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Sublease

JAMILA SALON & SPA INC.

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Between

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(Sublessee)

and

JAMILA SALON & SPA INC.

## SUBLEASE AGREEMENT

This sublease is made on the \_\_\_\_ day of \_\_\_\_\_ 2005, between Jamila Salons & Spa Inc. and, as a sublease under the Lease Agreement dated \_\_\_\_\_ entered into by One Realty Source dba Bandali Builders & estate developer, as Landlord and Jamila Salons & Spa Inc., as Tenant. A copy of the Main Lease is attached and designated as **Exhibit A** and incorporated herein in its entirety.

### 1. RECITALS.

- a. Jamila Salons & Spa Inc. operates a commercial salon business on the premises described in Section 1.1(g) and Exhibit A of the Main Lease, known as 7817 Rockwood Lane, Austin, Texas; 2 Floor.
- b. Sublessee wishes to sublease and occupy a portion of the Leased Premises in order to operate a \_\_\_\_\_;
- c. This sublease is subject to all of the terms and conditions of the Main Lease. Sublessee shall not commit or permit to be committed on the Leased Premises any act or omission which shall violate any term or condition of the Main Lease. In the event of the termination of the Main Lease for any reason, this Sublease shall terminate coincidentally without any liability of Jamila Salons & Spa Inc. to Sublessee.
- d. For good and valuable **consideration**, described below, Jamila Salons & Spa Inc. and Sublessee agree to the following terms.

2. SUBLEASED PREMISES. Jamila Salons & Spa Inc. shall lease to Sublessee an area located on the Leased Premises designated as Suite \_\_\_\_\_, and furnished with salon equipment and furnishings at Jamila Salons & Spa Inc. discretion. The area to be subleased to the Sublessee shall be referred to the Suite. The Sublessee and all of his agents, invitees, customers or visitors shall have access to the common areas of the Leased Premises, including the existing common customer waiting area,

### 3. RENT

- a. Sublessee shall pay to Jamila Salons & Spa Inc. as rent the sum of \$ \_\_\_\_\_ per week in

advance beginning on \_\_\_\_\_, and continuing thereafter on each Monday through the balance of the term of the sublease. Monthly rent for any partial month shall be prorated at the rate of 1/30<sup>x</sup> of monthly rental per day. All rent shall be made payable to Jamila Salons & Spa Inc. The Associate agrees to pay a late charge of \$20.00 per day for each date there after until rental payment is paid in full. Associate also agrees to pay \$25.00 charge for each returned check.

- b. In addition to the amount specified above, Sublessee shall pay to Jamila Salons & Spa Inc. as additional rent for local telephone service in operation of sublease's Salon business, long distance and Internet charges incurred by Sublessee, or Sublessee's employees, agents, invitees, customers or visitors, each month within 5 days after notification from Jamila Salons & Spa Inc. of the amount owed

for the previous month. These payments shall be made payable to

\_\_\_\_\_.

4. SECURITY DEPOSIT. Sublessee shall pay a security deposit of

\$\_\_\_\_\_.

5. UTILITIES Jamila Salons & Spa Inc. *shall furnish services as follows:*

a. Heating and Air Condition During normal business hours of 8:00a.m. to 6:00p.m., Monday through Friday and 8:00a.m. *through 5:00p.m.* on Saturday, Jamila Salons & Spa Inc. will provide heating and air conditioning to provide a comfortable temperature, in Jamila Salons & Spa Inc. judgment, for normal business operations. Jamila Salons & Spa Inc. shall furnish heating and air conditioning after business hours if Sublessee provides reasonable notice, and pays all Jamila Salons & Spa Inc. then current charges for such additional heating or air conditioning,

b. Electricity. Jamila Salons & Spa Inc. shall provide sufficient electricity to operate normal salon and office equipment.

c. Water. Jamila Salons & Spa Inc. shall furnish hot and cold tap water for drinking, toilet, and normal salon purposes. Sublessee shall not permit water to be wasted.

