|  |  |
| --- | --- |
|  | **2001 SE 10th Street****Bentonville, AR 72716-5535****walmartrealty.com** |

**Sublease letter of intent**

**PLEASE REDLINE THIS LOI AND E-MAIL TO THE LISTING WALMART MANAGER OR BROKER**

**Date:**   **Property Location (City, State, WM Store #):**

**The following proposal establishes the basic terms and conditions Subtenant desires to submit to Walmart Realty Committee for review in connection with the sublease of property at the above-referenced location. The terms herein are *NOT* to be considered an offer of any kind by and are non-binding on Walmart, its affiliates, employees or agents, and are subject to change. Any transaction is subject to Walmart Realty Committee approval and the parties’ subsequent execution of a mutually acceptable sublease to be prepared by Walmart Realty, if approved by the Walmart Realty Committee.**

**Subtenant:** Subtenant Entity

**Sublessor:** Wal-Mart Entity

**Location of Subleased Premises:**

**Size:** \_\_\_\_\_\_\_ square foot building along with parking area and various appurtenances in common area

**Sublease Term:** (\_\_\_) years, commencing \_\_\_\_\_\_\_\_\_\_ and will expire on \_\_\_\_\_\_\_\_\_\_

**ECRs: [Attach for review]**

**Base Rent:** $ per square foot/annum

**Option/s Rent:** $ per square foot/annum

**Percentage Rent:**

**Rent Commencement Date**: That date that is mutually agreed upon

**Use:** Subtenant shall use the Subleased Premises as a \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_ to operate under the trade

name\_\_\_\_\_\_\_\_\_\_\_\_\_ similar to Subtenant’s other operations on the date of this Sublease and for no

other purpose without the express written consent of Sublessor

**Use restrictions:**  In addition to restrictions imposed by the Prime Lease and ECR, the subleased premises shall not be used for or in support of the following, either directly or indirectly via remote operation or distribution (such as remote internet fulfillment center or locations, locker, grocery drive-through, grocery home shopping pick-ups, mail order, or similar pick-up facility) as:  (i) a grocery store or supermarket, as hereinafter defined below; (ii) a wholesale club operation similar to that of a Sam’s Club owned and operated by Walmart; (iii) a discount department store or other discount store, as hereinafter defined; (iv) a pharmacy; or (v) gaming activities (including but not limited to gambling, electronic gaming machines, slot machines and other devices similar to the aforementioned), billiard parlor, any place of recreation/amusement, or any business whose principal revenues are from the sale of alcoholic beverages for on or off premises consumption (the “Property Restrictions”).  “Grocery store” and “supermarket”, as those terms are used herein, shall mean a food store or a food department containing more than five thousand (5,000) square feet of gross leasable area, for the purpose of selling food for consumption off the premises, which shall include but not be limited to the sale of dry, refrigerated or frozen groceries, meat, seafood, poultry, produce, delicatessen or bakery products, refrigerated or frozen dairy products, or any grocery products normally sold in such stores or departments.  “Discount department store” and/or “discount store”, as those terms are used herein, shall mean a discount department store or discount store containing more than twenty-five thousand (25,000) square feet of gross leasable area, for the purpose of selling a full line of hard goods and soft goods (e.g. clothing, cards, gifts, electronics, garden supplies, furniture, lawnmowers, toys, health and beauty aids, hardware items, bath accessories and auto accessories) at a discount in a retail operation similar to that of Walmart.

