

On Lessor Letterhead

Date

Potential Lessee Name  
Address

**Letter of Intent to Enter into Commercial Lease Negotiations for:**

**[name/ location of property]**

Dear Prospective Tenant:

This non binding Letter of Intent (“LOI”) outlines the terms on which the [landlord company name here] (“Landlord”) would be willing to pursue further lease negotiations for a lease with \_\_\_\_\_ (“Tenant”) in [name or location of property here], [City Name Here], [County Name Here], [State Name Here]. The following terms and conditions will serve as an outline of the proposed lease agreement and as the basis for preparation and negotiation of a final lease agreement acceptable to both parties.

**LANDLORD**

Landlord Name

Landlord Address

City, State, Zip

**TENANT**

[PROSPECTIVE TENANT]

TENANTS REAL ESTATE REPRESENTATIVE

[REAL ESTATE REPRESENTATIVE]

**PREMISES**

The leased commercial real estate (the “Premises”) consists of an agreed area of approximately \_\_\_\_\_ rentable square feet within the [name or location of property here, \_\_\_\_\_ State, Suite \_\_\_\_\_]. Attached hereto as Exhibit “A” is a current Site Map of the Premises.

**EFFECTIVE DATE**

The Lease shall be effective as of the date of execution (the “Effective Date”).

**COMMENCEMENT DATE**

The term of the lease and rent thereunder shall commence on the sooner of: (a) tenant opens the Premises for business to the public; and (b) \_\_\_\_\_ days after the Delivery Date, below ("the Commencement Date").

**DELIVERY DATE**

Landlord shall deliver the Premises, in a condition suitable for Tenant's commencement of construction of its improvement presently estimated to be \_\_\_\_\_ days hereafter ("Delivery Date").

**LEASE TERM**

The term of the Lease will consist of an initial term of five (5) years, plus two (2) renewal periods of five (5) years each, exercisable at Tenant's option, for a total term of fifteen years (15).

**RENT**

Base Rent. The base monthly rent shall be: \$ \_\_\_\_\_

Option Rent. The base monthly rent for the first option period shall be: \$ \_\_\_\_\_

The base monthly rent for the second option period shall be: \$ \_\_\_\_\_

This is a "Triple Net" Lease.

**SECURITY DEPOSIT**

The amount of the security deposit is \$ \_\_\_\_\_

**PERMITTED USE**

The Premises shall be used only for [Description of Use Here] and for no other purpose without the prior written consent of Landlord.

**ALTERATIONS**

Tenant shall only make alterations, additions or improvements to the Premises with the prior written consent of Landlord.

**PROHIBITED USES**

Any illegal, unlawful or offensive use or use of the Premises not in conformity with those Amended and Restated Easements with Covenants and Restrictions Affecting Land as recorded in the [County Name] Auditor's office, as now or hereafter amended shall not occur on Premises or Common Areas.

**CAMs/OPERATING COSTS**

Tenant shall pay to Landlord its pro rata share of the reasonable expenses of operating, maintaining, and repairing the Premises, Building and Property estimated at \$ \_\_\_\_\_ and CAMs estimated at \$ \_\_\_\_\_ perm month.

## **UTILITIES AND SERVICES**

Landlord shall provide the Premises with water and electricity for seven (7) days per week, twenty-four (24) hours per day.

Tenant shall furnish and pay for all utilities and, at Tenant's sole expense, make provisions for all other utilities (including, but not limited to, heating, ventilation, air conditioning, janitorial service, telephone and cable service if available) and other services which Tenant requires with respect to the Premises, except those to be made available by Landlord as described above.

## **TAXES**

Tenant shall pay all taxes, assessments, liens and license fees ("Taxes") levied, assessed or imposed by any authority having the direct or indirect power to tax or assess any such liens, by reason of Tenant's use of the Premises, and all Taxes on Tenant's personal property located on the Premises.

## **REPAIRS AND MAINTENANCE**

Tenant shall, at its sole expense, maintain the Premises in good condition and promptly make all repairs and replacements, whether structural or non-structural, necessary to keep the Premises safe and in good condition, including all utilities and other systems serving the Premises. Landlord shall maintain and repair the Building structure, foundation, exterior walls, and roof, and the Common Areas, the cost of which shall be included as an Operating Cost.