6. ABANDONED PROPERTY Any property which is left in Salon suite or any other areas of the premises belonging to Associate or controlled by Associate for more than five (5) days after the termination of Lease shall be considered to be abandoned by Associate and shall, at Landlord's option become Landlord's property and Landlord may dispose of it without liability to Associate (or any person who may claim by, through or under Associate) and at

the expense of the Associate. Associate shall hold harmless and indemnify Landlord from any claims by Associate or any such person and any such expense.

TERM. The term of this sublease ("Sublease Term") shall be for a period of \_\_\_\_\_ months, commencing on \_\_\_\_\_, 2005, and ending on \_\_\_\_\_, 2005.

7. REPAIRS AND MAINTENANCE. Sublessee agrees that it shall maintain the Subleased Premises in good condition, at its own cost and expense, as required under the Main Lease. Sublessee shall be responsible for repairing or replacing all damage to the Leased Premises caused by Sublessee's own employees, agents, invitees, customers or visitors. If, in the event Sublessee fails to make such repairs or replacements within 10 days of being requested to do so by \_\_\_\_\_, then Jamila Salons & Spa Inc. may, at its option, make the repairs or replacements, and Sublessee agrees to reimburse and Jamila Salons & Spa Inc. for the cost and expense of making such repairs or replacements.

8. LICENSES AND PERMITS. Jamila Salons & Spa Inc. will maintain all permits required for the operation of a salon by the Texas Cosmetology Commission or the Texas State Board of Barber Examiners, but shall not be responsible for the Individual Texas Cosmetology and/or Barbers License. Sublessee shall maintain and display all permits required for his/her business by any local state or federal agency, including the Texas Board of Cosmetology Commission and the Texas State Board of Barber Examiners.

9. ALTERATIONS. Jamila Salons & Spa Inc. must approve in advance in writing any alterations to the interior and decor of the Subleased Premises. Adhesive (of any form) shall not be approved for use to install items on walls or floors. Sublessee shall restore the Subleased Premises to its original condition upon termination of the Sublease.

10. Jamila Salons & Spa Inc. LIABILITY UNDER THE MAIN LEASE. Jamila Salons & Spa Inc. shall remain responsible for the performance of its obligations under the Main Lease.

11. SUBLESSEE TO HOLD Jamila Salons & Spa Inc. HARMLESS Sublessee agrees that Jamila Salons & Spa Inc. shall not be liable to Sublessee for any damage or injury suffered by any of the Sublessee's employees, agents, invitees, customers or visitors arising out of or related to Sublessee's use, or its employees, agents, invitees, customers or visitors use, of the Subleased Premises, even if such damage or injury arises out of the negligence of \_\_\_\_\_ and Jamila Salons & Spa Inc. Sublessee shall indemnify and hold Jamila Salon & Spa Inc. harmless for any and all such damage or loss.

12. RULES AND REGULATIONS. Sublessee shall comply with the Rules and Regulations attached as **Exhibit B**.

### 1.2. SUBLESSEE DEFAULT

a. RENT DEFAULT. In the event Sublessee fails to pay Jamila Salon & Spa Inc. the rent when it is due, and such failure to pay continues for a period of 3 days,

Sublessee will be considered in default of the Sublease.

- b. OTHER DEFAULT. If Sublessee fails to perform any other obligation to Jamila Salons & Spa Inc. under this Sublease, including the Exhibits hereto, and if such failure continues for 5 days after written notice from Jamila Salon & Spa Inc., Sublessee will be considered in default of the Sublease.
- c. Jamila Salon & Spa Inc. REMEDIES AGAINST SUBLESSEE. If Sublessee defaults under the Sublease, Jamila Salons & Spa Inc. shall have all rights and remedies against Sublessee as are available to the Landlord (as against Jamila Salon & Spa Inc.) under the Main Lease, including, without limitation, the right to re-enter and retake possession of the Subleased Premises from Sublessee.

