

Industrial Lease Proposal (Sample)

Date

Landlord / Landlord's Broker

Company

Address

RE: Offer to Lease

Dear Landlord / Landlord's Broker:

On behalf of Tenant, we are pleased to submit the following proposal to lease the above referenced premises. The Lessee is willing to pursue a lease transaction based upon the following terms and conditions:

Lessee: Tenant's Full Name.

Premises: Address, CSZ. An approximate _____ square foot building situated upon approximately _____ square feet of _____ zoned land.

Lease Term: _____ years / _____ months.

Lease Commencement: Date.

Early Possession: Lessee shall have access to the premises, free of all rent obligation, upon mutual execution of the lease, and Lessor's receipt of first (1st) month's rent, security deposit and certificate of liability insurance.

Rental Rate: \$_____ per month (\$_____ NNN / Gross per square foot).

NNN Expenses: Triple Net expenses are currently broken down as follows:

Cost 1: \$_____ per year

Cost 2: \$_____ per year

Total: \$_____ per year - \$_____ per month (\$_____ per square foot)

Common Area Maintenance: Lessee shall be responsible for a Common Area Maintenance fee, which is currently \$_____ per month (\$_____ per square foot).

Security Deposit: Equal to _____ month's rent.

Base Rent Adjustments: Base monthly rent shall be increased every _____ months at a fixed rate of _____ percent (____%) per adjustment.
(fixed)

Base Rent Adjustments: Base monthly rent shall be increased every _____ months by the percentage change in the Consumer Price Index (CPI-W). However, in no case shall the increase be less than _____ percent (____%) nor more than _____ percent (____%) per year.
(CPI)

Rental Abatement: Lessee shall receive _____ months of rental abatement. Abatement period shall be Month _____ of the lease term.

Personal Guarantee: Guarantor's name(s), an individual / husband and wife, etc., shall personally guarantee the lease.

Letter of Credit: Lessee shall provide Lessor a Letter of Credit in the amount of _____ Dollars (\$_____).

Condition of Premises: Premises shall be delivered in broom clean condition with all building systems (i.e., roof, electrical, HVAC, plumbing, etc.) in good working order.

Use: Specific use, as well as related office activities.

Lessor Improvements: Lessor, at Lessor's sole cost and expense, shall make the following improvements prior to lease commencement:

1)

Tenant Improvement Allowance:

Lessor shall provide a Tenant Improvement (TI) allowance of _____ Dollars (\$_____) to Lessee that shall be used for the purpose of purpose. Said TI allowance shall be amortized into the lease rate at a rate of _____ percent.

Lessee Improvements: Lessee, at Lessee's sole cost and expense, shall have the right to make the following initial improvements to the premises:

1)

All work shall be done in accordance with current city and county codes, shall be done in a first class workmanlike manner, and shall be permitted.

Option to Renew:
(fixed) Lessee shall have the option to renew the lease for _____ additional _____ year terms. Terms and conditions shall remain consistent with the original term, with the exception that the rent for each option term shall be _____ of the rent paid in the last month of the previous term. Rental adjustments shall be consistent with the original lease term.

Option to Renew:
(FMV) Lessee shall have the option to renew the lease for _____ additional _____ year terms. Terms and conditions shall remain consistent with the original term, with the exception that the rent for each option term shall be at Fair Market Value (FMV) for similar space (with current tenant improvements) in the area, but in no event shall it be less than _____ of the rent paid in the last month of the previous term. Rental adjustments shall be consistent with the original lease term.

Option to Purchase: Lessee shall have the right to purchase the subject property beginning Date through Date. Purchase price shall be \$_____ (\$_____ per square foot).

Right of First Refusal: Lessee shall have the right of first refusal to purchase the subject property.

Option to Cancel: Lessee shall have the right to cancel said lease with _____ month's prior written notice. Lessee shall be responsible for unamortized tenant improvements and broker commissions.

Parking: Lessee shall have the right to _____ unassigned parking spaces, at no additional cost for the initial term or any renewal thereafter.

Signage: Lessee, at Lessee's sole cost and expense, may install building and monument signage, subject to city regulations and Lessor approval.

Commission: Lessor shall pay (named tenant rep broker) a commission equal to _____ percent (___ %) of the total lease consideration.

Representation: Both parties acknowledge (listing broker named, if any) represents both Lessor and Lessee for this transaction.

Nonbinding: Please note that this proposal does not constitute a formal and binding offer. This Proposal is expressly subject to final approval by Lessee and reflects only our present understanding of the discussion we have had regarding the terms and conditions of the proposed lease. This Proposal does not attempt to set forth all of the essential terms of this transaction, some of which have not yet been negotiated. We expect a definitive lease agreement to be negotiated, which will be generally consistent with the provisions of the foregoing Proposal. This Proposal will not, however, create any legal rights or obligations between the Parties. Any legal rights or obligations between the Parties executing this Proposal will come into existence only when the Parties execute a definitive lease agreement.

If you have any questions, please give us a call. Otherwise, we look forward to your favorable response prior to Day, Date at 5:00pm

Sincerely,

Agreed and accepted:

AGREED AND ACCEPTED:

Lessee: Tenant Full Name

Tenant Signatory, Title