## **INSURANCE**

During the Lease term, Tenant shall pay for and maintain commercial general liability insurance with broad form property with a combined single limit of not less than \$2,000,000.

## **ASSIGNMENT AND SUBLETTING**

Tenant shall not assign, sublet, mortgage, encumber or otherwise transfer any interest in the Lease or any part of the Premises, without first obtaining Landlord's written consent.

## **SIGNAGE**

Tenant's signage must conform to and abide by all signage criteria as stated in the [note city/county/landlord/company signage regulations here].

## **PARKING**

Tenant's customers and guests shall only park in areas of the Common Area designated by Landlord.

## **BROKERS' FEES**

Tenant represents and warrants to Landlord that it has not engaged any broker, finder or other person who would be entitled to any commission or fees for the negotiation, execution, or delivery of the Lease.

## **FORM OF LEASE**

The Lease will be based upon Landlord's standard form, attached hereto as Exhibit "A," with modifications to reflect the terms of this LOI as approved by Landlord and Tenant.

## **DURATION**

This Letter of Intent shall be effective from the date of the last signature appearing below and continuing thereafter for a period of \_\_\_\_\_ days.

## **CONFIDENTIALITY**

We also confirm and agree that this and all future negotiations and disclosures between all parties subject to this agreement will be subject to the following confidentiality provisions:

- (a) In the course of our discussions we will each have access to and will be entrusted with detailed confidential information relating to the other; and
- (b) The right to maintain the confidentiality of this information constitutes a proprietary right which the other party is entitled to protect and which shall be respected and honored; and
- (c) Neither party will at any time disclose any confidential information or use same for any purpose which would give it or any competitor or other interested party an advantage over its counterpart in these discussions;
- (d) At the end of these discussions, and subject to any other agreement reached, all copies of any documentation or records referring to or containing confidential information belonging to the other party shall be returned or destroyed, to be confirmed by a statutory declaration if so requested; and
- (e) The entering into of this letter of intent, and the potential completion of this transaction, will be kept strictly confidential and will not be disclosed to customers, suppliers, employees or other persons without the consent of both parties, such consent not to be unreasonably delayed or withheld; this provision shall not apply to disclosure to professional advisors, potential financiers, or appraisers, provided they agree to maintain the same level of confidentiality required by the parties.

## **CONFIDENTIALITY EXCLUSIONS**

Confidential Information does not include the following information that:

- (a) is developed by the receiving party independently and without use of or concerning the disclosing party's Confidential Information;
- (b) is obtained by the receiving party from a third party without restriction on disclosure and without breach of a nondisclosure obligation;
- (c) is in or enters the public domain other than through the fault or negligence of the receiving party and without breach of this Agreement;
- (d) the receiving party possesses before first receiving it from the disclosing party; or
- (e) as legally required to be disclosed, at which point the disclosing party will notify the other party.

## **CONFIDENTIALITY OBLIGATIONS**

Each party will maintain in strict confidence, and will not use or disclose, except as expressly permitted under this Agreement, any Confidential Information received from the other party. Each party further agrees to use the same degree of care to maintain the confidentiality of all Confidential Information received from the other party that it uses to maintain the confidentiality of its own information of similar importance, but in no event will it use less than reasonable care.

This LOI does not constitute a binding lease or contract, and no lease or contract is intended to arise unless and until the final lease or contract is approved and fully executed by all parties. Landlord makes no representation or warranty that acceptance of this LOI will result in the mutual execution or delivery of a lease for the Premises. If Landlord and Tenant are unable, for any reason, to reach and execute a full and final lease agreement for the Premises, neither party will have any claim against the other for any reason, including but not limited to any claim based on "part performance", "detrimental reliance", "good faith", or

any other cause of action arising out of this LOI. All costs incurred by either party will be the sole responsibility of the incurring party. Each party is free to terminate negotiations with the other for any reason whatsoever, at any time prior to the execution of a lease or contract without incurring liability to the other by proper delivery of written notice of such intent to terminate negotiation upon the other party.

Sincerely yours,

Landlord Company Name

By:

\_\_\_\_\_, Business Park Manager

Date:

APPROVED AND ACKNOWLEDGED

[PROSPECTIVE TENANT

By:

Name:

Title:

Date:

APPROVED AND

Landlord Company

By:

\_\_\_\_\_

Date:

Sample Preview