13. BUILDING ACCESS Associate's access to the Building during other than normal business hours may require an access device. There is a \$25.00 deposit for access device which shall be fully refundable, at any time, upon surrender of the device. Landlord, however shall have liability to Associates, its employees, agents, or invites for losses due to theft or burglary or for damage done by unauthorized persons in the Building and neither shall Landlord be required to insure against any such losses. Landlord shall have no duty regarding security at the Building or in its premises or in any Salon Suite other than to make necessary repairs to security devices as provided. Associate acknowledges that Landlord has made no representations, agreements, promises or warranties regarding security at the Building.

14. MISCELLANEOUS.

- a. TAXES. Sublessee is responsible for collecting, reporting, and paying any and all applicable taxes, including without limitation, sales taxes, use taxes, federal income taxes and social security taxes,
- b. \$25.00 deposit A will required for the locker key and the room key. The deposit is fully refundable, at any time, upon surrender of the key.
- c. ATTORNEY-S FEES. If Jamila Salons & Spa Inc. prevails in any action between the parties in connection with or arising under this Sublease, Jamila Salons & Spa Inc. shall be entitled to its reasonable attorney fees and costs of suit from Sublessee. Mediation in any event will take precedence over law suite litigation.
- d. Notice. Any notice, demand, request, consent, approval or communication that either party desires or is required to give to the other party or any other person shall be in writing and either hand delivered (with receipt of delivery obtained) or sent by prepaid, first-class mail, return receipt requested. Any notice, demand, request, consent, approval, or communication that either party desires or is required to give to the other party shall be addressed to the other party at the address set forth below. Either party to the Sublease may change its address by notifying the other party of the change of address in writing.
- e. SUCCESSORS. This sublease shall be binding on and inure to the benefit of the parties and their successors, personal representatives, heirs, or beneficiaries.

- f. SUBLEASES AND, ASSIGNMENTS ; Sublessee may not sublease or assign its interest in this sublease without the prior written consent of Jamila Salons & Spa Inc.

**SUBLESSEE:**

Print Name: \_\_\_\_\_

Address: \_\_\_\_\_  
\_\_\_\_\_

Phone: \_\_\_\_\_

Texas Driver's License: \_\_\_\_\_

By: \_\_\_\_\_ By: \_\_\_\_\_

Title: \_\_\_\_\_ Title: \_\_\_\_\_

Date: \_\_\_\_\_ Date: \_\_\_\_\_

**EXHIBIT B**

**RULES AND REGULATIONS**

**JAMILA SALON & SPA INC. Is a luxury beauty salon. Please refrain from bringing your kids Into the salon and turning the premises Into a day-care. Repeated violations will result In termination of your lease. There Is no exception.**

1. Sublessee shall not place anything, or allow anything to be placed near the glass of any window, door, partition or wall, which may, in Jamila Salons & Spa Inc. judgment, appear unsightly from common areas or from the outside of the Leased Premises.

2. Sublessee shall not burn any candle or other open flames in the salon or suites. Due to fire hazard, our insurance policy does not allow candle burning,

3. Sublessee shall only display and sell beauty products, services and supplies. Other products and services must be approved by Jamila Salons & Spa Inc.

4. Upon termination of the Sublease, Sublessee shall deliver to Jamila Salons & Spa Inc. all keys and passes which shall have been furnished to Sublessee.

5. Sublessee shall maintain control of his/her employees, agents, invitees, customers or visitors. Children under the age of 18 must be supervised by an adult or otherwise receiving services on the Subleased Premises.

6. Sublessee shall set his/her own hours and service fees, furnish his/her own supplies, and be responsible for his/her own advertising.

7. Sublessee shall not have radios or televisions on top of the walls in the Leased Premises. If using either, the volume shall be turned down to a level which, in Jamila Salons & Spa Inc. judgment, will not disturb other tenants.

8. The sidewalks, halls, passages, exits, and entrances shall not be obstructed by Sublessee or used by Sublessee for any purposes other than for ingress to and egress from the Premises. Sublessee shall lend his/her full cooperation to keep such areas free from all obstruction and In a clean and slightly condition.

9. Sublessee shall not cause any unnecessary janitorial labor or services by reason of Sublessee's carelessness or indifference in the preservation of good order and cleanliness,

10. Sublessee shall cause all doors to the Leased Premises to be closed and securely locked and shall turn *off* all utilities, lights and machines before leaving the Leased Premises at the end of the day.

