

STANDARD NON-BINDING PROPOSAL TO LEASE OR SUBLEASE
AIR Commercial Real Estate Association

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(City)

(State)

(Date)

1. **Lessee.**

_____ ("Lessee")
hereby proposes to lease the real property (the "**Premises**") hereinafter described upon the terms and conditions herein set forth.

2. **Premises.** The Premises which are the subject of this proposal are located in the County of _____, State of _____, commonly _____ and _____ known as _____ and described as _____

3. **Broker.**

3.1 This proposal is being submitted to Lessor through _____ ("**Broker**") who is the procuring cause of this Proposal. Lessee agrees to use the services of Broker exclusively in connection with any and all negotiations and offers with respect to the Premises for a period of one year from the above date.

3.2 Notwithstanding whether or not the parties ultimately enter into a lease of the Premises, the parties acknowledge that the following real estate brokerage relationship exists:

(Check if applicable) Broker represents both Lessor and Lessee; or

(Check if applicable) Broker represents Lessee exclusively and shall not be considered the subagent and/or representative of Lessor's broker.

4. **Deposit.**

4.1 (Check if applicable) Lessee hereby delivers to Broker a check in the amount of \$ _____ ("**Deposit**"). Broker is to hold said check uncashed, in trust.

4.2 Upon execution of the lease agreement contemplated hereby:

(a) If the Deposit check is made payable to Broker, Broker is authorized by Lessor and Lessee to apply the Deposit to any Commission owed to Broker pursuant to the terms of this proposal or the lease agreement and to deliver the balance of the Deposit, if any, to Lessor.

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Deleted: Broker is to place such Deposit into the Broker's Trust Account.

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(B) (Check if applicable) Lessee hereby delivers to Broker a check in the amount of \$_____ ("**Deposit**"). Broker is instructed to hold check uncashed until acceptance hereof and by his/her initials, Broker hereby acknowledges this instruction. (Broker's initials).

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(b) If the Deposit check is payable to Lessor, Broker is authorized by Lessee to deliver the Deposit to Lessor.

5. Term. The term of the lease shall be _____ months and shall begin on _____ and shall end on _____.

6. Base Rent and Common Area Maintenance Charges.

6.1 The Base Rent at the commencement of the lease shall be \$_____ payable, in advance, on the _____ day of each month.

6.2 The Common Area Maintenance Charges shall initially be \$_____ payable, in advance, on the _____ day of each month.

6.3 During the term of the lease the Base Rent shall be adjusted as _____ follows:

7. Security Deposit. The Security Deposit shall be in the amount of \$_____.

8. Total Monies Due Upon Execution. On execution of lease, Lessee shall pay to Lessor \$_____ representing Base Rent, Common Area Maintenance Charges, and _____ for and the Security Deposit.

9. Agreed Use. The Premises shall be used only for _____

10. Possession and Condition of Premises. Lessor shall deliver the Premises on _____ broom clean and free of debris with the plumbing, lighting, heating, ventilating and air conditioning, and loading doors in good operating condition. Subject to the preceding two sentences, Lessee accepts the Premises "AS IS", ie, in its present condition.

11. Maintenance and Repairs. Lessee shall repair and maintain all parts of the Premises and adjacent areas except: the Common Areas (including the roof and foundation) the roof and the foundations _____ no exceptions.

12. Insurance.

12.1 Property Insurance (i.e., fire, extended coverage, etc.) shall be paid for by _____. If paid for by Lessor, Lessee shall pay any increase in premiums over those paid in the "Base Period".

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Deleted: Total monies due upon execution of Lease (security deposit plus advance rent): \$_____.

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Deleted: Lessor warrants that the Premises, without regard to the purpose for which Lessee will use them, do not violate any covenant or restriction of record or any applicable governmental requirement.

Deleted: If Lessee is not already in possession,

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Deleted: The foundations, exterior walls, and exterior roof shall be maintained by _____.

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Deleted: vandalism, and malicious mischief - see paragraph 8.3 of the appropriate American Industrial Real Estate Association Standard lease form for a more detailed description)

12.2 Liability insurance naming Lessee and Lessor as co-insured or "additional insured," shall be paid for by Lessee.

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13. Property Taxes. Real property taxes shall be paid by _____. If paid by Lessor, Lessee shall pay increases over the taxes payable for the _____ real estate tax year.

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14. Lease Agreement. The Lease which is to be ultimately executed by the parties shall contain the provisions of the most recent edition of the Commercial/Industrial Single Tenant Commercial/Industrial Single Tenant Gross Commercial/Industrial Multi-Tenant Net Commercial/Industrial Multi-Tenant Gross Retail Multi-Tenant Net Multi-Tenant Office Net Multi-Tenant Office Gross Sublease - Short Form Sublease - Long Form Sublease - Multi-Tenant Other (specify) AIR Commercial Real Estate Association Standard Lease Form subject to such modifications, other than those terms specifically set forth herein, as may be mutually agreed upon by the parties in writing.

Deleted: 13. Proportion and Share of Expenses. If the Premises are part of a larger building or a complex of buildings, Lessee shall pay its proportionate share, ie. _____%, of the operating expenses, if any, of the property of which the Premises are a part, including, but not limited to, real property taxes, insurance, maintenance, and security costs.

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15. Sublease Proposal.

If this box is checked, this is a proposal to sublease, and:

15.1 All references herein to Lease, Lessor, and Lessee shall be construed to mean Sublease, Sublessor, and Sublessee, respectively.

15.2 The sublease shall be subject to and subordinate to the Master Lease and, except for those matters which are directly contradicted by this proposal, the terms and conditions of the parties shall be the terms and conditions of the Master Lease.

