



COMMERCIAL RETAIL ADVISORS, LLC

Date

RE: Lease Proposal for _____ (the "Lease")
_____ Corner of _____ and _____
Tucson, Arizona

Dear _____:

It is my pleasure to have this opportunity to present _____ the following proposal to lease space at _____ from _____. The terms and conditions under which the Landlord would enter into said lease agreement are as follows:

LANDLORD:

("Landlord").

TENANT:

("Tenant").

TENANT'S TRADE NAME:

LEASE GUARANTOR:

Tenant's performance of the terms and conditions of the proposed lease shall be personally guaranteed by _____.

PREMISES:

Approximately _____ sq.ft. located at _____ in _____ (the "Premises") at the _____ corner of _____ Arizona (the "Shopping Center") (as shown outlined in red on the attached Exhibit "A").

LEASE TERM:

The Lease Term shall be _____ () years ("Term").

OPTION TO RENEW:

So long as Tenant is not in default of the Lease and is operating from the Premises, and has not assigned the Lease or sublet the Premises to an unrelated entity, it shall have the Option to Renew the Lease for _____ () additional term of _____ () years ("Option Period") by giving written notice 180 days prior to the expiration of the Lease ("Option to Renew"). The Option Period shall be upon the same terms and conditions except there

shall be no Rent Abatement Period, no Tenant Improvement Allowance the Base Rent shall increase by _____ (___%) annually.

BASE RENT: The Base Rent shall be \$_____ per sq. ft. per year and shall increase _____ percent (___%) annually.

PERCENTAGE RENT: Percentage Rent shall be waived. Tenant shall report gross sales.

OPERATING EXPENSES: Tenant shall pay its pro rata share of the triple net charges (“Triple Net Charges”) of the Shopping Center, which includes real estate taxes, insurance and common area maintenance (“CAM”). The Triple Net Charges are estimated to be \$_____ per square foot per annum. CAM shall include, but not be limited to, roof repairs or replacement, parking lot resealing or resurfacing, exterior painting, capital improvements so long as they are not directly related to the construction of new structures, and the standard fee for administration and supervision of the Shopping Center.

RENT TAX: Tenant shall pay all Rental Tax assessed against the Premises, currently assessed at _____% of Base Rent and Triple Net Charges.

TENANT’S INSURANCE: Commencing on the Lease Commencement Date, Tenant, at its expense, shall provide and maintain insurance (liability and property casualty) naming the Landlord, its agents and its managers as additional insureds, in the amount of \$2,000,000 per occurrence and \$5,000,000 in aggregate.

LEASE AND RENT COMMENCEMENT DATE: The Lease Term and Tenant’s obligation to pay Base Rent and Triple Net Charges shall commence on the earlier of (i)_____ or (ii) Tenant’s opening for business in the Premises (“Lease Commencement Date”).

RENTAL ABATEMENT PERIOD: So long as Tenant is not in default of the Lease, Tenant shall not be required to pay Base Rent during months _____ through _____ of the primary Lease Term. All other charges due under the Lease such as Triple Net Charges and Rental Tax shall be due as of the Lease Commencement Date.

USE OF PREMISES: The Premises shall be continuously used, throughout the term of the Lease, solely for the purposes of a

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_____ (“Use of Premises”) and for no other purpose.

RIGHT OF EXCLUSIVE USE:

So long as Tenant is not in default of the Lease, Landlord shall not enter into a lease with any other business whose expressed primary purpose (use) is _____.

CONDITION OF THE PREMISES:

Landlord shall deliver and Tenant shall accept the Premises in an “as-is” condition, except that the HVAC shall be in good working condition on or about the Lease Commencement Date.

OR

LANDLORD’S WORK:

Landlord shall deliver the Premises with the following work substantially completed prior to the Lease Commencement Date (“Landlord’s Work”):

- 1) walls drywalled, taped, textured but not painted,
- 2) smooth concrete floor,
- 3) 2'x4' grid, lay-in acoustical tile ceiling with fluorescent lighting throughout,
- 4) electrical service and outlets per code,
- 5) one finished handicap accessible bathroom,
- 6) Heating, Ventilation and Air Conditioning (HVAC) with distribution duct work and vents.

