

Date: 5-10-16

To: Gainesville CRA

RE: Letter of Intent to Lease Depot Building

The following are the terms and conditions under which Gainesville CRA ("Landlord") is willing to lease space to Double 18, Inc. ("Tenant") at the above address:

- 1 **LANDLORD:** Gainesville CRA
- 2 **TENANT:** Double 18, Inc.
- 3 **PREMISES:** See Exhibit "A"
- 4 **SIZE:** 2,665 sq/ft AC Depot Building, 3,500 sq/ft Non AC Depot Building, 2 open-air Patios
- 5 **LEASE TERM:** 5 Year base term with two renewal options of 5 years each
- 6 **RENEWAL OPTIONS:** Provided Tenant is not in Default, two (2) period of five (5) years upon six (6) months written notice to Landlord. See Exhibit "B" for detail on the rent structure for the renewal option periods.
- 7 **RENT/PSF:** AC space (starts @\$10/sq ft) + Non-AC (starts@\$5/sq ft) = Base Rent which shall increase at a rate of \$1.50 per square foot per year during the base term of the lease.
- 8 **FL SALES TAX:** Tenant shall be responsible for paying sales tax on all rental charges, as required by the State of Florida, currently 6% in Alachua County.
- 9 **ADDITIONAL CHARGES:** Tenant to provide liability insurance. Landlord provides building Insurance and pays property tax.
- 10 **LEASE COMMENCEMENT DATE:** Lease will commence upon delivery of premises, estimated to be June 15th, 2016.
- 11 **RENT COMMENCEMENT DATE:** Rent commencement on day of Grand Opening (Park is complete and fully functional)
- 12 **ADVANCE RENT & SECURITY DEPOSIT:** Upon lease execution, tenant will deliver to landlord First month's rent, inclusive of additional rent and sales tax, and security deposit equal to one month's base rent.
- 13 **GUARANTOR:** Tenant will provide a Guarantee from an entity suitable to the landlord. Upon mutual acceptance of this Proposal (The LOI), Tenant will provide corporate financial statements from the Guaranteeing entity. Tenant will also provide a Personal Guarantee from the principals involved. Acceptance of Guarantee shall be at the sole discretion of the landlord.

- 14 USE OF PREMISES:** Tenant will use and occupy the Premises for the business of a General store/rental space/restaurant & bar, with option for sub lease to portions if needed.
- 15 SIGNAGE:** Tenant shall be permitted to install, at Tenant's expense, the maximum exterior and interior signage to be in compliance with Landlord's signage standards and all zoning and other laws and the requirements of all governmental and quasi-governmental offices and agencies having jurisdiction over the Property and shall be subject to the approval of Landlord which shall not be unreasonably withheld.
- 16 WARRANTIES OF OWNER:** Landlord warrants that the building in which the Premises are located will meet all local codes at the time of delivery of the Premises. At the time of delivery of the Premises, the mechanical, HVAC, electrical and plumbing systems shall be in good working order.
- 17 UTILITIES:** All utilities serving the Premises shall be separately metered (or sub-metered) and paid directly by Tenant. All costs related to Fire System and ADA required Equipment is to be covered by Landlord.
- 18 BROKERAGE:** It is understood by both Landlord and Tenant that no broker has been involved in this transaction with the exception of Front Street Commercial Real Estate Group.
- 19 LANDLORD WORK:** Landlord provides a six (6) foot functioning hood exhaust within 12 months (all costs attributed to install). Tenant shall be responsible for the additional cost of a larger hood and any other costs associated with the larger hood. Provides safety enclosure under Depot Provides exterior pest control Provides stairwell to lower patio area off of Southern side of Western end of Depot Building.
- 20 TENANT IMPROVEMENT ALLOWANCE:** N/A
- 21 TENANT'S WORK:** Tenant shall have right to modify the interior of the premises in accordance with the standard trade dress of a General store/rental space/restaurant & bar operation. All modifications must be performed by a licensed building contractor and be permitted through the governing jurisdiction. All modifications must be reviewed and approved by landlord prior to tenant commencing work. Tenant provides cost of custom openings in walls (if fair price from CRA contractor), minor plumbing, electrical as needed
- *** Tenant needs understanding of allowed holes in wall - It is respected that this is a historic structure, however, we need products, shelving mounted throughout interior. Tenant needs understanding of restrictions expected.
- 22 SPECIAL EVENTS** Landlord shall be permitted to utilize the open air portions of the Property for events up to ten (10) times per year with advance notice to Tenant and at mutually agreeable times / days.



As the "brick and mortar" of the Park, Tenant would like to understand other outside (food truck) intentions and their frequency. Tenant is supportive, and may use in beginning themselves, but would like to hear CRA expectations.

