

## Negotiation Tactics

- Stay abreast of local property tax abatements that will impact your Triple Net.
- Consider different abatements:
  - Complete Rent Abatement: You pay no rent for 60 days.
    - You can extend your lease by 60 days.
    - You can add to each month's payments beginning September 1, 2020 to pay for this abatement.
    - \*\*It's possible your landlord may receive support to waive your rent from federal policies. Stay abreast on these.
  - Complete Triple Net Abatement: You pay no NNN for 60 Days
  - Partial Rent Abatement: You pay 25%-75% of your rent.
  - Abatement based on sales
- Be direct on stimulus and government shut downs.

## Letter #1

Dear [NAME],

I'm sure this is not the first email you're receiving from a tenant that is affected by the Coronavirus.

We've pivoted significantly to ensure we're doing all we can to stay financially stable. This includes:

- Continuing with a limited schedule so long as local authorities allow us to remain open
- Offering virtual classes and sessions to continue to receive income
- Offering nutritional and accountability products that can be delivered virtually

While we have high hopes that this will allow us to remain financially solvent and

continue to bring in revenue throughout this time, we're aware it will likely not be enough.

We'd like to make arrangements for an abatement to our lease during the next 60 days. We are willing to extend the length of our lease by 60 days in order to make this happen. As a long term tenant, I want to be with you 6 years from now and I know the financial steps I take in the next 60 days are crucial to ensuring we have years to come.

You can reach me at [PHONE] and this email. I look forward to chatting.

[YOUR NAME]

Letter #2

Dear [NAME]

I am sure you are hearing from other businesses as well, especially those like mine which specialize in services, but I am reaching out to proactively secure help during this challenging time for our business.

While the full economic impact of the COVID-19 is still unknown, the past couple weeks have shown substantial downturn to our business, and I am concerned about the next several months of rent obligations. With a majority of other retail businesses temporarily closed, and uncertainty about the economy and public interaction, many of my clients are opting to stay home during this time which is directly impacting the income generated by our location.

Given the uncertainty of the short-term income from my locations, I am proposing to pay (INSERT %) of sales as my gross rent starting [DATE] based on prior month, which sales I will include with my monthly rent payment. We can then revisit and adjust rent back to the normal lease rate once business returns to normal levels. This reprieve will allow me to stay afloat and focus on paying my staff and getting

ready to market to the local community when this pandemic subsides. Please let me know if this is acceptable by [DATE].

I appreciate the long-term partnership and understanding during this difficult time for our business.

Sincerely,  
[NAME]

Letter #3

Dear [NAME],

I am reaching out on behalf of my business, [NAME], which has been severely impacted by Covid-19 shutdowns.

As of [DATE], I have applied for the Payroll Protection Program, which was instituted to ensure my rent payments could be covered.

I have been informed I am in-eligible because [INSERT REASON(S): Ratio of employee payroll to Rent, High number of IC's, Bank Stopped Taking Payments, Funds Have Run Out].

[IF APPLICABLE] Furthermore, my merchant processor has [INSERT APPLICABLE]

- Begun withholding 20% of all remaining auto-drafts
- Stopped processing all automated payments in spite of us providing services.
- Stopped processing all automated payments in spite of us providing alternate services

We are unable to do anything in regards to this and it is greatly impacting our future.

[IF APPLICABLE] Furthermore, the Attorney General of our state is mandating that I cancel all requests based on Covid-19. This will erase nearly all payments and income from my business.

[IF APPLICABLE REVIEW YOUR FORCE MAJEURE CLAUSES FOR GOVT SHUTDOWN]

As a result I am seeking immediate rental relief from you. I will be unable to pay my current rental rate from this date forward. I am happy to offer you:

[OPTION 1] A percentage of my sales from April equal to 10/15/25% of all cash in.

[OPTION 2] A payment of my Triple Net Fees Only

I have been a tenant in good standing for [INSERT TIME]. I intend to remain a tenant in good standing. My business is forced closed by the government and I can do nothing in regards to that. I appreciate your immediate assistance to ensure my business survives.

[NAME]