

## SAMPLE GREEN LETTER OF INTENT

This sample Letter of Intent is only intended to provide context for sample green leasing provisions (highlighted) and should not be used as a guide for Letters of Intent generally. References to commonly used sustainability-related standards are only for illustrative purposes and are not intended to constitute or imply endorsement of any particular standard or approach.

Date

Name  
Landlord Company  
Address 1  
Address 2  
City, State ZIP  
Phone:  
Fax:

RE: **Center, City, State (Site)**

Dear Landlord:

On behalf of RETAILER, I am pleased to submit this proposal offer defining initial, general terms of engagement for consideration related to the leased premises at the location referenced above.

**Landlord:** (TBD)

**Tenant:** LEGAL ENTITY NAME HERE

**Trade Name:** TRADE NAME

**Premises:** SITE ADDRESS

**Size:** XX sq ft, DIMENSION XX BY XX

**Lease Term:** XX (X) years from the date of commencement

**Renewal Option(s):** Tenant shall have the option to extend the Lease Term for XX (X) additional XX (X) year period(s).

**Base Annual Rent:**

Primary Term	Years 1 - 5	\$00,000.00 per year, \$00.00 per square foot
Option Period(s) foot	Years 6 - 10	\$00,000.00 per year, \$00.00 per square foot
	Years 11 - 15	\$00,000.00 per year, \$00.00 per square foot

**Percentage Rent:** None

**Rent Commencement:** The sooner of 1) the opening of the premises for business or 2) XX (X) days from premise delivery date/turnover.

**Possession Date:** Projected on or before MONTH, DAY, YEAR.

Landlord shall provide Tenant a rent credit of \$XX per day for each day from STATED DELIVERY DATE until the date that Landlord delivers possession of the premises to the Tenant.

Should Landlord fail to deliver possession of the premises with the completion of Landlord's work by STATED DELIVERY DATE, Tenant shall have the option to cancel the lease on XX (XX) day notice.

**Ownership Date:** Landlord will have full ownership of the property on which the premises is located by (MONTH, DAY, YEAR). Should the Landlord be unable to provide written confirmation of ownership by this date, Tenant shall have the option to cancel the lease on XX (XX) day notice.

Landlord's acquisition of the property and the development of the premises is not contingent on the Landlord obtaining commitments from any other tenant(s).

**Landlord Construction Start:** Landlord shall commence construction on the building that the premises will be located in by (MONTH, DAY, YEAR). Should Landlord not start construction by this date, Tenant shall have the option to cancel lease on XX (XX) day notice.

<b>Other Rent Charges Estimate:</b>	Common Area Maintenance (CAM)	\$0.00 per square foot
	Taxes	\$0.00 per square foot
	Insurance	\$0.00 per square foot
	Marketing / Media Fund	none
	Merchants Association	none
	Promotion Fund	none
	Joint Advertising	none

The first full year CAM expense is not to exceed \$X.XX per square foot.

Tenant's obligation to pay Administrative or Management fees shall not exceed XX PERCENT (XX%) of CAM expenses (exclusive of taxes and insurance).

**CAM Increase Limit:** Annual CAM increases shall not exceed XX PERCENT (XX%) per year on a non-cumulative basis.

**Other Rent Calculation:** Calculated on a minimum of One Hundred Percent (100%) of the total leasable area for CAM, Taxes and Insurance.

**Other Base Rent Increases:** None for: additional anchor stores, expansion, remodeling of the shopping center.

**Tenant Allowance:** Landlord shall provide Tenant an improvement allowance in the amount of \$XX.XX per square foot of the premises.

**Landlord Work:** Landlord shall deliver the premises to Tenant on or before the Possession Date in accordance with the specifications set forth in the attached Letter of Intent Questionnaire.

(for Landlord work, including Work Letter)

**Landlord Work:**

Landlord shall complete the following work at the premises prior to Possession Date.

- removal of any remaining trade fixtures and equipment
- removal of any remaining signage
- removal of any existing partition walls
- removal of any ceiling and lighting fixtures
- removal of any floor coverings, to return floor to a smooth finish
- removal and/or capping of all under floor utility lines
- removal of any grease trap/grease handling equipment
- repair of any damage to the roof
- repair of any damaged storefront glass and entrance doors
- repair of overhead store front area
- premises preparation in support of any agreed green/sustainable features as negotiated

Landlord warrants that the utility systems, HVAC unit, mechanical systems and restroom(s), in and serving the premises, are in good working condition and are expected to perform per unit specifications indicated by Landlord in LOI Questionnaire.

