thru window.

 The Premises is a part of that certain Shopping Center known as Stirling Bossier (the "Shopping Center")
[Check if applicable]

4. SIZE: Approximately 1600 square feet.
5. DIMENSIONS: 20' 26.67 ft. frontage x 80' 60 ft. depth
6. TERM: 10 5-years 7. OPTIONS: 2 3 @ 5 years 8. POSSESSION DATE:
TBD Tenant will not be required to open before Target opens for business.
9. RENT:

Years 1-5: <u>\$23.50 22.50</u>	Yr 1-2: <u>\$21.50</u>	Yrs 2-4: <u>\$22.50</u>	Yr 5: <u>\$23.50</u>
Years 6-10: <u>Year 6: \$23.50, Yrs 7-8: \$24.50, Yrs 9-10: \$25.50</u>			
Years 11-15: <u>\$28.00 27.44 23.50 27.44</u>			
Years 16-20: <u>\$31.36 30.73 24.00 30.73</u>			

10. EXPENSES: Landlord will provide Tenant detail as to the actual expenses currently applicable to the property.

11. PERMITTED USES: Tenant shall have the right to use the Premises for purposes of an eat-in/take-out/delivery restaurant selling sandwiches, salads, soups, beverages, pizza, frozen desserts (yogurt, ice cream), fruit based blended drinks, non-alcoholic beverages and other products sold in Quiznos Sub stores, and retail sales and other ancillary purposes associated therewith. ~~Tenant shall be permitted to use an outdoor eating area.~~ Not permitted per the Target OEA. ~~Tenant shall also be allowed to serve samples in the Common Areas adjacent to the Premises.~~ Tenant shall be permitted to operate, or allow another concessionaire or licensee to operate, a co-brand food and beverage operation in or from the Premises in conjunction with Tenant's operation of its Quiznos Sub restaurant with prior written notice to Landlord and provided such co-brand food and non-alcoholic beverage is not substantially the same as another tenant nor violate any then existing exclusive use provisions granted to another Tenant of the Shopping Center

12. **ALTERATIONS:** Tenant may make nonstructural alterations and improvements to the interior of the Premises of \$10,000 or less per alteration without Landlord's prior consent, provided the work is performed in a good and workmanlike manner. Tenant may close its business once every five (5) years for up to thirty (30) days to refurbish and redecorate the Premises but must continue to pay all rent. Tenant shall provide Landlord with prior written notice of its intent to temporarily close its business as provided herein which notice shall provide the dates Tenant will close and re-open.
13. **CONSTRUCTION PERIOD:** Tenant shall have one hundred twenty (120) days from the date of obtaining applicable building permits to complete improvements to the space (hereinafter "Construction Period"). During this Construction Period no rent or expenses will be due. Landlord will cooperate with Tenant's efforts to obtain permits and approvals.
14. **RENT COMMENCEMENT:** The earlier of 120 days from Delivery of Premises to Tenant or when Tenant opens for Business. ~~Payment of rent shall commence thirty (30) days from the expiration of the Construction Period.~~
15. **SECURITY DEPOSIT:** Tenant shall pay to Landlord upon the execution of this LOI by Tenant ~~issuance of applicable building permits~~ a security deposit of \$ 3,000.00. So long as Tenant has not been in monetary ~~is not then in default~~, during the first 36 months of the lease, the security deposit will be refunded and applied to the rent due in Month 37 of the lease. ~~to Tenant at the end of the first lease year.~~
16. **SIGNS:** Landlord hereby grants and approves the following signage rights:
- (a) ~~Opening Signage. Tenant shall have a license to: (i) erect at least one single or double sided wooden sign in the landscaped Common Area adjoining the most heavily traveled right of way adjacent to the Shopping Center which sign shall say "Coming Soon - Quiznos Sub" or words similar thereto during the period between the Lease execution date and sixty (60) days after the date Tenant opens for business, and (ii) display "Coming Soon" or "Grand Opening" banners on or near the Premises during such period.~~
 - (b) **Permanent Signage.** Landlord agrees to allow Tenant to use the standard sign and awning package approved by Franchisor to the maximum size permitted by local governmental authorities and per the Target OEA. Please submit for Landlord review and approval.
 - (c) **Window Signs/Door Handle.** Tenant shall be permitted to display signs and promotional items in the interior of the windows of the Premises, including permanent neon signs, provided the same are consistent with Franchisor's national standards. Tenant shall be permitted to install a standard door handle approved by Franchisor on the entry door(s) to the Premises.
 - (d) **Pylon/Monument/Directory Sign.** Tenant shall be provided with a panel on the parcel Shopping Center pylon/monument/directory sign, and shall be permitted to install a standard sign approved by Franchisor, including logo, on such panel with Landlord approval and subject to local ordinance.
17. **EXCLUSIVE:** ~~Throughout the Term, as it may be extended under the terms of the Lease, Tenant shall have the exclusive right in the Shopping Center to engage in the sale of delicatessen and submarine type sandwiches. Landlord shall not allow any other party in the Shopping Center to violate the terms or spirit of this exclusivity agreement, and if a violation occurs, in addition to any other remedies Tenant may have at law or in equity, Tenant shall have the right to terminate the Lease upon thirty (30) days' written notice.~~ Landlord agrees to not lease space to the following tenants: Subway, Firehouse Subs, Jimmy John's or a similar tenant whose primary business is the sale of sliced meat sandwiches. Free-standing users on outparcels shall be excluded. Should Schlotzky's and Jason's Deli join the development they shall only be allowed on the North side of Bayou Benoit.