This LOI is an outline of the general business terms of the proposed lease. This proposal shall not be legally binding on either party unless an acceptable lease is executed by both parties. If you are in agreement with the above terms, please acknowledge by signing below. Once signatures are received, Landlord will prepare a lease and the parties will cooperate to negotiate and enter into a formal lease agreement within 10 days. The existence of this letter of intent shall not preclude either party from continuing to negotiate with other prospective tenants or landlords. **THE PARTIES AGREE TO KEEP ALL TERMS OF THIS LETTER OF INTENT STRICTLY CONFIDENTIAL.**

Sincerely,

Nick Banks
 Managing Director
 Front Street Commercial Real Estate Group

Agreed to By:

By:

Date:

Name:

Title:

Scott Shillington
MAY 11 2016
Scott Shillington / Double 18 Inc.
Pres.

EXHIBIT "A"

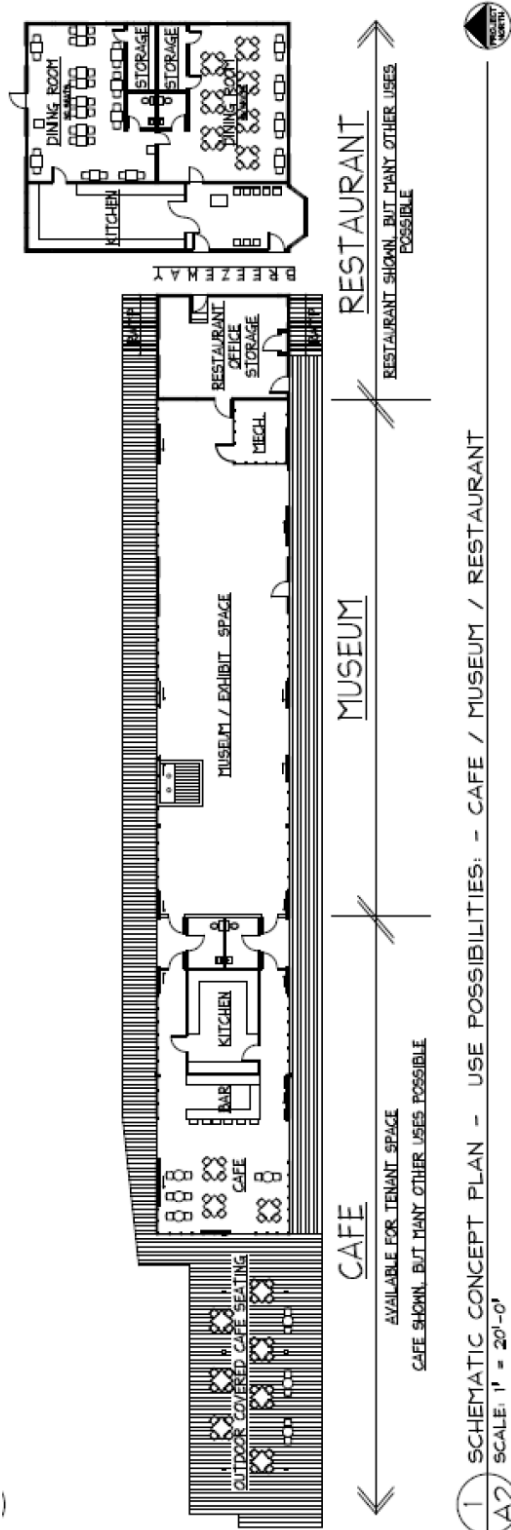


EXHIBIT "B"

Renewal Options 1 & 2: Years 6-15

Sales Revenue Less Than \$1M		Sales Revenue Exceeds \$2M		Sales Revenue Exceeds \$3M		Sales Revenue Exceeds \$4M	
Lease Year	Total Rent	Total Rent	Total Rent	Total Rent	Total Rent	Total Rent	Total Rent
6	\$ 82,763	\$ 85,000	\$ 90,000	\$ 95,000	\$ 95,000	\$ 96,900	\$ 98,838
7	\$ 84,418	\$ 86,700	\$ 91,800	\$ 96,900	\$ 98,838	\$ 100,815	\$ 102,831
8	\$ 86,107	\$ 88,434	\$ 93,636	\$ 99,367	\$ 104,888	\$ 106,985	\$ 109,125
9	\$ 87,829	\$ 90,203	\$ 95,509	\$ 101,355	\$ 106,985	\$ 109,125	\$ 111,308
10	\$ 89,585	\$ 92,007	\$ 97,419	\$ 103,382	\$ 109,125	\$ 111,308	\$ 113,534
11	\$ 91,377	\$ 93,847	\$ 99,367	\$ 105,449	\$ 111,308	\$ 113,534	
12	\$ 93,205	\$ 95,724	\$ 101,355	\$ 107,558			
13	\$ 95,069	\$ 97,638	\$ 103,382				
14	\$ 96,970	\$ 99,591	\$ 105,449				
15	\$ 98,909	\$ 101,583	\$ 107,558				