15.3 Within 3 business days following acceptance of this proposal, Sublessor shall deliver to Sublessee a complete and accurate copy of the Master Lease. Sublessor may, however delete or obscure those portions of the Master Lease dealing with rent and options, if any.

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15.4 If this transaction requires the approval of the Master Lessor, Sublessee shall provide to the Master Lessor all information reasonably required by Master Lessor. Sublessor shall use its best reasonable efforts to obtain Master Lessor's approval, and if within _____ business days following acceptance of this proposal, the Master Lessor has not approved this transaction, this transaction shall, at the option of Sublessee, be terminated and all amounts deposited by Sublessee shall be returned to Sublessee.

16. No Broker Representations. Lessor and Lessee acknowledge that Broker has made no representations or warranties regarding the physical condition of the Premises, or its suitability for Lessee's intended use, and that neither Party has made any representations or warranties to the other (except as expressly set forth herein) and that Lessor and Lessee are relying upon their own independent investigations in making or accepting this ~~offer~~ proposal.

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17. **Disclosure.** This Proposal is contingent upon Lessee's receipt and written approval, within five days after delivery to Lessee, of a completed AIR Commercial Real Estate Association "Property Information Sheet" duly executed by or on behalf of Lessor.

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18. **Attorneys' Fees.** Should litigation arise between Lessor, Lessee and Broker, or any of them, concerning this transaction, the prevailing party shall be entitled to reasonable attorneys' fees.

Deleted: **Assignment and Subletting.** Lessee shall have the right to sublease or assign the lease with Lessor's prior written consent, which consent shall not be unreasonably withheld.
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19.

19. **Expiration.** In the event that Lessee does not receive a written response to this Proposal from Lessor by _____, then Lessee's deposit, if any, shall be returned to Lessee.

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20. **Credit Information.** Attached hereto is a credit report and/or financial statement regarding Lessee, and/or an authorization for Lessor to obtain a credit report regarding Lessee. Lessee's tax identification number is: _____.

Deleted: Unless accepted in writing by Lessor on or before

21. **Addendum.** Any Addendum attached hereto is hereby incorporated in this proposal by this reference.

Deleted: this proposal shall expire and be of no further force or effect, and

Addendum attached: Yes: (Paragraphs _____ through _____)
No:

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Deleted: **Time.** Time is of the essence with respect to this proposal.
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22.

LESSEE HAS READ, AND FULLY UNDERSTANDS, THE FOREGOING AND ACKNOWLEDGES RECEIPT OF A COPY HEREOF.

THIS PROPOSAL IS NOT INTENDED TO BE BINDING ON EITHER PARTY OR TO OBLIGATE THE PARTIES TO NEGOTIATE WITH EACH OTHER (IN GOOD FAITH OR OTHERWISE). IT IS INSTEAD INTENDED TO SERVE AS AN OUTLINE SO AS TO FACILITATE NEGOTIATIONS BETWEEN THE PARTIES. LESSOR SHALL BE ENTITLED TO NEGOTIATE WITH OTHER PROSPECTIVE TENANTS AND LESSEE SHALL BE ENTITLED TO NEGOTIATE WITH OTHER PROSPECTIVE LANDLORDS PENDING EXECUTION OF A LEASE. THE PARTIES SHALL NOT BE OBLIGATED TO LEASE THE PREMISES UNTIL A MUTUALLY AGREEABLE LEASE AGREEMENT HAS BEEN EXECUTED BY AND DELIVERED TO BOTH LESSOR AND LESSEE.

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ATTENTION: NO REPRESENTATION OR RECOMMENDATION IS MADE BY THE AIR COMMERCIAL REAL ESTATE ASSOCIATION OR BY ANY REAL ESTATE BROKER AS TO THE LEGAL SUFFICIENCY, LEGAL EFFECT, OR TAX CONSEQUENCES OF THIS PROPOSAL OR THE TRANSACTION TO WHICH IT RELATES. THE PARTIES ARE URGED TO SEEK ADVICE OF COUNSEL AS TO THE LEGAL AND TAX CONSEQUENCES OF THIS TRANSACTION.

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LESSEE:

DATED:

By

Street Address

City, State, Zip

Telephone Number of Lessee

[CHANGE THESE SIGNATURE BLOCKS SO THAT THEY LOOK LIKE THE LESSEE/BROKER SIGNATURE BLOCKS ON THE BINDING OFFER TO LEASE EXCEPT IN THE BROKER BLOCK CHANGE 'BY' TO 'ATTENTION' AND DELETE 'DATE:']

Broker

Attention:

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Street Address

City, State, Zip

Telephone Number of Broker

22. Lessor's Acknowledgment.

Deleted: Acceptance

Lessor acknowledges receipt of the foregoing proposal and Lessor's interest in attempting to negotiate a lease of the Premises with Lessee and authorizes Broker to deliver an executed copy of this Agreement Proposal to Lessee.

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LESSOR:

DATED:

By

Street Address

City, State, Zip

Telephone Number of Lessor

COMMISSION AGREEMENT

In consideration of the real estate brokerage services rendered by Broker to Lessor the undersigned Lessor agrees that if Lessee leases, purchases, or acquires any other rights to the Premises or other premises owned by Lessor within six months of the date of this Proposal, then, Lessor shall pay Broker a commission equal to % of the scheduled rents payable under the terms of the Lease.

Deleted: fee in accordance with Broker's current Schedule of Commissions. If Lessor has appointed an exclusive agent other than the Broker named herein, the brokerage commission shall be as mutually agreed between the brokers

LESSOR:

DATED:

By

NOTE: These forms are often modified to meet changing requirements of law and needs of the industry. Always write or call to make sure you are utilizing the most current form: AIR COMMERCIAL, REAL ESTATE ASSOCIATION, 700 So. Flower St., Suite 600, Los Angeles, CA 90017. (213) 687-8777.

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