18. ~~PATIO:~~ Tenant shall have right to use the common areas adjacent to the subject premises for an outdoor eating area, as long as such use complies with local zoning codes and ordinances. Not allowed per the Target OEA.

19. **IMPROVEMENTS:** Landlord shall provide the improvements as set forth on the Revised Quizno's Standard Shell attached hereto, and a tenant improvement allowance not to exceed equal to thirty (\$26.00) per square foot. Landlord shall provide to Tenant as-built blueprints of the Premises. Said allowance is to be paid after Tenant opens for Business and Landlord has received lien waivers from Tenant's general contractor, a copy of the State Fire Marshal's letter, a copy of Tenant's certificate of occupancy, copies of paid improvement related invoices and the commencement of rent payments by Tenant.

20. **BROKER'S FEES:**

Tenant's Broker: William H. McFadden, Stirling Properties, Inc. Phone: 318.797.4393

Landlord's Broker: Rhonda Sharkawy, Stirling Properties, Inc. Phone: 504.523.4481

Landlord shall pay all commissions/fees due the above listed broker(s) per a separate agreement between Landlord and broker(s).

21. **TENANT'S CONTINGENCIES:**

A. Approval of site, final lease, and final sign and awning package by Franchisor within fourteen (14) days of LOI prior to lease execution.

B. Receipt of building and sign permits from local issuing authority to construct the Premises for Tenant's intended use.

22. **NO RADIUS/RELOCATION CLAUSES:** Any radius restrictions or relocation provisions in the Lease will be deleted.

23. **ASSIGNMENT PROVISIONS:** Tenant shall have the right to assign the Lease or sublet the Premises, without charge and without Landlord's consent being required, to Quizno's Franchising LLC ("QF") or its parent, subsidiaries or affiliates (QF, its parent, subsidiaries and affiliates are each referred to herein as a "QF Entity" or "Franchisor"). Tenant shall provide Landlord with written notice of any such assignment not less than thirty (30) days following the effective date of the assignment. Tenant shall also have the right to assign the Lease or sublet the Premises, without charge but with and without Landlord's prior consent being required, to a duly authorized franchisee of Franchisor. The permitted use of any such proposed assignee, transferee or sublessee shall be set forth in accordance with the Permitted Use contained herein and may not change in a way that violates any exclusive use rights granted to any existing of the Shopping Center. ~~In the event of an assignment to a QF Entity, the QF Entity shall have the right to reassign the Lease, without charge and without Landlord's consent being required, to a duly authorized franchisee of Franchisor and to thereupon be released from any further liability under the Lease.~~ Any assignee of the Lease shall assume, in writing, all of Tenant's obligations under the Lease. Notwithstanding any assignment or subletting, the original Tenant and any guarantor of the original Tenant's obligations under this Lease shall remain fully liable on the Lease and shall not be released from performing any of the terms, covenants and conditions of the Lease. Finally, in the event of an assignment or subletting, it is understood and agreed that all rentals paid to Tenant by an assignee or sublessee (or a combination of the rental payable under such sublease plus any bonus or other consideration thereof or incident thereto, excluding the value received by Tenant from the sale of its business to an assignee or sublessee as approved by Landlord) shall be received by Tenant in trust for Landlord, to be forwarded immediately to Landlord without offset or reduction of any kind. Any options to extend the term of the Lease shall automatically transfer to an assignee in

connection with a transfer made pursuant to the foregoing paragraph. Tenant shall agree to attorn to any assignee of Landlord provided such assignee will agree not to disturb Tenant's possession of the Premises.

24. HAZARDOUS MATERIALS: Landlord represents and warrants that the Premises are free of all asbestos, asbestos containing materials and other hazardous or toxic materials (collectively, "Hazardous Materials"). Tenant shall have no obligation to make any repairs, alterations or improvements to the Premises or incur any costs or expenses whatsoever as a result of Hazardous Materials in or about the Shopping Center, Building or the Premises, other than those Hazardous Materials brought onto such areas by Tenant. Landlord shall be solely responsible for any changes to the Premises relating to Hazardous Materials (at Landlord's expense and not as a charge to Tenant's build out allowance), unless those Hazardous Materials were brought onto Premises by Tenant. Landlord shall indemnify and hold Tenant harmless from and against all liabilities, costs, damages and expenses which Tenant may incur (including reasonable attorneys' fees) as a result of a breach of Landlord's representation and warranty set forth in this paragraph or the presence of Hazardous Materials in or about the Shopping Center, Building or the Premises, unless those Hazardous Materials were brought onto such areas by Tenant.

