

LETTER OF INTENT
PROPERTY ADDRESS



{ YOUR
LOGO
HERE }

PREPARED FOR

ENTITY

PRESENTED BY | DAVID COHEN | VP, INVESTMENT ADVISORY SERVICES
AND | ERICA KESSLER | ACCOUNT MANAGER

LETTER OF INTENT

PROPERTY ADDRESS



DATE

BROKER CONTACT INFO

RE: Request for Proposal to Lease – FRANCHISE/ ENTITY – PROPERTY ADDRESS

Dear BROKER:

This offer is for your consideration and is intended to outline the general terms proposed for a lease agreement with the Property's Landlord/Owner of Record and ENTITY for a FRANCHISE location. In that regard, please review the following:

1. TENANT: ENTITY
2. TRADE NAME: FRANCHISE
3. LANDLORD: (Please provide)
4. PROPERTY: PROPERTY ADDRESS
5. LEASE PREMISES: We are proposing a lease of SPACE/UNIT consisting of approximately 2,960 rentable square feet ("RSF") on the 1st floor of the Building. A preliminary plan is attached hereto as Exhibit A. See Exhibit B for space specifications.
6. USE: The Lease Premises shall be used solely for the operation of a FRANCHISE (office, store, studio etc.) and the sale of ancillary related products and services.
7. EXCLUSIVE USE: Tenant shall have the exclusive use within the Retail Center (including any outparcels) to operate as XXX
8. LEASE TERM: Sixty-five (65) months with two (2) five (5) year renewal options.
9. POSSESSION DATE: Tenant to take possession on the date the later of I) Lease execution by both parties, II) after all Landlords Work is completed or III) the Tenant obtaining all necessary building permits. Both parties will make all reasonable efforts to complete the Lease, prepare the drawings, apply for permits and complete any required work in a diligent and time sensitive manner.
10. COMMENCEMENT DATE: The Lease shall commence upon Tenant receiving certificate of occupancy.
11. BASE RENTAL RATE: Tenant shall pay Base Rent throughout the Term pursuant to the following schedule. Rent Schedule shall begin upon Commencement Date. Renewal options not to exceed 10% rental increase from the last year of the previous term.

Period	\$/SF/NNN	Monthly	Annually
Months 1-5	\$0.00	\$0.00	\$0.00
Years 1-5	\$2.00	\$5,920.00	\$71,040.00

12. RENTAL ABATEMENT: Base Rent only shall be abated during the first five (5) months of the Lease Term. Notwithstanding the foregoing, all other sums due under the Lease, including Additional Expenses and utilities servicing Lease Premises shall be due and payable pursuant to the Lease.
13. ADDITIONAL EXPENSES ("NNN"): In addition to Base Rent, please provide an estimate and breakdown of costs and any associated fees for which Tenant shall be responsible. Additionally, please clarify if this estimate includes any local district charges or other special assessments. **The 2020 estimate of Additional Expenses is: \$1.00 psf.**
 - a) COMMON AREA MAINTENANCE ("CAM"): Tenant shall reimburse Landlord for Tenant's pro-rata share of all common area maintenance costs relative to the Property. Annual increases in controllable CAM shall be capped at 5% annually. Tenant shall also pay a reasonable Management Fee, not to exceed 5% of CAM. **Please provide three (3) years' operating expense history for the Property for Tenant's review prior to Lease negotiation.**

