**Example one**

(The following 2 pages-5) **Shows a little more simple design.**

and

**Shows more detail, for**

**The 2nd example one**

**Class “A” office space.**

Date

Agent or Owner

Company

Address

Re: \_\_\_property\_\_\_ – Office Lease Proposal

Dear :

Please take a moment to review the following proposal:

***Landlord:***

***Tenant:***

***Premises & Address:***

***Size:***

***Term:*** \_\_\_\_\_\_\_month/year(s)\_\_\_\_

***Commencement:*** \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_, 20\_\_

***Rental Rate:*** The rental rate shall be $\_\_\_\_\_\_ for the first year.

***Escalations:*** Beginning in the 13th month and annually thereafter, the rent shall increase by \_\_\_\_\_\_ percent (\_\_%).

***Operating Expenses:*** Tenant shall pay prorata share of the increase in operating expenses over the base year.

***Rent Abatement:*** Landlord shall give the Tenant the first \_\_\_\_\_ (\_\_) months rent free.

***Tenant Improvements:*** The Premises shall be delivered in “as-is” condition.

***Parking:*** Landlord shall provide free, unassigned surface parking.

***First Right of Refusal:*** Tenant shall have a continuing first right of refusal on all space contiguous to Tenant’s premises. Tenant's first right of refusal shall be on ten (10) business days advance written notice. All space taken under the terms of first rights of refusal shall be at identical terms and conditions to those of the base lease, including base lease rates and any tenant improvement allowance.

***Furniture:*** Landlord shall provide furniture for each of the offices.

***Brokerage:*** \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_ is representing the Tenant and \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_ is representing the Landlord. Both shall be paid a real estate commission by the Landlord per a separate agreement.

Note this Proposal:

1. Shall remain in effect until \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_,20\_\_.

ii) Is subject to the review and approval of current financial condition of the entity executing Lease documents.

1. May be modified or withdrawn without notice.
2. Represents some of our understandings about a possible future Lease, and is not intended to create a legally binding obligation on either party. Such an obligation will be created only when both parties execute a Lease document, covering all of the rights and obligations of the parties.

\_\_recipient name\_\_\_\_\_\_\_\_, we are very pleased to consider relocating our business offices to \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_ and feel this Proposal is indicative of our desire to see that happen. If this Proposal is acceptable to your client we will proceed to a formal lease agreement.

Please respond by \_\_\_\_\_\_\_\_\_\_\_\_\_, 20\_\_ and feel free to call (xxx-xxx-xxxx) or email me at \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_ should you have questions. Thank you.

Warm Regards,

**EXAMPLE 2 - OFFICE LEASE PROPOSAL**

**NOTE: OPTIONAL LANGUAGE APPEARS IN *ITALICS***

(Date)

(Landlord)

(Company)

(Address)

(City, State, Zip)

RE: Associates Financial Services Company, Inc. (#\_\_\_\_)

(Address)

(City, State, Zip)

LEASE PROPOSAL

Dear \_\_\_\_\_\_\_\_\_:

Per our recent discussion, this proposal should reflect the terms and conditions under which you are prepared to lease to \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_ the following described premises:

|  |  |
| --- | --- |
| Building: | (Project Name)  (Address)  (City, State, Zip) |
| Parties to the Lease: | **Landlord:**  (Landlord)  (Company)  (Address)  (City, State, Zip)  **Tenant:**  (Tenant)  (Company)  (Address)  (City, State, Zip) |
| Lease Space and Measurement: | \_\_\_\_\_\_\_ square feet in space/suite \_\_\_\_\_\_\_ |
| Lease Term: | \_\_\_\_\_\_\_\_\_(\_\_) Years |
| Lease Commencement: | \_\_\_\_\_\_\_\_\_\_\_\_\_\_, 20\_\_ or the date Tenant opens for business, whichever is later. |
| Initial Base Rent: | $\_\_\_\_\_/per square foot per annum for years one through \_\_\_\_\_\_\_. |
| Renewal Options: | One (1) option for up to five (5) years on the same terms and conditions as the initial term except for Base Rent, which shall be ninety percent (90%) of the then current Fair Market Lease rate for comparable buildings in the \_\_\_\_\_\_\_ market. |
| Operating Expenses: | Tenant to pay pro rata share, to begin upon commencement of **Base Rent**. The specific amount for Tenant's share of taxes, insurance and common area maintenance shall be based on $\_\_\_\_\_\_\_ per square foot, per year, as may be adjusted from time to time. *Increases in operating expenses capped at five percent (5%) per year.* |
| Repairs: | Landlord Is responsible for maintaining the exterior walls and doors, roof, subfloors, plumbing services and fixtures, foundation and structural elements, glass, electrical panels, piping and replacement of worn-out plumbing services, fixtures and HVAC equipment which cannot be restored to normal use by general maintenance repair. Tenant is responsible for maintaining the interior walls, ceiling, interior plumbing fixtures, interior electrical fixtures, interior doors and all interior finishes. *Landlord agrees to provide Tenant with a one (1) year warranty on the HVAC air-conditioning and heating systems, and Tenant shall maintain an annual HVAC maintenance contract and provide a copy of same to the Landlord*. |
| Assignment and Subletting: | Tenant shall not sublease or assign this lease without Landlord's prior written approval. Not withstanding the above, no consent shall be required for sublease or assignment to any subsidiary, affiliate or parent of the tenant; otherwise consent should not be unreasonably withheld . |
| Parking: | All parking shall be unassigned, in-common, and maintained by the Landlord. |
| Access: | Tenant shall have access to the Premises 365 days/yr., 24 hr's/day. |
| *Signage:* | *Tenant shall be allowed maximum storefront and*  *common-pylon signage per local building codes and Landlord's reasonable approval of Tenant's sign design and style.* |
| Moving Allowance: |  |
| Rent Abatement: | The \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_ months shall be free of all rental payments. In addition, the \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_ months shall be free of all rental payments (total of \_\_\_ free months). |

|  |  |
| --- | --- |
| ***Use only one of the below***:  Tenant Improvements: | Landlord shall deliver the premises to Tenant in “Turnkey” condition pursuant to tenant’s plans and specifications. |
| *OR*  *Tenant Improvements* | *Landlord shall deliver the premises in "Vanilla Shell" condition, as described in the attached Vanilla Shell definition. All additional interior improvements within premises, shall be constructed by Tenant and shall be done in accordance with sound and generally accepted building procedures/standards and per local building codes and ordinances.* |
| *OR*  *Tenant Improvements &*  *Allowance:* | *Landlord shall deliver the premises to Tenant in an “as is” condition. Tenant shall receive a $\_\_\_\_\_\_ ($\_\_\_\_ per sq. ft.) Tenant Improvement Allowance which shall be payable upon Tenant opening for business.* |
| Space Plans/Construction  Tenant Documents: | Tenant shall be responsible for all Improvement plans (if any). and for all city and county permitable plans and specifications. |
| Cancellation: | Tenant shall have the right to cancel this lease at the end of the third (1rst) year, or at any time thereafter, with a sixty (60) day written notice to the Landlord prior to the date of the cancellation, *and the payment of a cancellation penalty equal to $\_\_\_\_\_\_\_ and the base monthly rental until the date of the cancellation.* |
| Lease Document: | Tenant 's lease will be used. |
| Rights of First Refusal with  Option for Additional Space: | Landlord agrees to provide Tenant with the first right of refusal on additional adjacent space(s) within the shopping center. |
| Hazardous Substances: | Tenants' liability, relating to hazardous or toxic substances, shall be limited to indemnification for the use, generation, release, manufacture, production, processing, storage or disposal of hazardous substances on or from the premises, during the term of the lease. |
| Americans with Disabilities Act: | Landlord agrees that the building, including all common areas such as hallways, elevators, restrooms, sidewalks and parking lots will comply with the Americans with Disabilities Act of 1990 and the regulations promulgated thereunder. Landlord further agrees that, if it is determined that the building does not comply with the Americans with Disabilities Act, it will be solely liable for such failure and that it will, among other things, take all actions, including remodeling, necessary to bring the building into compliance. Tenant agrees that its design and furnishing of the leased premises will comply with the Americans with Disabilities Act. |
| Default: | Vacating the premises shall not constitute default and there shall be no requirement for continuous operation. Tenant must receive written notice and have time to cure non-receipt of rent prior to declaring default or assessment of interest and penalties. Tenant will not grant a lien on assets to guarantee performance of the lease terms. |
| Legal: | Tenant will not waive any legal rights nor appoint Landlord as attorney-in-fact. |
| Mortgage: | Landlord shall furnish name of all current mortgage holder(s) and letter of good standing from each. |
| Non-Disturbance Agreement: | Tenant shall receive a satisfactory non-disturbance agreement from the current or future fee owners and all existing or future mortgage holders. |
| Expiration of Proposal | This Proposal shall expire at 5:00 p.m. Central Time, \_\_\_\_\_\_\_\_, 20\_\_. |