25. NOTICE AND CURE RIGHTS: Landlord agrees to give Franchisor written notice of any Tenant defaults as a prerequisite to exercising any remedies against Tenant under the Lease. Franchisor shall have Tenant's cure period plus an additional ten (10) days (but in no event less than thirty (30) days total) to cure (at Franchisor's option) any such defaults on Tenant's behalf, and to perform any other acts on Tenant's behalf as may be necessary to keep the Lease in full force and effect. In the event Franchisor executes on its security interest in the Lease and Tenant's fixtures and equipment (pursuant to the terms of its Franchise Agreement with Tenant), such action shall not be deemed a default or assignment under the Lease; provided, however, Franchisor shall thereafter have the right to assign the Lease on Tenant's behalf, without charge and without Landlord's consent but with written notice being required, to an authorized franchisee of Franchisor. Notice to Franchisor shall be addressed as follows:

Quizno's Franchising LLC
1475 Lawrence Street, Suite 400
Denver, Colorado 80202
Attn: Legal Department
Phone: (720) 359-3300

26. TENANT FINANCING: Tenant shall have the right from time to time to grant and assign a mortgage or other security interest in all of Tenant's personal property located within the Premises to its lenders in connection with Tenant's financing arrangements, and any lien of Landlord against Tenant's personal property (whether by statute or under the terms of the Lease) shall be subject and subordinate to such security interest. Landlord shall execute such documents as Tenant's identified lenders may reasonably request in connection with any such financing.

27. LANDLORD WARRANTIES: Landlord represents, covenants and warrants (i) that it has lawful title to the Shopping Center and has full right, power and authority to enter into the Lease; (ii) that the Shopping Center is in compliance with the Americans with Disabilities Act ("ADA"); (iii) that the permitted "use" of the Premises does not currently violate the terms of any of Landlord's insurance policies; (iv) that it currently maintains all risk of physical loss coverage for the full replacement cost of the Shopping Center and shall maintain throughout the term of the Lease general liability insurance coverage for the Shopping Center consistent with that being maintained from time to time by reasonably prudent owners of properties similar to the Shopping Center in the same area; (v) that so long as Tenant pays all monetary obligations due under the Lease and performs all other covenants contained therein, Tenant shall peacefully and quietly have, hold, occupy and enjoy the Premises during the term of the Lease and its use and occupancy thereof shall not be disturbed; and (vi) that (a) the Shopping Center has the proper zoning and a legally adequate number of parking spaces for Tenant's permitted use, and (b) Tenant's permitted use does not violate any other contracts or agreements to which the Landlord is a party or any other covenants, conditions, restrictions or agreements applicable to the Shopping Center. Landlord covenants and agrees that it shall take no action that will interfere with Tenant's intended usage of the Premises.

Landlord shall indemnify and hold harmless Tenant and its officers, partners, agents and employees from and against any loss, cost, liability, damage or expense arising out of (i) Landlord's operation of the Shopping Center, (ii) Landlord's breach in the performance of any of its obligations under the Lease or (iii) any violation of law by Landlord or any other act or omission of Landlord or its contractors, agents or employees. The foregoing indemnification shall survive expiration or termination of the Lease.

28. **ADDITIONAL PROVISION:** Landlord covenants and agrees that the total of all rental payments and any and all sums, excluding the Minimum Rental Payment and the Percentage Rental Payment, that Tenant is required to pay under Lease (the "Occupancy Costs") is estimated at will not exceed \$2.50 ~~\$2.40~~ per square foot per annum (the "Occupancy Cap") during the first calendar year. Landlord will cap CAM at \$1.10 PSF for the first three years. Thereafter, CAM shall increase by 5% per annum. ~~In the event the actual Occupancy Costs during the first full calendar year exceed the Occupancy Cap, the amount of such overage shall be waived for the first year and treated as an expense stop thereafter (i.e. the amount of the overage shall be subtracted from the actual Occupancy Costs each year thereafter during the term of the Lease and any extensions thereof.)~~

29. **EXPIRATION OF PROPOSAL:** This proposal shall remain in force for 10 days ~~thirty (30)~~ days from the ~~Tenant's~~ Landlord's counter date of this proposal. Should this Letter of Intent meet with the approval of Landlord, Landlord shall return an executed copy of this document to Tenant within such time period. Landlord agrees not to discuss or negotiate towards leasing the Premises to anyone other than Tenant for fifteen (15) ~~sixty (60)~~ days after Landlord approves this Letter of Intent. Landlord and Tenant each hereby agree to negotiate the terms and provisions of a Lease consistent with this Proposal within a thirty (30) ~~sixty (60)~~ day period.

