

# ABC Commercial Sales and Leasing

1100 Wilson Boulevard, Arlington, Virginia 22201 – 703-888-8888

March 1, 2021

Harry Smith  
Smith Commercial Properties  
2822 Clarendon Boulevard Arlington, VA 22201

Dear Mr. Smith:

This Letter of Intent sets forth the basic terms of a proposal from our client, Rachel Ross, to lease the subject property:

1. **Tenant:** To be formed LLC, T/A *Rachel's Bakery*.
2. **Premises:** 2858 Wilson Boulevard, Arlington, VA. Consisting of approximately 1200 sq ft of retail space. The exact size to be confirmed by Tenant's architect.
3. **Use:** The retail sale of assorted cakes, pies, and pastries, etc. typically sold in a Bakery – and nothing else without Landlord's written permission.
4. **Non-Compete:** There will be no other bakery in the Center and no other Tenant in the Center will be permitted to sell more than 20% of similar merchandise.
5. **Lease Term:** The initial Lease Term shall be ten (10) years.
6. **Minimum Rent:** The minimum Base Rent shall be forty dollars (\$40.00) per sq ft triple net.
7. **Lease Commencement:** At Lease Execution
8. **Rent Commencement:** The earlier of 120 days from Lease Commencement or the date Tenant opens for business.
9. **Rent Increases:** The Base Rent shall increase 3% annually.
10. **Percentage Rent:** Percentage Rent at 6% applied to monthly sales above a normal break point.
11. **Taxes & CAM** Tenant shall pay its pro-rata share of Real Estate Taxes and Common Area Maintenance (CAM).
12. **Option to Extend:** One five (5) year option to extend at market rates.

- 13. Utilities:** Tenant shall have separate meters and be responsible for the direct Payment of gas, electric and water charges.
- 14. Condition of Premises:** As-is condition
- 15. Tenant's Work:** Tenant shall be responsible for all improvements including, but not limited to, HVAC, electrical, plumbing and trade fixtures. Tenant Plans will be subject to Landlord review and written approval.
- 16. Tenant Improvement Allowance:** Landlord will provide \$30.00 per sq ft Tenant Improvement Allowance. (TI) Tenant is responsible for all costs in excess of the TI Allowance. The TI Allowance will be paid within 30 days after Tenant is open for business and after Landlord has received Release of Lien documents from the General Contractors and all sub-contractors.
- 17. Signage:** Tenant shall install, at its expense, the signage allowed by code and in accordance with Landlord's criteria.
- 18. Deposits:** First Month's Rent and one month's Security Deposit due at Lease execution.
- 19. Personal Guaranty:** Rachel and Thomas Ross will sign a limited Personal Guaranty.
- 20. Lease Form:** Lease to be prepared by Landlord's attorney.

This letter of intent is merely an expression of interest and shall be non-binding upon the parties hereto. Each party shall have the unilateral right to terminate negotiations at any time, for any reason or for no reason, without liability to the other party. If and when a lease has been negotiated and executed, the terms thereof shall supersede the terms of this letter of intent. This proposal shall expire on (INSERT DATE)

TENANT:

LANDLORD:

\_\_\_\_\_  
Signature

\_\_\_\_\_  
Date

\_\_\_\_\_  
Signature

\_\_\_\_\_  
Date