**Existing Improvements:**

Tenant shall be allowed to reuse any of the existing improvements on the premises at Tenant's option, providing said improvements meet applicable code requirements and Tenant notifies Landlord.

Tenant may initiate discussion with Landlord at any point of lease duration specifically for the purposes of facilitating premise upgrades in response to sustainability program needs as described, but not exclusive to, impact areas indicated in LOI Questionnaire.

**Landlord Construction Charges:**

None for: Space Chargebacks, Key Money, Barricade Charge or Plan Approval Charges:

**Warranty of Premises:**

Landlord represents and warrants that the building and premises (including entrances and restrooms) will be in full and complete compliance with all laws, rules, codes and ordinances including but not limited to, building electrical, plumbing, fire/life safety, and ADA regulations.

Landlord warrants that there shall be no hazardous materials located on, in or under the premises. Landlord shall be responsible for the correction of any latent defects on or in the premises.

Landlord warrants that the premises are operated in compliance with Landlord stated sustainability programs and policies described by LOI Questionnaire.

**Environmental:**

Tenant will be permitted to perform an environmental investigation (including a Phase 1 and Phase 2 exam) at its own expense. Landlord shall comply in a timely manner with Tenant's request for information related to the completion of Tenant's environmental report.

Landlord will be responsible for removing, remediating and the treatment of any hazardous materials including mold located on, in or under the premises.

Tenant will be permitted to perform, at its expense, specific premise improvements for the purposes of meeting efficiency and sustainability goals as described by LOI Questionnaire, and which may require rooftop access.

**Repairs and Maintenance:**

Landlord shall maintain the building and common areas (including but not limited to: the exterior, structure, roof and parking areas) in good condition and repair, and in support of Tenant's environmental sustainability goals as described by LOI Questionnaire, Section I.

Tenant shall complete routine maintenance and inspection of the HVAC system and confirm that it meets the Landlord indicated performance specifications as detailed in LOI Questionnaire. Tenant shall receive the benefit of any warranties on the HVAC system.

(Landlord shall be responsible for the repair and replacement cost of the HVAC system for the first XX (XX) years of the lease term.)

(Landlord shall be responsible for the repair and replacement cost of the HVAC system in excess of \$X,XXX per year.)

**Premises Plans:**

Landlord will provide one full set of as-built scaled drawings in AutoCAD format (if available), and one complete set of blueprints used for construction of the premises, XX (XXX) days prior to the turnover of premises or:

- XX (XX) days after full lease execution
- XX (XX) days after the full execution of the letter of intent

**Tenant Plans:**

Tenant will select the architect(s) to complete its space planning and construction drawings as required and shall be responsible for any cost associated with space planning and/or construction drawings.

**Tenant Contractor:**

Tenant will have the right to select its general contractor and control the process for the Tenant improvement work.

**Tenant Décor:**

Tenant shall be allowed to complete the interior construction of the premises in accordance with its national prototype program, which includes design and construction features in support of the sustainability goals as outlined by LOI Questionnaire.

**Tenant Signage:**

Tenant shall be allowed to install the maximum exterior building signage allowed by local code approval, variance or appeal

thereof. Tenant shall be allowed to install a storefront sign with a minimum width of XX (XX feet).

Tenant shall be allowed to install an individual letter, internally illuminated sign, on each exterior side/elevation of the premises.

Landlord will provide Tenant with space on any existing and on any future Pylon sign and/or Monument sign(s) for the center.

(Tenant shall be allowed to erect its own Pylon sign for the premises in the event Landlord/Center does not provide.)

**Parking:**

Landlord shall provide a minimum of XX (XX) shared parking spaces next to Tenant's Premises. Landlord shall provide a minimum ratio of X:X parking spaces for the shopping center.

**Utilities:**

Tenant will pay charges for electricity, gas, water and sewer consumed at the premises, all of which will be separately metered, except for water and sewer if they are included in the CAM expense.

**Use of Premises:**

Tenant shall use the Premises for only the Permitted Use described as follows: (a) Stated primary business activity; (b) related general office and administrative uses. Tenant may change its use of the Premises to any other lawful retail use with Landlord's prior written consent, which shall not be unreasonably withheld, conditioned or delayed, provided that the new use shall not be in violation of any then existing exclusive use restrictions binding against the Shopping Center. Landlord represents that the Permitted Use will not violate any agreement to which the Shopping Center or Landlord is bound, including exclusives granted to other tenants of the Shopping Center, and Landlord shall indemnify, hold harmless and defend Tenant from and against any loss or liability in the event this representation is not true, including without limitation, the defense of any claims raised by any other tenant who has an exclusive use right in conflict with the Permitted Use.

