



LETTER OF INTENT TO LEASE
(Multi-Tenant – Retail Triple Net)

Date: _____

Landlord's/Tenant's Name

Landlord's/Tenant's Broker's Name

Re: Intent to Lease _____ (Address of Premises)

Dear _____:

The undersigned represents _____. This letter expresses the intent of such party to enter into an agreement for the lease of the commercial premises further described below upon the following terms:

1. Tenant.

2. Premises. The leased premises is located at _____ (address and suite number) ("Premises"), is commonly known as _____ (name of building or project) (the "Building"), and consists of _____ square feet of leasable area as shown on the floor plan attached as Exhibit A.

3. Permitted Use. Tenant will operate a _____ within the Premises. The following terms will also apply to use of the Premises (check if applicable):

a. Prohibited Uses. No portion of the Premises may be used for _____.

b. Radius Restriction. Neither Tenant nor Tenant's affiliates may operate a business similar to Tenant's within _____ miles from the Premises.

4. Lease Commencement; Term. The Lease term will commence upon (check one) _____, _____, or substantial completion of tenant improvements, and will continue for a period of _____ months.

5. Options to Extend. Tenant will have _____ ((0) options, if not filled in) options to extend the term, each for a period of _____ years, upon at least _____ months' prior written notice by Tenant. The option periods will be under the same terms and conditions as the initial term, except for any concessions or tenant improvements, and except that base rent will be (check one) at fair market value, or subject to _____ % annual increases for the extended term (fair market value, if neither box checked).

6. Rent. Tenant will pay monthly base rent in the amount of \$ _____, plus triple net expenses and percentage rent.

a. Triple Net Expenses. Estimated to be \$ _____ per square foot annually for the 20_____ calendar year.

b. Percentage Rent. Tenant will pay percentage rent in an amount equal to Tenant's gross sales, multiplied by the percentages, and less the breakpoint amounts, set forth below.



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Year 1: _____% of gross sales less \$_____ breakpoint
Year 2: _____% of gross sales less \$_____ breakpoint
Year 3: _____% of gross sales less \$_____ breakpoint
Year 4: _____% of gross sales less \$_____ breakpoint
Year 5: _____% of gross sales less \$_____ breakpoint

c. **Base Rent Abatement.** Base rent will be abated for the first (check one) _____ weeks, or _____ full calendar months ((0) weeks/months if not filled in) of the initial lease term. During the base rent abatement period, Tenant will pay its pro rata share of triple net expenses and utilities and percentage rent.

7. Security Deposit. A security deposit equal to _____ month ((1) month if not filled in) of base rent at the rate in effect during the final month of the initial term will be due at lease execution.

8. Utilities and Services. Landlord will provide the utilities and services set forth below to be charged as triple net expenses unless otherwise separately metered and/or directly billed to Tenant (check all that apply):

Water Trash removal Electricity Sewer

Tenant will be responsible for providing all other utilities and services it requires for its use of the Premises, including without limitation HVAC and janitorial services.

9. Assignment and Subletting. Tenant shall have the right to assign, sublease or otherwise transfer the Lease only with Landlord's advance consent, not to be unreasonably withheld, conditioned, or delayed.

10. Tenant Improvements. Landlord shall deliver the Premises "as-is", except that Landlord will provide a tenant improvement allowance equal to \$_____ per rentable square foot of the Premises. Landlord will have the right to review and approve the design of all tenant improvements. The initial tenant improvements shall be constructed by Landlord, or Tenant (Tenant, if not filled in) by contractors reasonably approved by Landlord.

11. Parking. Tenant will have the right to the obligation to (the right to, if not filled in) the use of reserved, or unreserved (unreserved if not filled in) parking stalls at the parking facilities serving the Building, the monthly charge for which will be \$_____ ((\$0 if not filled in) per stall. Tenant will have use of _____ stalls per _____ square feet of leasable area in the Premises, for a total of _____ stalls for the estimated area of the Premises set forth above.

12. Guaranty. Tenant's obligations under the Lease will be guaranteed by _____.

13. Agency Disclosure. Landlord is represented by _____ ("Landlord's Broker") and _____ ("Landlord's Brokerage Firm"), and Tenant is represented by _____ ("Tenant's Broker") and _____ ("Tenant's Brokerage Firm").

Tenant's Brokerage Firm, its Designated Broker, Branch Manager (if any) and any of its Managing Brokers who supervise Tenant's Broker represent Tenant. Landlord's Brokerage Firm, its Designated Broker, Branch Manager (if any), and any of its Managing Brokers who supervise Landlord's Broker represent the Landlord.

Landlord and Tenant confirm receipt of the pamphlet entitled "Real Estate Brokerage in Washington."

14. Brokerage Compensation. Landlord agrees to pay Tenant's Brokerage Firm compensation calculated as follows _____. The compensation shall be due and payable one-half upon execution of the Lease and one-half upon Tenant's occupancy of the Premises. The Premises are commercial real estate for purposes of RCW 60.42 and RCW 64.06. Tenant's Brokerage Firm is an intended beneficiary of this compensation obligation and it cannot be cancelled or changed without Tenant's Brokerage Firm's written consent. In any dispute in connection with payment of compensation to Tenant's Brokerage Firm, the prevailing party shall be entitled to its attorneys' fees and costs, whether or not suit is filed. Landlord and Tenant consent to Landlord's Brokerage Firm and Tenant's Brokerage Firm receiving compensation from more than one party and to the sharing of compensation between firms.

15. Exclusive Negotiations. By mutual execution of this letter of Intent, the parties commit themselves to negotiate with each other exclusively and in good faith for a minimum period of (_____) days from the date this Letter of Intent is accepted.



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16. Binding Agreement. This Letter of Intent sets forth the proposed terms and conditions of the Lease, however, it does not address all essential terms of the Lease or transaction. Nothing contained herein shall be deemed as a legally binding obligation on either Tenant or Landlord until both parties have executed a final Lease Agreement, except with respect to the provisions of this Letter of Intent regarding brokerage compensation and exclusivity of negotiations. This Letter of Intent shall not constitute a reservation of space nor an option to lease the Premises.

17 Additional Terms.

- Signage: _____.
- Exclusive Rights: _____.
- Opening Covenant(s): _____.
- Continuous Operation Covenant(s): _____.
- Other: _____.

If the parties are willing to proceed with negotiations for the lease of the Premises on terms and conditions set forth herein, please sign this Letter of Intent where indicated below and return it to our offices.

Very truly yours,

By: _____
Print Name: _____
Title: _____

cc: _____

APPROVED AND AGREED:

TENANT

By: _____
Print Name: _____
Title: _____
Date: _____

LANDLORD

By: _____
Print Name: _____
Title: _____
Date: _____



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EXHIBIT A
(Floor Plan of Premises)
