



AGREE REALTY CORPORATION

31850 NORTHWESTERN HWY | FARMINGTON HILLS MI 48834 | P 248.737.4190

August 3, 2012

City of Lawrence – Library System
Attention: David Corliss, City Manager
Lawrence City Hall
6 East 6th Street
PO Box 708
Lawrence, Kansas 66044

RE: Letter of Intent to Lease the Premises known as 700 New Hampshire Street (Formerly Borders Books)

Dear Mr. Corliss:

The following outlines our understanding of the summary of the non-binding terms and conditions under which we will enter into a Lease Agreement for the Premises:

TENANT'S NAME: City of Lawrence, Kansas, a Municipal corporation.

TENANT: Library System.

LANDLORD: Lawrence Store #203, L.L.C.

PREMISES: Approximately 20,000 Square Feet of space.

USE OF PREMISES: Tenant shall be allowed to use the Premises for Library Services and other ancillary services as the City sees fit.

LEASE TERM: Twenty (20) Months, commencing October 1, 2012 and expiring May 31, 2014. Tenant shall have the right to extend the lease on a month to month basis upon granting Landlord at least 30 days prior written notice for an additional 6 months.

MINIMUM RENT: \$7.00 PSF NNN – total minimum rent of \$233,800 for the Twenty (20) month period. Full minimum Rent will be paid in advance at lease execution.

SECURITY DEPOSIT: None.

COMMENCEMENT OF RENT: October 1, 2012.

TARGET DELIVERY On or Before October 1, 2012.

OTHER CHARGES: Tenant shall pay 100% of all real estate taxes, insurance and Common Area Maintenance (CAM) for the property. Tenant shall pay directly to the utility authorities for all utilities used or consumed by Tenant in the Premises. Tenant shall be responsible for the cost and coordination of its own trash removal services. Landlord shall invoice Tenant as Real Estate Taxes are incurred.

MAINTENANCE: Tenant shall be responsible for all normal maintenance, landscaping, repair, and replacement of the HVAC, interior, including all windows and doors of the Premises. Landlord shall be responsible for repair and/or replacement of the roof, roof coverings, foundations and any structural portions of the Premises, including utilities leading to and from the Premises.

INSURANCE REQUIRED: Tenant may self insure. If Tenant elects to self-insure, Tenant shall provide public liability insurance in the highest amount allowed under applicable statute(s). Should there be a liability claim against the property, the City of Lawrence agrees to cover all costs beyond the policy coverage amounts allowed by applicable statute(s). Property Damage shall be required in an amount of



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\$2,000,000, and a minimum of a \$2,000,000 annual aggregate for this location, naming Landlord as additional insured on all policies – liability and property.

LANDLORD'S WORK:

None. Tenant accepts the Demised Premises in its current "As Is / Where Is" condition.

BROKER:

Landlord shall be responsible for all real estate commissions to RH Johnson and Company under a separate agreement. Tenant represents that it is not represented by a real estate broker in this transaction and shall indemnify Landlord for any claims made by a Tenant representative for a brokerage commission.

NOTICES:

Lawrence Store #203, L.L.C.
Attention: Rob Cohon
31850 Northwestern Hwy
Farmington Hills, MI 48331
248-737-4190
rob@agreerealty.com

EXPIRATION:

This proposal shall terminate by 5 pm on August 16th, 2012 if not fully accepted by both parties.

We look forward to your confirmation of these terms and conditions outlined above by your acceptance and signature below. Upon receipt of your acceptance, we will prepare a Lease for your review.

We appreciate your continued cooperation and look forward to completing this transaction with the Lawrence Library System.

Respectfully,

LAWRENCE STORE #203, L.L.C.

Laith M. Hermiz
Executive Vice President
Agree Realty Corporation - As agent for Lawrence Store #203, LLC

**AGREED TO AND ACKNOWLEDGED:
LAWRENCE LIBRARY SYSTEM**

BY: _____

TITLE: _____

DATE: _____

