

**LETTER OF INTENT**

January 8, 2015

Cotton St Holdings, LLC  
 80 Exchange Street, Suite 30  
 Portland, Maine 04101

RE: 75 Washington Avenue Suite 2G, Portland, Maine

This Letter of Intent sets forth the terms and conditions under which Kit Paschal (hereinafter referred to as "TENANT") is willing to move forward toward a lease agreement with Cotton Street Holdings, LLC (hereinafter referred to as "LANDLORD") for space at the above-referenced location. The following does not constitute a binding agreement and neither party shall be bound by any terms or conditions until a formal lease agreement is executed by both parties.

Property Address: 75 Washington Avenue, Portland, Maine

Tenant: Kit Paschal DBA Poplar & Company LLC (to be formed)

Landlord: Cotton St Holdings, LLC

Demised Premises: 2,879± SF rentable square feet (RSF) which includes a front retail area and a rear storage room consisting of an additional 770± SF.

Lease Term: Ten (10) years

<u>Lease Rate:</u>	Year	Annual Rent	Monthly Rent
	1	\$34,548.00	\$2,879.00
	2	\$34,548.00	\$2,879.00
	3	\$35,584.44	\$2,965.37
	4	\$36,651.97	\$3,054.33
	5	\$37,751.53	\$3,145.96
	6	\$38,884.08	\$3,240.34
	7	\$40,050.60	\$3,337.55
	8	\$41,252.12	\$3,437.68
	9	\$42,489.68	\$3,540.81
	10	\$43,764.37	\$3,647.03

Tenant shall be responsible for its pro rata share of real estate taxes, building insurance, ground keeping (landscaping, snow plowing and removal), exterior and interior maintenance of the building or common areas and all other building expenses of non-capitalization type. Estimated to be \$3.00/SF. The Tenant will only be responsible for paying CAM's on the storage space. The storage space is included in the base rent.

- Option Term: Two (2), five (5) year options to renew with six (6) months notice
- Option Term Rent: 3% annual escalation over the last year of the base term.
- Possession Date: February 1, 2015
- Rent Commencement Date: August 1, 2015
- Security Deposit: Two Thousand Eight Hundred Seventy Nine Dollars (\$2,879)
- Landlord Loan: Landlord will loan Tenant \$20,000 for Tenant improvements on commercially reasonable terms. Loan will be repaid starting in lease month 37 with a monthly payment of \$345.59 until paid in full at the end of lease month 120. Tenant may prepay at any time with no penalty.
- Tenant's Work: Any and all modifications to the leased premises by Tenant would be submitted to Landlord for its approval prior to commencement of work. All work be performed in a first class and workmanlike manner in compliance with all applicable State and Municipal building codes and ordinances.
- Landlord's Work: Landlord will contribute up to \$75,000 for tenant improvements when presented by Tenant with an invoice for said improvements.
- Utilities: Tenant would be directly responsible for its separately metered heat and electricity expenses. Tenant to pay for its utility costs upon possession.
- Janitorial: Tenant also will responsible for leased premises' janitorial costs.
- Signage: Tenant's responsibility – subject to Landlord's approval and local sign ordinances.

Brokerage Commission: Landlord's responsibility. NAI The Dunham Group is the only brokerage involved in this transaction.

Parking: Two (2) parking spaces at 107 Washington Avenue included in base rent.

Personal Guarantee: Kit Paschal

Facsimiles: The undersigns jointly and severally agree to accept fax and scan copies of the documents which have been sent by either party to the other, or to any other party or agent to this transaction, as original documents, with the exception of the final lease document.

Miscellaneous This Letter of Intent represents the preliminary understanding of the parties with respect to the proposed Lease. This letter is not intended to constitute a binding or enforceable contract nor does it constitute a legal obligation on either party. Further, the basic terms set forth are subject to both parties entering into a mutually agreeable written Lease agreement to be fully executed by both Landlord and Tenant.

SEEN AND ACKNOWLEDGED BY:

LANDLORD:

By: Jeremy Harris [Name] 1/8/15 [Date]

Its: Manager [Title]

TENANT:

By: [Signature] [Name] 1/8/15 [Date]

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Its: Owner  
[Title]