TENANT IMPROVEMENT ALLOWANCE:

Landlord’s sole obligation with respect to the construction of the Tenant Improvements shall be to provide Tenant with an allowance of \$_____ per sq. ft. leased (“Tenant Improvement Allowance”) to be paid upon the following occurrences i) Tenant’s opening for business in the Premises, ii) Tenant’s submittal to Landlord of a Certificate of Occupancy, and iii) Tenant’s submittal to Landlord of complete lien waivers. All additional improvements to the Premises shall be at Tenant’s sole cost and expense. All construction work shall be designed by a licensed architect and shall be performed by a licensed general contractor. All plans and all construction work shall be pre-approved by Landlord.

MAINTENANCE AND REPAIRS:

Landlord, at its sole cost and expense, shall maintain and repair the load bearing structural walls, roof structural, foundation, and

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plumbing and electrical up to the metering devices serving the Premises.

Tenant, at its sole cost and expense, shall maintain and repair all interior items including but not limited to walls, plumbing, electrical, doors, windows and HVAC.

SECURITY DEPOSIT:

Upon full execution of the Lease, Tenant shall pay a security deposit equivalent to one month's Base Rent, Triple Net Charges and Rental Tax and prepay the first month's Base Rent, Triple Net Charges and Rental Tax.

SIGNAGE:

Within thirty (30) days of Tenant's opening for business in the Premises, Tenant shall have installed an exterior building sign in accordance with the Shopping Center's standard sign criteria, ___ of ___ approval and Landlord's final approval.

ZONING/CERTIFICATE OF OCCUPANCY:

Tenant shall be solely responsible for determining with all governmental agencies having jurisdiction that its use proposed for the Premises complies with all governmental regulations and ordinances, including, but not limited to, zoning. Tenant shall be required to obtain a certificate of occupancy ("C of O") from the _____ of _____ and that in order to obtain said C of O, the _____ of _____ may require Tenant to make certain upgrades to the Premises. Neither Landlord nor Commercial Retail Advisors, LLC makes any representations of any kind whatsoever regarding the nature or extent of these upgrades or whether the use of Premises shall be allowable under the Zoning codes.

REAL ESTATE BROKERAGE:

Tenant's Agent: _____
Landlord's Agent: Commercial Retail Advisors, LLC ("CRA")

Tenant and Landlord acknowledge that they have had no dealings with any other broker other than the above stated in connection with the proposed lease transaction. Landlord shall pay a real estate commission to CRA upon full execution of a lease and waiver of any contingency in connection with the proposed lease transaction. _____ shall cooperate with _____ on said commission on a 50/50 basis. CRA shall not be responsible for any commissions that are unpaid by the Landlord.

LEASE FORM:

Landlord's standard triple net lease form.

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FINANCIAL INFORMATION: The Lease contemplated herein shall be subject to Landlord's review and approval of the credit-worthiness of the Tenant. Tenant hereby agrees to provide financial information for Landlord's approval, upon execution of this proposal.

NON-BINDING PROPOSAL: It is expressly understood and agreed by all parties that this letter is only a summary of certain terms and conditions being discussed between the parties hereto with respect to the proposed lease of the Premises. In no event should this letter be considered as a binding contract enforceable against either party. All terms and conditions proposed herein are subject to (i) the Landlord's receipt, review, and approval of the Tenant's and Lease Guarantors' current financial statements and (ii) the Landlord's execution of a formal Shopping Center Lease. This letter is not a warranty or representation by the Landlord that acceptance of this summary will guarantee the execution of a Shopping Center Lease for the Premises.

TENANT'S DISCLOSURE: To the best of its knowledge Tenant or any related entity of Tenant does not have a lease, binding letter of intent or other binding obligation with any other entity or person that precludes it from negotiating or entering into the Lease contemplated herein and that the Landlord is expressly relying on that understanding in negotiating with Tenant and executing this document.

_____, please review this proposal with _____, and call me should you have any questions or comments. Otherwise, if it meets with _____ approval, please have _____ sign it and return it to me via facsimile and _____ prepare a lease for everyone's review.

I very much look forward to finalizing this lease agreement and having _____ in _____.

Sincerely,

APPROVED AND ACCEPTED:

LANDLORD:

TENANT:

Name

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Name
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By: _____ By: _____
Name Name

Its: _____ Its: _____

Date: _____ Date: _____

EXHIBIT "A"

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