

PALOMAR TERRACE

3115 MELROSE DRIVE, CARLSBAD, CA 92010



PROPOSAL TO LEASE

The Good Feet Store®
America's Arch Support Experts





April 18, 2023

Hank Jenkins
Colliers
Sent via Electronic Mail

RE: Unsolicited Proposal to Lease
The Good Feet Store
Palomar Terrace | 3115 Melrose Drive, Carlsbad, CA

Dear Hank:

On behalf of Carlsbad Palomar, LLC c/o Hill Companies ("Landlord"), Cushman & Wakefield and CBRE are pleased to present to The Good Feet Store ("Tenant") the following terms and conditions upon which Landlord may consider a lease. This Unsolicited Proposal to Lease is non-binding and does not constitute a contract to negotiate or a binding preliminary commitment. The terms set forth below may be considered by "Tenant" and "Landlord" but do not create any legally binding obligations between "Tenant" and "Landlord".

1. **TENANT:** The Good Feet Store ("Tenant")
2. **LANDLORD:** Carlsbad Palomar, LLC
3. **PREMISES:** Tenant shall lease approximately 24,091 rentable square feet located at 3115 Melrose Drive ("Premises"). The Premises contain the existing features and amenities:
 - Signalized intersection at entry for easy access for employee access
 - Above standard parking ratio of up to 4.3/1,000 RSF
 - Indoor amenity spaces with lounge areas
 - Prominent building signage opportunities facing major thoroughfare
 - Located in North San Diego's premier corporate HQ location
 - Close proximity to retail amenities
 - Nearby nature trail, parks and picnic area
 - Highly efficient floor plate
 - High image lobby with high vaulted ceilings
 - 2 passenger elevators servicing the second floor
4. **INITIAL LEASE TERM:** Initial Lease Term shall be sixty-five (65) months.
5. **COMMENCEMENT DATE:** The Lease shall commence upon substantial completion of tenant improvements ("Commencement").
6. **BASE TERM MONTHLY RENTAL RATE:** The Base Rent for the Premises for the first twelve months of the Lease Term shall be \$2.40 per rentable square foot per month plus electricity.

The rent shall increase by a fixed three and one-half percent (3.5%) on each anniversary of the Lease Commencement Date.
7. **RENTAL ABATEMENT:** Landlord shall abate the monthly rent for five (5) months of the initial Lease Term in months one (1) through five (5). Rental Abatement shall be outside the Lease Term.