11. Sublessee shall cooperate *fully* with Jamila Salons & Spa Inc. to assure the most effective operation of the Leased Premises' or the heating and air conditioning, and shall refrain from attempting to adjust any controls, other than room thermostats installed for Sublessee's use.

12. No bicycle or other vehicle and no animals or pets shall be allowed in the Premises, halls, freight docks, or any other parts of the Building except that blind persons may be accompanied by "seeing eye" dogs.

13. Sublessee shall not disturb the quiet enjoyment *of* any other tenants Jamila Salons & Spa Inc. ,

14. No equipment, mechanical ventilators, awnings, special shades or other forms of window covering shall be permitted either inside or outside the windows of the Subleased Premises without the prior written consent of Jamila Salons & Spa Inc., and then only at the expense and risk of Sublessee, and they shall be of such shape, color, material, quality, design and make as may be approved by Jamila Salons & Spa Inc..

15. Sublessee shall not do any painting in the Subleased Premises, or mark, point, cut or drill into, drive nails or screw into, or in any way deface any part of the Subleased Premises or the Leased Premises, outside or inside, without the prior written consent of Jamila Salons & Spa Inc.

16. Whenever consent Jamila Salons & Spa Inc. approval or satisfaction is required under these Rules, then unless otherwise stated, any such consent, approval or satisfaction must be obtained in advance, such consent *or approval* may be granted or withheld in Jamila Salons & Spa Inc. sole discretion, and Jamila Salons & Spa Inc. satisfaction shall be determined In its sole judgment.

17. ADVERTISING Any Associate advertisement or business card must include the name or logo establishment " Jamila Salon & Spa Inc.. This is a requirement of the State Boards.

18. ASSISTANT All Assistants must be properly licensed by the Texas Cosmetology Commission or State Barber's Board. All Associates employing an Assistant are solely responsible for the Assistant must complete an Assistant employment form that will kept on file in Salon management office.

19. CHILDREN OF ASSOCIATES JAMILA SALON & SPA INC. is a professional Salon and place of business. Child care within the Salon by any Associate will be grounds for termination of the Lease at Landlord's option. Associates will receive one written notice of a violation of this rule will be cause for termination of the Lease at Landlord's option. Judgement of this violation will be at the sole discretion of the Salon Manager.

20. DRESS CODE The appearance of each Associate is a reflection of GALLERY OF SALON as a whole. Professional attire and grooming are responsibilities of each Associate and good judgement should be practiced at all times. Dress must comply with the Texas Cosmetology Commission Rule Book.

21. ELECTRICITY All appliances that use electricity (i.e. curling irons, steam rollers, sterilizes, etc.) shall be turned off when not in use or at close of business.

22. EXCESSIVE NOISE The salon will provide music in all common areas. Use of radios and TVS are permitted in totally enclosed suites only. Use of radios and TV's interfere with Salon's music system and are disruptive to other Associates. Also, telephone ringer loudness will be set at low volume.



23. HOURS Associates can gain access to the salon area via access device 7a.m. to 9:30 p.m. seven days a week. However, the doors to the salon will be unlocked during the following hours:

Monday- Saturday	9:00 a.m. - 7:00 p.m.
Sunday	NOON -6:00 p.m.

The Salon Managers business office hours are as follows

Monday - Friday	10:00 a.m. - 5:00 p.m.
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24. LIGHTING Lighting is provided overhead. Any additional lighting must have prior approval by Salon management.

25. MAINTENANCE Salon Suite cleanliness is to comply with all rules of the State Boards. Each Associate is responsible for the cleanliness and maintenance of their individual suite which shall floor maintenance, mopping sweeping, cleaning inside of windows and shades, shampoo bowls and all other surfaces within their suite. The cleanliness of the suites and common area during the day is the responsibility of the Associates. Magazines are not to be stacked on the back of dyers because it blocks the air vents and can create a potential fire hazard. Associates are to immediately report to Salon Manager any known defect, breakage, malfunction or damage to or in the Salon, equipment or fixtures to include maintenance problems such as leaking water pipes, clogged drains, malfunctioning hair dyers, washing machines, or laundry dryers. Associate should empty hair traps under their shampoo bowls on a regular basis to insure proper draining.