In addition, the Property shall not be used for or in support of the following: (i) adult book store, adult video store (an adult video store is a video store that sells or rents videos that are rated NC-17, X, XX, XXX, or of a rating assigned to works containing material more sexually explicit than XXX, by the film rating board of the Classification and Rating Administration), “adult” business activities, including without limitation any massage parlor, escort service, facility with nude (or partially nude, bathing suit-clad or lingerie-clad) models or dancers or any establishment selling or exhibiting sexually explicit materials, pawn shop, bar, night club, gaming activities (including but not limited to gambling, electronic gaming machines, slot machines and other devices similar to the aforementioned), billiard parlor, any place of recreation/amusement, or any business whose principal revenues are from the sale of alcoholic beverages for on or off premises consumption; (iii) any business that cashes checks or makes short-term or “payday advance” type loans; or (iv) any business or facility used in growing, delivering, transferring, supplying, dispensing, dispersing, distributing or selling marijuana or any synthetic substance containing tetrahydrocannabinol, any psychoactive metabolite thereof, or any substance chemically similar to any of the foregoing, whether by prescription, medical recommendation or otherwise, and whether consisting of live plants, seeds, seedlings or processed or harvested portions of the marijuana plant (the “Noxious Use Restrictions”).

**Exclusives:** Walmart will not provide use exclusives

**Assignment/Subletting:** Subtenant shall not assign this Sublease or sublet all or part or change its use or grant the use or possession of the Subleased Premises without the written consent of Sublessor, such consent to be in Sublessor’s sole and absolute discretion

**Repairs by Sublessor:** Subject to the obligation of the Prime Lease, Sublessor to maintain and keep in good repair the roof and all structural portions of the building, and the exterior of the building with pro-rata reimbursement from Subtenant.

**Repairs by Subtenant:** Subtenant shall maintain the interior of the Subleased Premises (the area within the walls, including the paint on said walls, the ceiling and floor covering) and shall repair any damage caused by any act of negligence of Lessee, its contractors, licensees, agents or employees. Subtenant agrees to replace and/or repair broken glass in the windows and doors, replace interior light bulbs and ballasts, and to repair as necessary all doors (including roll doors), door closures, floor coverings, interior utilities, sewer line blockage and provide for termite and other pest control. Subtenant shall maintain the component parts and replace the units of the heating, ventilation and air conditioning system (HVAC) and equipment serving the Subleased Premises. [Verify against Prime Lease and deal terms]

**Common Area Maintenance:** Subject to the obligation of the Prime Lease, Subtenant will pay its prorata share of common area maintenance expense

**Real Estate Taxes:** Subtenant will pay its prorata share of real estate taxes

**Insurance:** Subtenant will pay its prorata share of insurance

**Condition of Subleased Space:** As-Is, Where-Is Condition

**Signage:** Subject to Prime Lease, ECR, and local codes and regulations.

**Tenant Credit Review:** Approval may require Tenant to provide 3 years of audited financial statements

**Security Deposit:** One month of Base Rent and NNN may be required

**Personal Guaranty:** May be required on Walmart’s standard form

**Broker(s):** If a cooperating broker is involved in the transaction, please list info below and submit a signed cooperating brokerage agreement with this LOI:

Entity:

Phys Address:

City, State, Zip:

Contact:

Phone:

Email:

**Sublease Form:**If approved, Walmart will provide the sublease agreement draft

**Confidentiality:** Subtenant shall keep confidential the terms of the Sublease

Subtenants legal counsel:

Name:

Firm:

Address:

Contact:

Email:

This letter is not intended to create any legal rights or obligations for either party, but rather to summarize the basic business terms of the proposed Sublease. All of the legal rights or obligations of the parties will be set forth in the Sublease.

The information contained herein is for discussion purposes only and does not impose any obligations on either party to negotiate or reach agreement on a definitive Sublease and, if such negotiations are commenced, either party may discontinue such negotiations at any time for any reason without liability. If Sublessor and Subtenant are unable, for any reason, to agree upon and execute a definitive Sublease, neither party will have any claim at law or in equity of any kind against the other (including, without limitation, any claims for detrimental reliance or promissory estoppel). Sublessor and Subtenant each acknowledge and agree that any costs and expenses incurred by it in connection with this letter or the proposed transaction contemplated hereby are incurred at its sole risk and expense.