30. **COMMUNICATIONS SYSTEM:** Notwithstanding anything to the contrary in the Lease, Landlord hereby agrees that at any time during the term of the Lease, Tenant or Franchisor, or authorized agent of either Tenant or Franchisor, shall have the right to install in and on the roof of the Premises, a satellite communications system (the "Satellite System") including antenna and related equipment. The Satellite System shall be installed at no cost to Landlord, and in accordance with all applicable laws, rules and regulations. Additionally, Tenant shall defend, indemnify and hold Landlord harmless from and against any claims, costs or expenses incurred by Landlord as a result of such installation by Tenant. Tenant shall be solely responsible for the maintenance and repair thereof, at Tenant's sole cost and expense. At the expiration or other termination of the Lease, said equipment shall remain the property of Tenant, and may be removed by Tenant, provided that Tenant shall repair any and all damage caused by such removal. Landlord shall have the right to approve said location and installation methods of such equipment. Equipment cannot be visible from the front parking lot and shall not be installed in such a way to interfere with the reception of any existing satellite dishes installed by other Tenants.

31. **RETURN OF EXECUTED LEASE:** Landlord agrees to return a fully executed original Lease within ten (10) days of execution to Tenant, with a copy to:

Quizno's Franchising LLC
1475 Lawrence Street, Suite 400
Denver, Colorado 80202
Attn: Leasing Department
Phone: (720) 359-3300

32. **RENEWAL OPTIONS:** (See attached)

LANDLORD AND TENANT ACKNOWLEDGE THAT THIS PROPOSAL IS NOT A LEASE, AND THAT IT IS INTENDED AS THE BASIS FOR THE PREPARATION OF A LEASE. THE LEASE SHALL BE SUBJECT TO LANDLORD'S, TENANT'S AND FRANCHISOR'S APPROVAL, AND ONLY A FULLY EXECUTED LEASE SHALL CONSTITUTE A LEASE FOR THE PREMISES. EXCEPT AS TO THE OBLIGATIONS OF LANDLORD AND TENANT SET FORTH IN 29 ABOVE THE TERMS AND PROVISIONS OF THIS PROPOSAL ARE NON-BINDING.

AGREED AND ACCEPTED BY TENANT:

Date: May 15, 2006 TENANT:

Bill McFadden *David L. Page*

Address for Notices: 430 39th Street 221 PADDINGTON DR. By: William H. McFadden DAVID L. PAGE
Paris, TX 75462 HOUSTON, TX, LA 77012 Title: Agent for Quiz-Tola, Inc FLORIAN
Telephone: 903.785.9669 318.746.1200 / 318.820.2007 Title:

AGREED AND ACCEPTED BY LANDLORD:

Date: _____ LANDLORD:
Address for Notices: _____ By: _____ Title: _____
109 Northpark Blvd, Suite 300
Covington, LA 70433 By: _____ Title: _____
Telephone: 985.898.2022 Title: _____

05/26/2006 14:43 IFAX COVFAX@STIRLINGPROP.COM
05/26/06 FRI 14:40 FAX 504 523 4475

STIRLING PROPERTIES-N.O. →→ Covington

015/016
 015

Option to Renew [Fixed Rate]: Landlord hereby grants Tenant the option to extend the term of the Lease for two (2) ~~three (3)~~ periods of five (5) years, upon the same terms and conditions stated in the Lease except that the Minimum Annual Rent during the first renewal period shall be \$ 27.44 23.00, the Minimum Annual Rent during the second renewal period shall be \$ 30.73 ~~23.50~~, and the Minimum Annual Rent during the third renewal period shall be \$ 24.00.



STANDARD QUIZNOS SHELL

Revised 5/15/06

Landlord shall provide the following at Landlord's expense and per the Quiznos plans and specifications:

1. Front door: Two (2) clear, double-pane safety-glazed glass 3' x 7' double-acting entry doors, installed per Tenant's plans with hardware per code and weather-stripping.
2. Rear door: 3' x 7' hollow metal door with panic hardware requirements and weather-stripping to code.
3. Storefront: Clear, double-pane glass storefront with floor-to-ceiling glass. Metal mullions around glass and doorframe.
4. Demising walls: Demising walls to be built to the roof deck, drywall fire taped, sanded and ready for paint. Demising walls to meet all city and fire codes.
5. Concrete floor: Level, clean concrete slab or clean wood slab underlay in stable, dry condition. Floor is clean and ready for ceramic tile, vinyl or glue down Flooring Materials. Floors to be at street level or maintain ADA approved standards.
6. HVAC: 1-ton-minimum A/C capacity per 150 square feet: new, installed.
7. ROOF: Must have an accessible location above or adjacent to Tenant's premises for the installation of roof-mounted equipment including, but not limited to, refrigeration condensers, receiving antennae, etc. Roof covering must be sound and watertight and may be penetrated and flashed using standard roofing methods for installation of above equipment.
8. Electrical: 200 Amp, 120/208 volt, 3 phase, 4 wire service with a 42 circuit distribution panel, Duplex outlets on side walls per code.
9. Water and sewer: Minimum 4" 3/4" water line stubbed to the Tenant's space in location per Tenant's plans, maintaining pressure of 55-75 psi with shut-off valve and pressure reducing valve and back flow prevention device if required. Minimum 4" sewer line stubbed into Tenant's space in sufficient size and depth for Tenant's use in location per Tenant's plans.
10. Gas: Minimum 1" gas line as may be required for Tenant's water heater and HVAC unit, stubbed to premises per Tenant's plans. Distance should not exceed 150 feet to meter.
11. "J" box: For sign electrical circuit on storefront with conduit to distribution panel.
12. Ceiling: Landlord to install ceiling and lighting per Quiznos Landlord's specifications or an option for credit.
13. Lighting: Provide 2X4 drop in three-tube fluorescent ceiling fixtures per Landlord's specifications. Speciality lighting or upgrade of lighting will be at Tenant's expense
14. Water Heater: 50 gallon, quick-recovery gas or electric water heater in accordance with local requirements, installed at a location as agreed to by Landlord and per Tenant's plans. Tenant.