26. MOVING WITHIN THE GALLERY OF SALONS There are occasions when an Associate may desire to move from one Suite to another. There shall be a one- time charge of \$125.00 for making this move. This charge covers the necessary paper work, required computer changes and Suite sign change. This fee will be separate from the additional rent that may be charged due to a difference in suite size or location.

27. OFFENSIVE ODORS Associates will make every effort odors within their suites and/ or common areas. To this end, Associates should use chemicals and/ or materials that do not emit offensive odors which can be smelled outside the individual suite. All nail suites shall keep doors shut and vent fans on when performing services for clients.

28. PARKING Parking by ASSOICATES will be in designated areas.

29. PERSONAL AND PROFESSIONAL ITEMS IN COMMON AREAS Corridors, halls, doorways, and similar areas shall be kept clear at all areas by any Associate at anytime, even temporarily (no exceptions).

30. PERSONALIZING OF SALON SUITE Associate shall not make any changes or alterations to any portion of the Salon suite without Landlord's prior written approval, which may be given on such conditions as Landlord may elect. If permission is granted for alternation, a deposit will be required. The paint deposit is \$125. Other alternation deposits may be requires as determined by the Landlord. Associates may personalized Suites with

mirrors, wall hangings, posters, or pictures that conform to the professional image of the Gallery of Salons. All wall mounted items shall be installed in frames. No tape, glue, staples, etc. shall be used. Nothing may be attached to or propped against suite windows (no exceptions). Permanent items such as mirrors, etc. Which are attached to wall within a suite will wither be left in the suite and become the property of the Salon or, if removed by the associate at the discretion of the Landlord, the associate will pay to return the suite to original condition upon lease expiration.

31. PETS Associate shall not permit any pet of any nature on the leased premises, even temporarily. It is the Associate's responsibility to insure that their clients comply with this regulation. Service dogs assisting the handicapped are permitted.

32. PROFESSIONALISM Associate agrees to conduct his or her business in a professional, ethical and businesslike manner so as to interact positively with the other individuals working in the Gallery of Salons.

33. REFRIGERATORS, SPACE HEATERS AND MICROWAVE OVENS Use of space heaters, refrigerators and microwave ovens in individuals suites is prohibited. A microwave oven is provided for Associates' use in the refreshment area. Any exception will be by Landlord's written permission only.

34. RETAIL SALES WITHIN SALON SUITES Retail sales of beauty products and hair piece goods may be made by Associates with their Salon Suite. However, prior written approval of the Landlord will be required before a store of any type will be permitted to operate within a Suite.

35. SIGNS No signs, posters, advertisement, or notices shall be painted or affixed on any windows or doors of individual Salon suites at any time.

36. SMOKING No smoking will be permitted in the Salon Suite or common areas at anytime. It is the Associate's responsibility to ensure that their clients comply with this regulation. Smoking is permitted outside the Shopping Center only. Violation of this regulation will be cause of termination of lease.

37. SOLICITING Soliciting is prohibited except by written approval of Landlord.

38. SUITE LOCKS One key will be provided to the Associate by Landlord. Replacement keys may be obtained from the Salon Manager. There will be a \$25.00 charge if a lock replacement is required because of a lost key. Associate will not change the exciting lock on the Suite nor install additional locks upon any door. Associates with rooms will not be allocated with separate lockers.

39. TOWELS Associates are responsible for laundering their own towels. All used towels shall

be kept in an enclosed plastic container within individual Suite. A coin operated laundry room is provided within the Salon.

40. TRASH A trash “dumpster” is provided outside the Salon at the rear exit for Associate’s use. Trash bags are not allowed to set in the hallway at any time. Trash must be kept in a closed container within the individual Suite. No hair cuttings, shampoo bottles or boxes shall be placed in the common area trash containers.

41. WALK-IN’S Walk in’s will be assigned by the Salon Manager to an Associate available at that time. \_