**Competition:**

Owner will not lease, consent to the sublease, or consent to the assignment of any lease, for any space in or on the center or the development, to competitors of Tenant.

Should Landlord breach this provision, Tenant shall have the right to pursue all remedies given to it at law or in equity including the right to damages. In addition, the Base Rent payable shall immediately be reduced by XX (XX%) and the other rental charges shall be abated for the period during such breach. Tenant shall also have the right to terminate this Lease upon written notice to Landlord and Tenant shall thereby be relieved of all further obligations of the lease.

This provision shall not apply to any of the existing tenants in their current locations or to any tenant that has a space in excess of XX (XX) square feet.

**Co-Tenancy:** Should (any of the existing) or (name of stores) (the anchor store) not open, or close during the term of the lease, the Base Rent shall be reduced by XX (XX%) and the Other Rent Charges shall be abated, until such time as an equivalent replacement anchor opens occupying at least XX Percent (XX%) of the anchor space. Should said condition continue for more than XX (XX) months, Tenant shall have the right to cancel the lease on XX (XX) day notice.

Should the occupancy of the shopping center fall below XX Percent (XX%) of the total leasable area in the shopping center during the term of the lease, the Base Rent shall be reduced by XX Percent (XX%) and the Other Rent Charges shall be abated until such time as the occupancy of the center increases above XX Percent (XX%). Should said condition continue for more than XX (XX) months, Tenant shall have the right to cancel the lease on XX (XX) day notice.

**Tenant Termination Right:** Tenant shall have the right to terminate the lease (at any time) after the completion of the XX full year of the lease. Should Tenant terminate the lease, Tenant shall make a payment of XX months of base rent and the unamortized balance of the Tenant Allowance Tenant Improvements and Lease Commission.

**Operation Requirement:** (After the initial opening) Tenant shall not have an express or implied obligation to continuously operate the premises.

**Relocation of Store:** Landlord waives any and all rights to relocate the Premises without the express written consent of Tenant.

**Radius Restriction:** None.

**Security Deposit:** None.

**Lease Agreement:** Tenant's (Landlord's) standard lease form shall be used.

**Subordination, Non-Disturbance & Attornment (SNDA):** Owner/Landlord will provide SNDA agreements from all ground lessors and mortgages and other holders of superior interest and obligate itself to so do in the future for existing and future mortgages, trustees and ground leases.

**Subletting & Assignment:** Tenant shall have the right to assign or sublet to affiliates or any other successor entity whether by merger or consolidation without Landlord consent. Tenant shall have the right to assign or sublet to an authorized dealer/vendor without Landlord consent. Tenant shall have the right to assign or sublet to others with the consent of Landlord, not to be unreasonably withheld, provided sub-lessee or assignee is credit worthy. Tenant shall remain obligated under the lease under any said assignment or sublease.

**Agency Disclosure:** It is understood XX (Broker) represents Tenant in this transaction and Landlord will compensate Broker in accordance with a separate commission agreement.

RETAILER NAME HERE  
SAMPLE GREEN LETTER OF INTENT TO LEASE  
DATE

**Confidentiality:** Landlord and Tenant will use combined best efforts to keep the terms and conditions contained herein and the details of ensuing negotiations confidential between parties.

**Existing Store:** Tenant shall continue to operate the existing store until approximately XX (XX) days prior to the opening of the new location. The lease term for the existing store shall end upon the closing of the store. Tenant shall remove its remaining property within XX (XX) days after store closing.

This letter does not address all material and essential terms of a lease for the space and such terms, including those set forth above, will be subject to further negotiation. Neither Landlord nor Tenant shall have any obligation, duty nor liability on account of negotiations pursuant to this letter nor otherwise, nor any course of dealing, any action or statement, or correspondence made or delivered by anyone pursuant to this letter. We do not intend that this letter be binding upon Landlord or Tenant and no binding agreements shall exist between either for any purpose until final, definitive, fully negotiated lease documents have been fully executed and delivered. Tenant shall not enter into and execute a binding fully negotiated lease until the appropriate officers of Tenant have approved the same. This proposal is open for consideration until XX p.m., MONTH/DAY/YEAR.

Sincerely,  
TENANT LEGAL NAME OR AGENT

NAME  
TITLE

**LANDLORD/TENANT:**

By: \_\_\_\_\_

Its: \_\_\_\_\_

Date: \_\_\_\_\_