15. Restrooms: Minimum restrooms and fixture amounts as set forth by the American Disabilities Act (ADA) and local code requirements per Tenant's occupant load. Men's and Women's restrooms with number of fixtures required by code, vinyl flooring per Quizno's Landlord's specifications, Quizno's spec FRP wall finish, overhead 2' x 4' fluorescent light, exhaust fan, light switch, grab bars, soap dispenser(Impact Plastics Model #9331, 800/333-1541or equal), paper towel dispenser(SCA Tissue North America, Model 84T, 866/722-6659 or equal), toilet paper dispenser(SCA Tissue North America, Model #55T, 866/722-6659 or equal) and mirror suitable to Tenant's interior design.
16. Plumbing: Grease trap is required by Owner and will be at the cost of Quiznos.
17. Tap Fees: All tap or connection fees or assessments for utilities to be paid by Landlord. All deposits are paid by Quizno's.
18. Handicap Accessibility: All means of ingress / egress shall be at street/walkway level or have handicap accessible elevator / ramp installed per federal handicap code with all applicable clear space, radius landings, railings, etc. The front entrance must be acceptable to local handicap inspectors. All ADA requirements shall be met by Landlord.

By: _____
LANDLORD

DATE: _____

Letter of Intent Franchise Location

1. TENANT: David Poole d.b.a. QUIZNOS SUB
2. LANDLORD: Stirling Bossier L.L.C
3. PREMISES: Commonly known as: Beene Blvd, Tract F-specific location to be determined prior to construction.

Street Address _____ Suite # (if any) _____
City of: Bossier City County of: Bossier Parish
State of: Louisiana Zip Code: 71111

Description: Tract F of Stirling Bossier LLC to be located at the intersection of Airline Drive at I-220 in Bossier City, LA. Demised premises to contain 1,600 sf with a drive thru window.

 The Premises is a part of that certain Shopping Center known as Stirling Bossier (the "Shopping Center")
[Check if applicable]

4. SIZE: Approximately 1600 square feet.
5. DIMENSIONS: 20' 26.67 ft. frontage x 80' 60 ft. depth
6. TERM: 10 5 years 7. OPTIONS: 2 3 @ 5 years 8. POSSESSION DATE: TBD Tenant will not be required to open before Target opens for business.
9. RENT:
Years 1-5: \$23.50 22.50 Yr 1-2: \$21.50, Yrs 2-4: \$22.50, Yr 5: \$23.50
Years 6-10: Year 6: \$23.50, Yrs 7-8: \$24.50, Yrs 9-10: \$25.50
Years 11-15: \$28.00 \$27.44 23.50 \$27.44
Years 16-20: \$31.36 \$30.73 24.00 \$30.73

10. EXPENSES: Landlord will provide Tenant detail as to the actual expenses currently applicable to the property.

11. PERMITTED USES: Tenant shall have the right to use the Premises for purposes of an eat-in/take-out/delivery restaurant selling sandwiches, salads, soups, beverages, pizza, frozen desserts (yogurt, ice cream), fruit based blended drinks, non-alcoholic beverages and other products sold in Quiznos Sub stores, and retail sales and other ancillary purposes associated therewith. Tenant shall be permitted to use an outdoor eating area. Not permitted per the Target OEA. Tenant shall also be allowed to serve samples in the Common Areas adjacent to the Premises. Tenant shall be permitted to operate, or allow another concessionaire or licensee to operate, a co-brand food and beverage operation in or from the Premises in conjunction with Tenant's operation of its Quiznos Sub restaurant with prior written notice to Landlord and provided such co-brand food and non-alcoholic beverage is not substantially the same as another tenant nor violate any then existing exclusive use provisions granted to another Tenant of the Shopping Center