-
8. **OPTION TO EXTEND:** Tenant shall have one (1) option to extend the term of the Lease. The option term shall be for a period of five (5) years. Tenant's exercise of any option shall be upon first giving Landlord written notice of its intention to exercise any such option no less than 9 months but not greater than 12 months prior to the expiration of the then-current term. The rate shall be at the then Fair Market Value to be further defined in the lease.
 9. **PRIOR OCCUPANCY:** Tenant and its contractors, subcontractors, agents, etc. will be permitted to enter the Premises thirty (30) days prior to the Lease Commencement Date with no obligation to pay the Base Rent or any Occupancy Costs, for the purpose of installing furniture, fixtures, equipment, and leasehold improvements.
 10. **MOVING, CABLING & FURNITURE ALLOWANCE:** Landlord will provide Tenant a three (\$3.00) dollars per rentable square foot moving, cabling, furniture, fixtures and equipment allowance, in addition to the concessions described above, to be used at Tenant's discretion.
 11. **TENANT IMPROVEMENTS:** Landlord shall provide a Tenant Improvement Allowance equal to twenty-five dollars (\$25.00) per square foot. Said Tenant Improvement Allowance is subject to a mutually approved space plan.
 12. **OPERATING EXPENSES:** In addition to paying Base Rent, tenant shall pay as additional rent Tenant's prorata share of the annual Operating Expenses applicable to Base Year 2024.
 13. **HEATING, VENTILATING AND AIR CONDITIONING:** Building HVAC hours are 8:00 AM - 6:00 PM, Monday through Friday, Holidays excepted, and 9:00 AM - 1:00 PM on Saturday. Initial after-hour use shall be billed to Tenant at \$60.00/hour per heat pump/zone activated.
 14. **BUILDING ACCESS:** Tenant shall be granted access to the Premises 24 hours a day, 7 days a week.
 15. **SECURITY DEPOSIT:** Subject to Landlord's review of Tenant's most recent three (3) years audited financial statements.
 16. **FIRST MONTH'S RENT:** Upon lease execution, Tenant to pay the first month's Base Rent and Operating Expenses.
 17. **SIGNAGE:** Landlord, at Landlord's expense, shall furnish Tenant with Building standard suite signage and Building directory signage. In addition, Tenant shall have the right to exclusive building top signage. All costs associated with the fabrication, installation, permitting, removal and maintenance of said signage shall be the sole responsibility of Tenant.
 18. **PARKING:** Tenant shall have parking available at a ratio of up to 4.35/1,000 and at no cost during the Term.
 19. **USE:** Tenant shall have the right to use and occupy the Premises for general business offices and any other lawful uses.
 20. **RIGHT TO SUBLEASE OR ASSIGN:** Tenant may, from time to time, assign or sublease the Premises subject to Landlord's prior written consent, which shall not be unreasonably withheld, and subject to Landlord's recapture right set forth in the lease agreement. Landlord shall receive fifty percent (50%) of all profits paid in connection with any sublease or assignment in excess of Tenant's rental obligations under the lease agreement.
 21. **BROKERAGE:** Landlord shall pay a commission leasing fee to Hank Jenkins as Tenant's exclusive agent, equal to four percent (4%) of the total lease consideration for the Premises. Said commission shall be paid one hundred percent (100%) upon execution of a lease document.

22. **CONTINGENCIES:**
- a) The understanding that neither party may claim any legal rights against the other by reason of the signing of this letter or by taking any action in reliance thereon and that no obligation whatsoever between them shall arise until a lease has been fully executed by both parties
 - b) Landlord's receipt and approval of Tenant's financials and documentation of legal entity
 - c) Availability of space

LANDLORD AND TENANT ACKNOWLEDGE THAT THIS PROPOSAL IS NOT A LEASE AND IS NOT BINDING ON EITHER PARTY. THIS PROPOSAL IS INTENDED AS THE BASIS FOR PREPARATION OF A LEASE. THE LEASE SHALL BE SUBJECT TO LANDLORD'S AND TENANT'S APPROVAL, AND ONLY A FULLY EXECUTED LEASE SHALL CONSTITUTE A BINDING AGREEMENT. BROKER MAKES NO WARRANTY OR REPRESENTATION TO LANDLORD OR TENANT THAT ACCEPTANCE OF THIS PROPOSAL WILL GUARANTEE THE EXECUTION OF A LEASE.

This proposal shall expire five (5) days after delivery to Tenant. Should you have any questions on the aforementioned, please feel free to contact me at (760) 431-4211.

Sincerely,
Cushman & Wakefield | CBRE



Aric Starck
Vice Chairman
Lic. No. 01325461



Don Trapani
Director
Lic. No. 01208252



Matty Sundberg
Senior Vice President
Lic. No. 01257446

The undersigned has read the foregoing, understands that this proposal is completely non-binding and desires to pursue further discussions regarding a possible lease in this property.