- b) REAL ESTATE TAXES: Tenant shall reimburse Landlord for Tenant's pro-rata share of Real Estate Taxes (including property owners' association dues and assessments) relative to the Property.
- c) INSURANCE: Tenant shall reimburse Landlord for Tenant's pro-rata share of property damage, rental and public liability insurance relative to the Property.
14. UTILITIES: Tenant shall pay for all separately metered utilities servicing the Lease Premises.
15. SECURITY DEPOSIT: Payable to the Landlord upon lease execution; equal to one month's rent.
16. TENANT IMPROVEMENT ALLOWANCE: **\$12.00** per square foot. The Tenant Improvement Allowance shall be paid within fifteen (15) days after Tenant opens for business in the Premises.
17. LANDLORD'S WORK: Landlord shall deliver the Lease Premises per attached Exhibit B. Please state expected time of completion.
18. TENANT'S WORK: All improvements not specified as Landlord's Work shall be the sole responsibility of the Tenant. Tenant shall provide Landlord a full set of plans, specifications and contractor documents for approval prior to construction and said approval shall not be unreasonably withheld. After construction completion, the Tenant shall provide a complete set of "as-builts" to Landlord.
19. MAINTENANCE: Throughout the Lease Term and any extensions thereof, Landlord shall maintain and repair all parking areas, roadways, pedestrian sidewalks, loading docks, delivery areas, landscaped areas and all other areas or improvements on or about the Lease Premises and Property at Landlord's sole cost and expense. Additionally, Landlord shall repair and replace, if necessary, the structural elements of the Property and/or Lease Premises not occasioned by acts of the Tenant. Maintenance of the interior of Lease Premises, including mechanicals, shall be the responsibility of the Tenant up to \$1000 annually.
20. HVAC: Landlord warrants that the heating, ventilating and air conditioning system ("HVAC System") will be in good operating condition on the Commencement Date and for a period of one (1) year. During this warranty period, Landlord will, at its cost, repair and replace components of the HVAC System as necessary. After the expiration of the warranty period, Tenant shall purchase an annual maintenance contract for the HVAC System, which provides for repair and maintenance service not less frequently than quarterly. Tenant will be responsible to provide and pay for the routine upkeep, repair and maintenance of the HVAC System, which such total out of pocket costs to Tenant shall not exceed \$1000.00 annually. Replacement of the HVAC system will be the Landlord's responsibility. **Please state age and condition of existing HVAC servicing the Lease Premises.**
21. HAZARDOUS MATERIALS: Landlord represents and warrants that the Lease Premises are free of all asbestos, asbestos containing materials and other hazardous or toxic materials.
22. EARLY ACCESS: Landlord shall cooperate with Tenant to allow access to the space as early as possible prior to the completion of Landlord's work, for the purpose of construction or to install or receive furniture, furnishings, equipment and the like provided that such access does not materially interfere with the completion of Landlord's work.
23. HOURS OF OPERATION: Tenant shall have the right to operate as a typical ChiroWay office during the hours designated by the Franchisor, but no less than 40 hours per week.
24. ZONING & ORDINANCE: Landlord represents and warrants that the Lease Premises is currently zoned for Tenant's Use.
25. SIGNAGE: Tenant, at its sole cost and expense, shall be allowed the maximum signage allowable per city code and city ordinances, including window clings per standard trade dress and space on the pylon at no additional cost. (See exhibit C for signage examples)
26. ASSIGNMENT AND SUBLETTING: Tenant may sublease the Lease Premises or assign the Lease with Landlord's consent, which shall not be unreasonably withheld.
27. SECURITY: **Please state any security features currently at the Property and/or within Lease Premises.** Tenant shall, at its sole cost and expense, be permitted to install its own security systems with Landlord's consent, which shall not be unreasonably withheld.
28. ACCESS AND USE: Tenant shall have 24/7 access to the Building and Lease Premises, 365 days per year.

29. **PARKING:** Tenant requires an appropriate amount of parking for designated use. Landlord shall provide all parking calculations and an exhibit detailing Tenant's parking stalls, and warrants that there is sufficient parking for designated use per city code. **Please define parking lot light hours of operation.**
30. **FORM OF LEASE:** The Landlord and Tenant hereby agree that the Lease shall be in the Landlord's standard form and prepared at no cost to the Tenant, containing amendments to reflect and incorporate the terms and conditions of this Letter of Intent within ten (10) business days of Acceptance of this LOI. The parties agree that there may be modifications to the Lease as may be agreed upon between the Tenant and the Landlord or their Lawyers acting reasonably and understanding no financial changes will occur outside of the agreed Letter of Intent. The Parties agree to make reasonable efforts to execute and deliver the Lease no later than thirty (30) days after acceptance thereof.
- The Landlord will use its best commercial efforts to obtain a non-disturbance agreement from each existing mortgagee in a form reasonably acceptable to the mortgagee at the Landlord's expense. The lease shall contain a clause whereby the Landlord acknowledges that the Tenant's Bank has a first charge over leasehold improvements, trade fixtures and equipment.
31. **AMERICANS WITH DISABILITIES (ADA):** Please confirm that to Landlord's actual knowledge, the Building is in full compliance with the codes in effect at the time of its construction.
32. **DISCLOSURE/COMMISSION:** All parties acknowledge that **LOCAL BROKER** and David Cohen of Friedman Real Estate Brokerage, Inc. represent the Tenant in this transaction. Commissions shall be payable to **LOCAL BROKER** per a separate agreement.