12. **ALTERATIONS:** Tenant may make nonstructural alterations and improvements to the interior of the Premises of \$10,000 or less per alteration without Landlord's prior consent, provided the work is performed in a good and workmanlike manner. Tenant may close its business once every five (5) years for up to thirty (30) days to refurbish and redecorate the Premises but must continue to pay all rent. Tenant shall provide Landlord with prior written notice of its intent to temporarily close its business as provided herein which notice shall provide the dates Tenant will close and re-open.
13. **CONSTRUCTION PERIOD:** Tenant shall have one hundred twenty (120) days from the date of obtaining applicable building permits to complete improvements to the space (hereinafter "Construction Period"). During this Construction Period no rent or expenses will be due. Landlord will cooperate with Tenant's efforts to obtain permits and approvals.
14. **RENT COMMENCEMENT:** The earlier of 120 days from Delivery of Premises to Tenant or when Tenant opens for Business. ~~Payment of rent shall commence thirty (30) days from the expiration of the Construction Period.~~
15. **SECURITY DEPOSIT:** Tenant shall pay to Landlord upon the execution of this LOI by Tenant issuance of applicable building permits a security deposit of \$ 3,000.00. So long as Tenant has not been in monetary default, during the first 36 months of the lease, the security deposit will be refunded and applied to the rent due in Month 37 of the lease. ~~to Tenant at the end of the first lease year.~~
16. **SIGNS:** Landlord hereby grants and approves the following signage rights:
- (a) ~~Opening Signage. Tenant shall have a license to: (i) erect at least one single or double sided wooden sign in the landscaped Common Area adjoining the most heavily traveled right-of-way adjacent to the Shopping Center which sign shall say "Coming Soon - Quiznos Sub" or words similar thereto during the period between the Lease execution date and sixty (60) days after the date Tenant opens for business, and (ii) display "Coming Soon" or "Grand Opening" banners on or near the Premises during such period.~~
 - (b) **Permanent Signage.** Landlord agrees to allow Tenant to use the standard sign and awning package approved by Franchisor to the maximum size permitted by local governmental authorities and per the Target OEA. Please submit for Landlord review and approval.
 - (c) **Window Signs/Door Handle.** Tenant shall be permitted to display signs and promotional items in the interior of the windows of the Premises, including permanent neon signs, provided the same are consistent with Franchisor's national standards. Tenant shall be permitted to install a standard door handle approved by Franchisor on the entry door(s) to the Premises.
 - (d) **Pylon/Monument/Directory Sign.** Tenant shall be provided with a panel on the parcel Shopping Center pylon/monument/directory sign, and shall be permitted to install a standard sign approved by Franchisor, including logo, on such panel with Landlord approval and subject to local ordinance.
17. **EXCLUSIVE:** ~~Throughout the Term, as it may be extended under the terms of the Lease, Tenant shall have the exclusive right in the Shopping Center to engage in the sale of delicatessen and submarine type sandwiches. Landlord shall not allow any other party in the Shopping Center to violate the terms or spirit of this exclusivity agreement, and if a violation occurs, in addition to any other remedies Tenant may have at law or in equity, Tenant shall have the right to terminate the Lease upon thirty (30) days' written notice.~~ Landlord agrees to not lease space to the following tenants: Subway, Firehouse Subs, Jimmy John's or a similar tenant whose primary business is the sale of sliced meat sandwiches. Free-standing users on outparcels shall be excluded. Should Schlotzky's and Jason's Deli join the development they shall only be allowed on the North side of Bayou Benoit.

18. **PATIO:** Tenant shall have right to use the common areas adjacent to the subject premises for an outdoor eating area, as long as such use complies with local zoning codes and ordinances. Not allowed per the Target OEA.

19. **IMPROVEMENTS:** Landlord shall provide the improvements as set forth on the Revised Quizno's Standard Shell attached hereto, and a tenant improvement allowance not to exceed equal to thirty (\$25.00) per square foot. Landlord shall provide to Tenant as-built blueprints of the Premises. Said allowance is to be paid after Tenant opens for Business and Landlord has received lien waivers from Tenant's general contractor, a copy of the State Fire Marshal's letter, a copy of Tenant's certificate of occupancy, copies of paid improvement related invoices and the commencement of rent payments by Tenant.

20. **BROKER'S FEES:**

Tenant's Broker: William H. McFadden, Stirling Properties,
Inc. Phone: .318.797.4393

Landlord's Broker: Rhonda Sharkawy, Stirling Properties, Inc. Phone: 504.523.4481

Landlord shall pay all commissions/fees due the above listed broker(s) per a separate agreement between Landlord and broker(s).

21. **TENANT'S CONTINGENCIES:**

A. Approval of site, final lease, and final sign and awning package by Franchisor within fourteen (14) days of LOI prior to lease execution.

B. Receipt of building and sign permits from local issuing authority to construct the Premises for Tenant's intended use.