TENANT: The Good Feet Store

By: _____

Date: _____

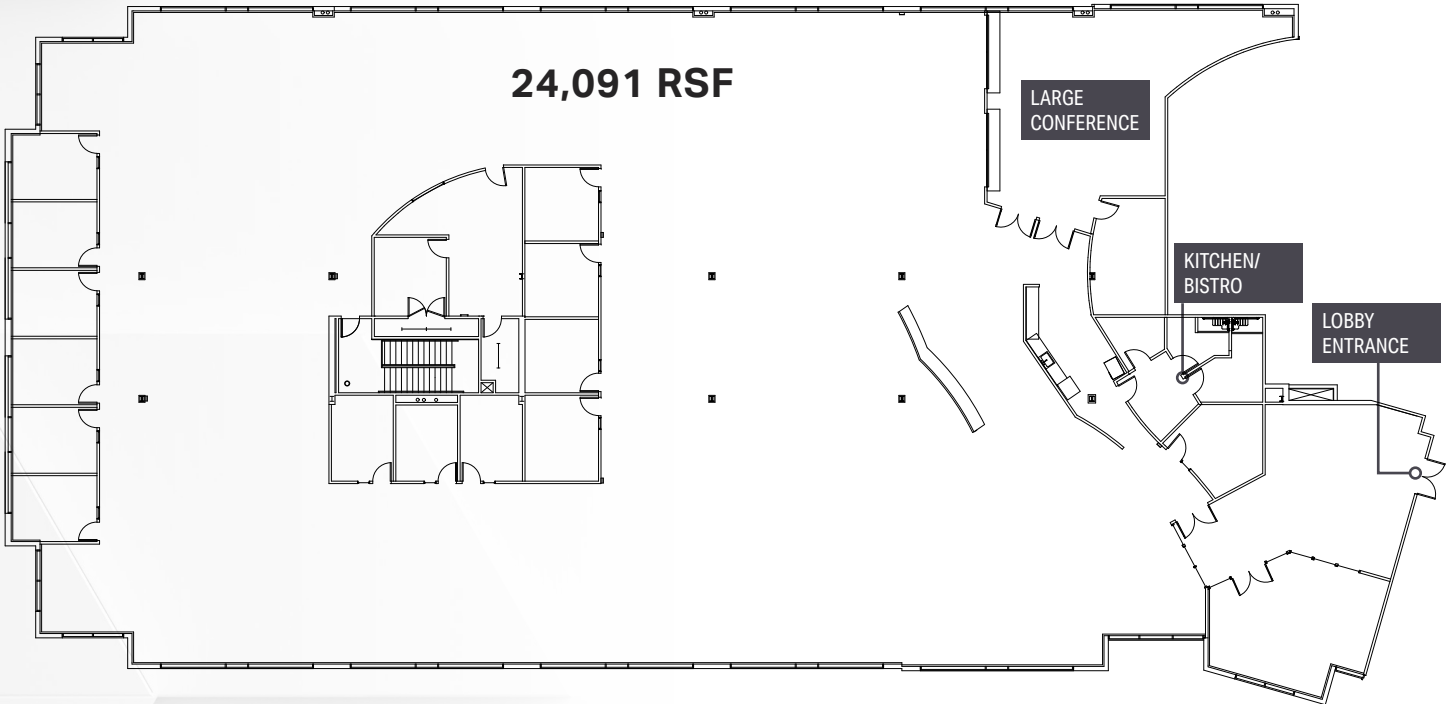
LANDLORD: Carlsbad Palomar, LLC

By: _____

Date: _____

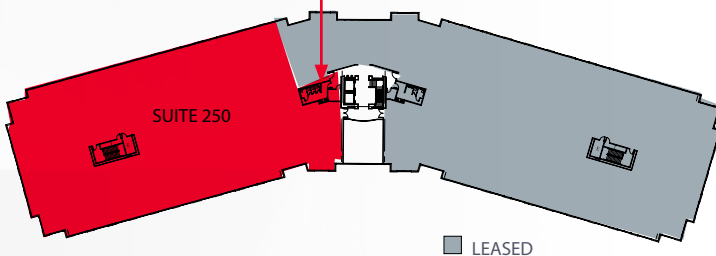
SUITE 250

PALOMAR
TERRACE



SUITE LOBBY ENTRANCE
DIRECTLY OFF ELEVATOR
AND LOBBY STAIRCASE

SECOND FLOOR



