6/25/2026

RE: Letter of Intent
1011 Harris Ave, #1021
Bellingham, WA

Dear **Troy Muljat & Megan Mcleod**,

This non-binding Letter of Intent is for the purpose of outlining in broad and general terms the present intentions of **Forge FB, LLC** with respect to the lease of real property located at the above referenced project.

Premises: Approximately **1,093** square feet located in **Suite 1021 (the "Acme Corner")** at **1011 Harris Ave, Bellingham WA**, plus approximately **6,700 SF** comprising the former **Fat Pie space** (basement, first level, second floor and upper terrace). Total of approximately **7,793** rentable square feet.

Landlord: **H4IT Properties, LLC**

Tenant: **Forge FB, LLC. Lease to be personally guaranteed.**

Permitted Use: **Suite 1021 use of daily retail sales of artisanal Gelato, pastry style waffles, handcrafted cones** and related use. Kitchen/ Production space for **gelato & pastry production** & first floor restaurant to be utilized for **customer-facing coffee roasting, retail and wholesale sales of specialty coffee.**

Lease Term: **Sixty three (63) months** from Commencement Date.

Commencement & Possession Date: **July 1st, 2026**

Rent Commencement: Acme Corner rent shall commence on the Commencement Date (July 1, 2026). Fat Pie Space rent shall commence per the Rental Rates schedule below, with Months 1–3 fully abated.

Rental Rates: **Acme Corner – 1,093 SF (Suite 1021), NNN:**
Months 1-24: $29.00 / SF / YR + NNN

Months 25-36:	$29.87 / SF / YR + NNN
Months 37-48:	$30.77 / SF / YR + NNN
Months 49-63:	$31.69 / SF / YR + NNN

Fat Pie Space: **6,700 SF (former Fat Pie space), NNN:**

Months 1-8:	$0.00 (Free Rent)
Months 9-12:	$5,000.00 / Month (Gross)
Months 13-24:	$16.00 / SF / YR + NNN ($8,933.33 / Month)
Months 25-36:	$16.48 / SF / YR + NNN
Months 37-48:	$16.97 / SF / YR + NNN
Months 49-63:	$17.48 / SF / YR + NNN

For clarity: base rent is flat through Lease Year 2 for both spaces. Beginning Lease Year 3 (Month 25), base rent increases three percent (3%) per year. All rent is on a Triple Net (NNN) basis, except the Months 9–12 gross amount on the Fat Pie Space.

Pre-Paid Rent: Tenant shall pay the first full month's rent, upon lease execution.

Option: Tenant shall have two options to extend for five years each. Rent during each option term shall increase annually by 3%.

Landlord Improvements: The Landlord shall deliver the space in clean condition. No other improvements are required. All equipment to remain in building for tenants use. Landlord shall provide a Tenant Improvement Allowance of $7.70 per rentable square foot ($60,000 total), to be disbursed to Tenant prior to commencement of construction. Any unused portion of the Allowance shall be applied as a credit against Tenant's base rent obligations.

Tenant Improvements: Tenant is going to invest ~$1M into space for concept and use (restaurant space interior upgrades, exterior work throughout, equipment throughout).

Operating Costs: **NNN**

This is a triple net (NNN) lease. Tenant will pay pro-rata share of operating expenses for real estate taxes, common area maintenance (including garbage), and insurance. The NNN expenses are currently $11.00/ SF/ Yr. Additionally, Tenant shall pay the costs of all separately metered utilities.

Pro-Rata Share: The Tenant's pro-rata share is approximately 91.98% (Acme Corner 12.90% + Fat Pie Space 79.08%), based on 8,473 total rentable square feet (Landlord to confirm).

NNN charges for the Fat Pie Space commence together with Fat Pie Space base rent in Month 13.

Security Deposit: Tenant shall deposit with Landlord **$10,000.00** as a security deposit (the "Security Deposit") upon execution of this Lease. Security Deposit shall be fully refunded to tenant at the end of the term so long as tenant is in good standing.

Landlord Warranties & Guaranties Landlord warrants the roof, mechanical systems, electrical, and structure are in good working order upon delivery of the space to Tenant.

Parking: Street Parking Only

Signage: Landlord shall provide building-standard signage in the main lobby directory and a panel on the building's monument sign. Tenant may place its signage at Tenant's cost at the Premises in keeping with the building's standards and Landlord's approval of design, size and location.

Brokerage: Troy Muljat/ Megan Mcleod, Muljat Commercial Real Estate represents the Landlord and Jack Hilt, Gage Commercial Real Estate, LLC represents the Tenant in this agreement. Upon full execution of a Lease, and removal of all contingencies contained therein, Landlord agrees to pay for services rendered in securing Forge FB as a Tenant a commission as follows:

- Five Percent (5%) of the gross rents for years 1 through 5.
- Two and one-half percent (2.5%) of the gross rents for years 6 through 10.
- Commissions shall be paid ½ upon lease execution and ½ upon tenant occupancy.
- All commissions split evenly (50/50) between Landlord and Tenant's broker.

This proposal does **<u>not</u>** represent any contractual obligation or infer that any other rights exist between Landlord and Tenant, until such a legally binding lease is executed by both parties. We look forward to your favorable response to this proposal. Should you decide to move forward with this offer, please execute this offer on the line provided below.

Sincerely,

Jack Hilt
Broker, Gage Commercial Real Estate, LLC

<u>ACCEPTED AND ACKNOWLEDGED</u>

LANDLORD: **H4IT Properties, LLC**	**TENANT:** **Forge FB, LLC**
______________________________	______________________________
By:	**By: Sean Osborn**
Date:__________________	**Date:** ____________________

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