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23. **ASSIGNMENT PROVISIONS:** Tenant shall have the right to assign the Lease or sublet the Premises, without charge and without Landlord's consent being required, to Quizno's Franchising LLC ("QF") or its parent, subsidiaries or affiliates (QF, its parent, subsidiaries and affiliates are each referred to herein as a "QF Entity" or "Franchisor"). Tenant shall provide Landlord with written notice of any such assignment not less than thirty (30) days following the effective date of the assignment. Tenant shall also have the right to assign the Lease or sublet the Premises, without charge but with and without Landlord's prior consent being required, to a duly authorized franchisee of Franchisor. The permitted use of any such proposed assignee, transferee or sublessee shall be set forth in accordance with the Permitted Use contained herein and may not change in a way that violates any exclusive use rights granted to any existing of the Shopping Center. In the event of an assignment to a QF Entity, the QF Entity shall have the right to reassign the Lease, without charge and without Landlord's consent being required, to a duly authorized franchisee of Franchisor and to thereupon be released from any further liability under the Lease. Any assignee of the Lease shall assume, in writing, all of Tenant's obligations under the Lease. Notwithstanding any assignment or subletting, the original Tenant and any guarantor of the original Tenant's obligations under this Lease shall remain fully liable on the Lease and shall not be released from performing any of the terms, covenants and conditions of the Lease. Finally, in the event of an assignment or subletting, it is understood and agreed that all rentals paid to Tenant by an assignee or sublessee (or a combination of the rental payable under such sublease plus any bonus or other consideration thereof or incident thereto, excluding the value received by Tenant from the sale of its business to an assignee or sublessee as approved by Landlord) shall be received by Tenant in trust for Landlord, to be forwarded immediately to Landlord without offset or reduction of any kind. Any options to extend the term of the Lease shall automatically transfer to an assignee in

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Denver, Colorado 80202
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Landlord shall indemnify and hold harmless Tenant and its officers, partners, agents and employees from and against any loss, cost, liability, damage or expense arising out of (i) Landlord's operation of the Shopping Center, (ii) Landlord's breach in the performance of any of its obligations under the Lease or (iii) any violation of law by Landlord or any other act or omission of Landlord or its contractors, agents or employees. The foregoing indemnification shall survive expiration or termination of the Lease.

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29. **EXPIRATION OF PROPOSAL:** This proposal shall remain in force for 10 days ~~thirty (30)~~ days from the Tenant's Landlord's counter date of this proposal. Should this Letter of Intent meet with the approval of Landlord, Landlord shall return an executed copy of this document to Tenant within such time period. Landlord agrees not to discuss or negotiate towards leasing the Premises to anyone other than Tenant for fifteen (15) ~~sixty (60)~~ days after Landlord approves this Letter of Intent. Landlord and Tenant each hereby agree to negotiate the terms and provisions of a Lease consistent with this Proposal within a thirty (30) ~~sixty (60)~~ day period.

30. **COMMUNICATIONS SYSTEM:** Notwithstanding anything to the contrary in the Lease, Landlord hereby agrees that at any time during the term of the Lease, Tenant or Franchisor, or authorized agent of either Tenant or Franchisor, shall have the right to install in and on the roof of the Premises, a satellite communications system (the "Satellite System") including antenna and related equipment. The Satellite System shall be installed at no cost to Landlord, and in accordance with all applicable laws, rules and regulations. Additionally, Tenant shall defend, indemnify and hold Landlord harmless from and against any claims, costs or expenses incurred by Landlord as a result of such installation by Tenant. Tenant shall be solely responsible for the maintenance and repair thereof, at Tenant's sole cost and expense. At the expiration or other termination of the Lease, said equipment shall remain the property of Tenant, and may be removed by Tenant, provided that Tenant shall repair any and all damage caused by such removal. Landlord shall have the right to approve said location and installation methods of such equipment. Equipment cannot be visible from the front parking lot and shall not be installed in such a way to interfere with the reception of any existing satellite dishes installed by other Tenants.

31. **RETURN OF EXECUTED LEASE:** Landlord agrees to return a fully executed original Lease within ten (10) days of execution to Tenant, with a copy to:

Quizno's Franchising LLC
1475 Lawrence Street, Suite 400
Denver, Colorado 80202
Attn: Leasing Department
Phone: (720) 359-3300

32. **RENEWAL OPTIONS:** (See attached)

LANDLORD AND TENANT ACKNOWLEDGE THAT THIS PROPOSAL IS NOT A LEASE, AND THAT IT IS INTENDED AS THE BASIS FOR THE PREPARATION OF A LEASE. THE LEASE SHALL BE SUBJECT TO LANDLORD'S, TENANT'S AND FRANCHISOR'S APPROVAL, AND ONLY A FULLY EXECUTED LEASE SHALL CONSTITUTE A LEASE FOR THE PREMISES. EXCEPT AS TO THE OBLIGATIONS OF LANDLORD AND TENANT SET FORTH IN 29 ABOVE THE TERMS AND PROVISIONS OF THIS PROPOSAL ARE NON-BINDING.