FOR LEASE

LEASED

SUITE 250

PALOMAR
TERRACE



SITE PLAN

PALOMAR
TERRACE

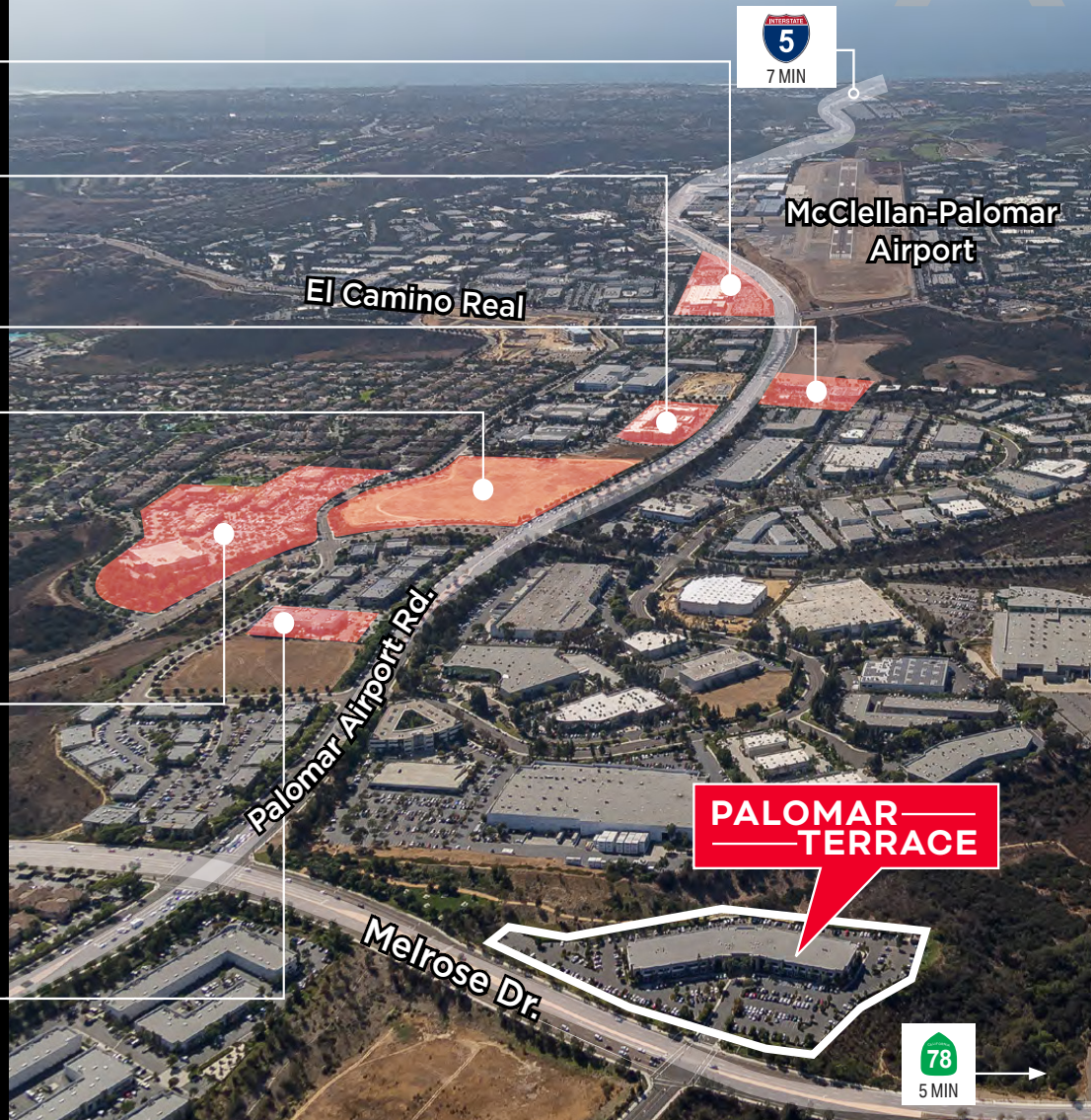


PHOTOS

PALOMAR
TERRACE



AMENITIES // 200,000 SF OF RETAIL



PALOMAR TERRACE

3115 MELROSE DRIVE, CARLSBAD, CA 92010



THANK YOU

The Good Feet Store®
America's Arch Support Experts