If this correctly reflects your proposal, please sign below, and return to the undersigned for further handling. Following our final review of this proposal, we will be back in touch with you to inform you as to whether the proposal has or has not been accepted or whether there are matters in the proposal that need additional negotiation. Obviously, our acceptance or rejection of your proposal, and the premise, is subject to negotiation and execution of a definitive lease agreement. Your cooperation and assistance is appreciated.

Yours very truly,

Broker

cc: Project Director

Accepted and agreed to by Landlord:

Landlord

By:

Title:

Date:

**Vanilla Shell Definition**

Landlord shall deliver the Premises to Tenant in the following "Vanilla Shell" condition:

• Floors cleaned, sealed and ready for floor covering throughout the space.

• Walls:

- Existing interior walls which are not required by Tenant shall be demolished.

- Tenant separation walls constructed, with minimum 5/8" thick "fire-rated" sheetrock and insulation, to underside of roof deck.

- All interior walls taped, bedded, sanded, primed and ready to accept wall coverings and paint.

• Suspended, acoustical, grid ceiling system with building standard \_\_\_' x \_\_\_' lay-in tiles and 6" batt insulation above, throughout the Premises (maximum10' floor to ceiling height).

• Complete automatic wet fire sprinkler system and required smoke & fire detection systems throughout the Premises in accordance with the requirements of Landlord's Fire Insurance Underwriter and local codes.

• Restrooms including doors and frames, lavatories, sanitary sewer, and water closets (hot & cold water) satisfying the requirements of ADA and applicable local code requirements (number and interior design of restrooms per code).

• Hot water heater and electric or gas service to heater.

• Electrical:

- Dedicated "clean" ground circuit with no measurable voltage providing 120/208 volt, single phase, 200 amp service.

- Electrical receptacles per Tenant's plans, including 4 dedicated receptacles.

• Heating, Ventilation, and Air Conditioning (HVAC)

- Conforming to all local codes.

- Adequate and capable of maintaining a temperature level between 70F and 76F within ASHRE standards.

- Air returns and vents located in accordance to Tenant's plans and applicable local codes.

- Air balance upon completion of Tenant's Work.

• Lighting, including:

- 2 or 4-bulb, 2' x 4' fluorescent recessed light fixtures in accordance to Tenant's plans

- conduit, wiring, relay & junction box for Tenant's sign(s).

- electrical connection to Tenant's sign(s)

• Rear exit metal door and frame and building standard front door and frame.

• Exit lights per code.

• Emergency lights per code.

• Existing signs not required by Tenant removed and the surface repaired.

The above shall be performed by Landlord, at Landlord's sole cost and expense, in a good and workmanlike manner and in accordance with all applicable laws, ordinances, rules and regulations.