AGREED AND ACCEPTED BY TENANT:

Date: May 15, 2006 TENANT:

Bill McFadden *David L. Price, Jr.*

Address for Notices: 430 39th Street 221 Paddock Dr. By: William H. McFadden DAVID L. PRICE, JR.
Paris, TX 75462 Acacia Cr., LA 70112 Title: Agent for Quiz-Tola, Inc FRANCHISEE
Telephone: 903.785.9669 318.746.1250 / 318.220.2007 By: _____ Title: _____

AGREED AND ACCEPTED BY LANDLORD:

Date: 6/12/06
Address for Notices: 109 Northpark Blvd, Suite 300
Covington, LA 70433
Telephone: 985.898.2022
LANDLORD: Stirling Bossier LLC
By: Chad K. Dean, VP Asset Mgmt Title: _____
By: Stirling Properties as agent
for Stirling Bossier, LLC Title: _____

05/28/2008 14:43 IFAX COVFAX@STIRLINGPROP.COM
05/28/08 FRI 14:40 FAX 504 523 4475

STIRLING PROPERTIES-N.O. →→→ Covington

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Option to Renew (Fixed Rate): Landlord hereby grants Tenant the option to extend the term of the Lease for two (2) ~~three (3)~~ periods of five (5) years, upon the same terms and conditions stated in the Lease except that the Minimum Annual Rent during the first renewal period shall be \$ 27.44 ~~23.00~~, the Minimum Annual Rent during the second renewal period shall be \$ ~~30.73~~ 23.50, and the Minimum Annual Rent during the third renewal period shall be \$ ~~24.00~~.



STANDARD QUIZNOS SHELL

Revised 5/15/06

Landlord shall provide the following at Landlord's expense and per the Quiznos plans and specifications:

1. Front door: Two (2) clear, double-pane safety-glazed glass 3' x 7' double-acting entry doors, installed per Tenant's plans with hardware per code and weather-stripping.
2. Rear door: 3' x 7' hollow metal door with panic hardware requirements and weather-stripping to code.
3. Storefront: Clear, double-pane glass storefront with floor-to-ceiling glass. Metal mullions around glass and doorframe.
4. Demising walls: Demising walls to be built to the roof deck, drywall fire taped, sanded and ready for paint. Demising walls to meet all city and fire codes.
5. Concrete floor: Level, clean concrete slab or clean wood slab underlay in stable, dry condition. Floor is clean and ready for ceramic tile, vinyl or glue down Flooring Materials. Floors to be at street level or maintain ADA approved standards.
6. HVAC: 1-ton-minimum A/C capacity per 150 square feet: new, installed.
7. ROOF: Must have an accessible location above or adjacent to Tenant's premises for the installation of roof-mounted equipment including, but not limited to, refrigeration condensers, receiving antennae, etc. Roof covering must be sound and watertight and may be penetrated and flashed using standard roofing methods for installation of above equipment.
8. Electrical: 200 Amp, 120/208 volt, 3 phase, 4 wire service with a 42 circuit distribution panel. Duplex outlets on side walls per code.
9. Water and sewer: Minimum 4" $\frac{3}{4}$ " water line stubbed to the Tenant's space in location per Tenant's plans, maintaining pressure of 55-75 psi with shut-off valve and pressure reducing valve and back flow prevention device if required. Minimum 4" sewer line stubbed into Tenant's space in sufficient size and depth for Tenant's use in location per Tenant's plans.
10. Gas: Minimum 1" gas line as may be required for Tenant's water heater and HVAC unit, stubbed to premises per Tenant's plans. Distance should not exceed 150 feet to meter.
11. "J" box: For sign electrical circuit on storefront with conduit to distribution panel.
12. Ceiling: Landlord to install ceiling and lighting per ~~Quiznos~~ Landlord's specifications or an option for credit.
13. Lighting: Provide 2X4 drop in three-tube fluorescent ceiling fixtures per Landlord's specifications. Speciality lighting or upgrade of lighting will be at Tenant's expense
14. Water Heater: 50 gallon, quick-recovery gas or electric water heater in accordance with local requirements, installed at a location as agreed to by Landlord and per Tenant's plans. Tenant

15. Restrooms: Minimum restrooms and fixture amounts as set forth by the American Disabilities Act (ADA) and local code requirements per Tenant's occupant load. Men's and Women's restrooms with number of fixtures required by code, vinyl flooring per Quizno's Landlord's specifications, Quizno's spec FRP wall finish, overhead 2' x 4' fluorescent light, exhaust fan, light switch, grab bars, soap dispenser(Impact Plastics Model #9331, 800/333-1541or equal), paper towel dispenser(SCA Tissue North America, Model 84T, 866/722-8659 or equal), toilet paper dispenser(SCA Tissue North America, Model #55T, 866/722-8659 or equal) and mirror suitable to Tenant's interior design.
16. Plumbing: Grease trap is required by Owner and will be at the cost of Quiznos.
17. Tap Fees: All tap or connection fees or assessments for utilities to be paid by Landlord. All deposits are paid by Quizno's.
18. Handicap Accessibility: All means of ingress / egress shall be at street/walkway level or have handicap accessible elevator / ramp installed per federal handicap code with all applicable clear space, radius landings, railings, etc. The front entrance must be acceptable to local handicap inspectors. All ADA requirements shall be met by Landlord.

By: _____
LANDLORD

DATE: _____

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18. Handicap Accessibility: All means of ingress / egress shall be at street/walkway level or have handicap accessible elevator / ramp installed per federal handicap code with all applicable clear space, radius landings, railings, etc. The front entrance must be acceptable to local handicap inspectors. All ADA requirements shall be met by Landlord.

By: Andrew K. Braun, VP Asset Mgmt
LANDLORD
DATE: 6/12/06