We hope this Proposal helps to clarify our terms and conditions in further detail. Please note that the terms set forth herein shall remain in effect only until **June 25, 2020** and are subject to Landlord's review of a final space plan and Tenant's financial statements.

This Proposal is not contractually binding on the parties and is only an expression of the basic terms and conditions to be incorporated in a formal written agreement along with the other terms to be negotiated by the parties, all of which are subject to the approval of the Landlord. The parties shall not be contractually bound unless and until a formal agreement is fully executed and delivered by all parties.

Very Truly Yours,
FRIEDMAN REAL ESTATE BROKERAGE, INC.

David Cohen
VICE PRESIDENT- INVESTMENT ADVISORY SERVICES

CC: **LB - LBC**

EXHIBIT A

2,960 Rentable Square Feet
PLEASE PROVIDE LOD

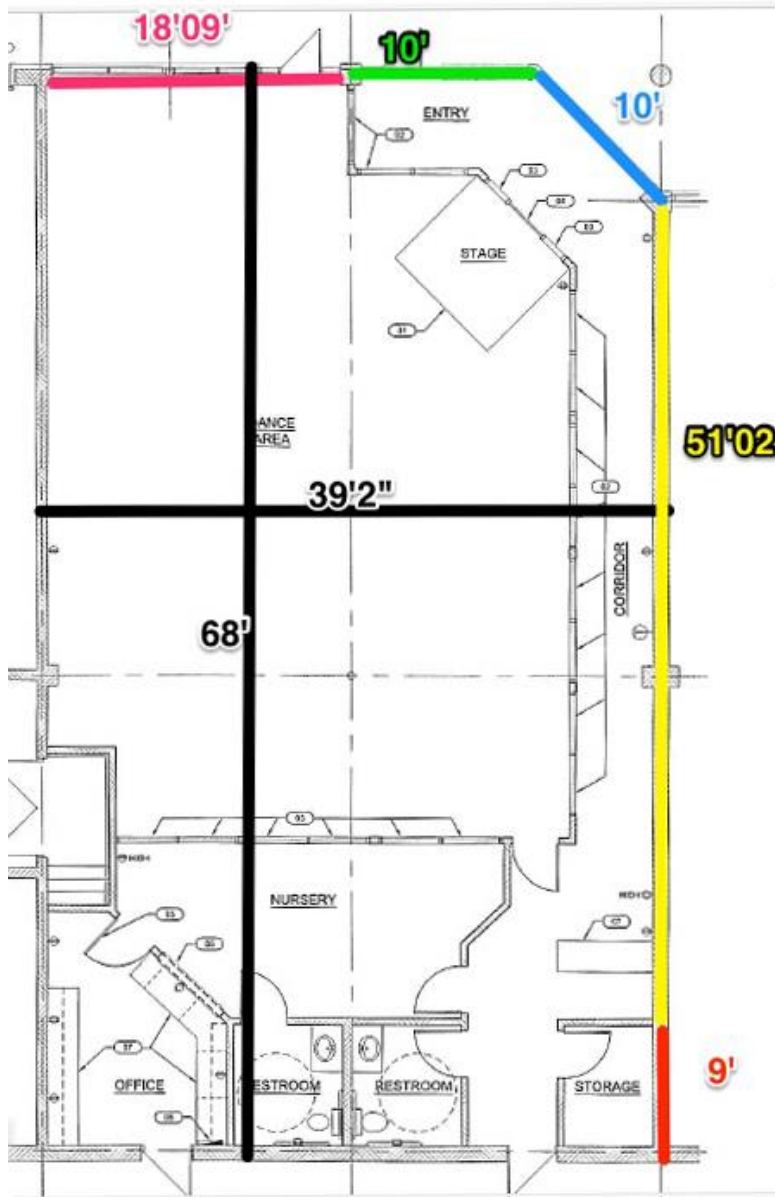


EXHIBIT B

TYPICAL SPACE CONSIDERATIONS / LANDLORD'S WORK

- > ADA approved bathroom
- > Handicapped accessible entry and storefront in good condition
- > HVAC units and duct work in good working condition
- > 200A 3 phase 4 wire electrical panel on the perimeter wall – electrical run
- > Sidewalks and approaches in compliance with local ordinances
- > Separate utility meters (gas, water and electric)
- > Existing floors leveled and tripping hazards remedied
- > Space to be up to all codes including fire safety
- > Landlord to provide access for storage in basement space - if applicable

EXHIBIT C

SIGN AND WINDOW CLING EXAMPLES