



April 20, 2023

Mr. Hank Jenkins
Associate Vice President
Colliers

Sent via Email

RE: PROPOSAL TO LEASE SPACE AT 1910 PALOMAR POINT WAY, SUITE 100, CARLSBAD, CA 92008

Dear Hank,

On behalf of Lanikai Partners II ("Lessor"), I am pleased to present the following Proposal to Lease space in the above referenced property to The GoodFeet Store ("Lessee"). If the following terms and conditions are acceptable, please have them acknowledge approval by signing in the signature block provided below.

- 1. PREMISES:** Lessee shall lease approximately 15,560 rentable square feet at 1910 Palomar Point Way, Suite 100, Carlsbad, CA 92008 ("Premises").
- 2. USE:** The Premises may be used for general office use and any other legally permitted uses under all applicable City of Carlsbad laws and zoning.
- 3. LEASE TERM AND COMMENCEMENT DATE:** The Lease Term shall be for five (5) years ("Lease Term") and shall commence October 1, 2023 ("Commencement Date").
- 4. BASE RENT:** The first year's Base Rent shall be \$1.70 per square foot per month and shall increase by four percent (4%) on each annual anniversary of the Lease Commencement Date. The Base Rent shall be a "triple net" ("NNN") rate.
- 5. OPERATING EXPENSES:** Lessee shall pay its proportionate share of the actual Operating Expenses ("NNNs") associated with the Premises and the Property. NNNs include real estate taxes, insurance, property management, and common area operating expenses.
- 6. SECURITY DEPOSIT:** Subject to Lessor's review and approval of Lessee's application and financial statements, Lessee shall tender a Security Deposit equal to the last month's Base Rent and NNNs upon Lease execution. Lessee shall also pay the first month's Base Rent and NNNs upon Lease execution.
- 7. TENANT IMPROVEMENT ALLOWANCE:** Lessor shall provide Lessee a Tenant Improvement Allowance (TIA) of five dollars (\$5.00) per rentable square foot subject to review of Lessee's financials statements. All Tenant Improvements shall be constructed per a mutually agreed upon space plan prepared by Lessor's architect. All Tenant Improvements shall be constructed by Lessor's contractor. Lessor will manage and oversee all tenant improvement work at no additional cost to Lessee.



- 8. CONDITION OF PREMISES:** Lessor shall deliver the Premises “As-Is” and with Building Systems serving and within the Premises in good working condition, subject to the warranties set forth in the AIR Standard Industrial/Commercial Multi-Tenant Lease – Net.
- 9. SIGNAGE:** Lessee shall be allowed to install signage on the exterior of the Building at Lessee’s sole expense. The costs associated with the purchase, installation, maintenance and eventual removal of such signage shall be the responsibility of the Lessee. All signage shall conform to all project CC&Rs (if applicable) and City of Carlsbad signage criteria.
- 10. PARKING:** Lessee shall be provided free for the Lease Term and any Renewal Option periods.
- 11. BROKERAGE DISCLOSURE & LEASING COMMISSION:** Lessor and Lessee each warrant that they have not dealt with any other real estate broker in connection with this transaction except Colliers. Lessor and Lessee hereby confirm that they were timely advised of dual representation and that they consent to the same, and that they do not expect said broker to disclose to either of them the confidential information of the other party.
- 12. EXPIRATION:** The terms of this Proposal shall expire on April 27, 2023.

This proposal is a preliminary expression of general intentions of both parties. The parties agree that this proposal is intended to create an agreement to negotiate a purchase and sale agreement. The parties intend that neither shall have any contractual obligations to the other with respect to the matters referred herein unless and until a definitive agreement has been fully executed and delivered by the parties.

Thank you for your time and consideration. Let’s discuss at your convenience.

Sincerely,

COLLIERS INTERNATIONAL

Conor Boyle
Senior Vice President
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AGREED AND ACCEPTED:

LESSOR: LANIKAI PARTNERS II

LESSEE: THE GOODFEET STORE

By: _____

By: _____

Date: _____

Date: _____