

Brookfield Properties

New Lease Proposal

Trade Name (DBA): Skechers
 Location: Maple Tree Place
 Williston, Vermont

Date: 12/03/19

SUBMITTED TO:
 Mr. Stephen Grafton
 93 Burnt Hill Road
 Chichester, NH 03258
 w:
 f:
 graftoni@comcast.net

SUBMITTED BY:
 Jesse Broderick
 500 Fifth Ave
 Ste 3100
 New York, NY 10110
 w:(646) 553-2360 ext:
 f:(212) 938-9137
 jesse.broderick@brookfieldpropertiesretail.com

SPACE INFORMATION

Space Number(s): A59
 Size of Space: 6495 s.f.
 Frontage:
 Term: 10 yrs, 0 mths commencing July 1, 2020 and ending June 30, 2030

RENT STEP INFORMATION

Dates	Months	PSF	Annually	In Excess Of	Pct to Pay	CAM & RET Payable
7/1/2020 - 6/30/2025	60	\$ 28.00	\$ 181,860.00	\$ 2,307,673.50	10.00%	CAM & RE Tax
7/1/2025 - 6/30/2030	60	\$ 30.80	\$ 200,046.00	\$ 2,489,533.50	10.00%	CAM & RE Tax

Common Area Maintenance: Fixed share of \$3.45 psf in the initial year, increased each Jan 1 of the term starting 2021 by 5%.

Real Estate Tax: Pro-Rata share estimated at \$ 4.08 psf in the initial year.

Utilities:

Electric: Metered and billed via 3rd party

Trash: Billed via 3rd party

Water: Metered and billed via 3rd party

Tenant Early Termination: If tenant's annual sales are less than **\$ 1,100,000.00** after **48** months, tenant may exercise their right to early termination. Tenant must deliver **180** days notice within **60** days after the exercise month.

Early Termination Notes: If Tenant exercises this termination right, then Tenant shall pay to Landlord the then remaining unamortized portion of the construction allowance received from Landlord, The kick-out shall be null and void if Tenant violates the radius restriction.

Security Deposit Notes: None

Radius: 10 mile(s)

Total Tenant Allowance (TA): \$ 195,000.00 (\$ 30.02 psf)

Total Tenant Allowance Notes: The Allowance is payable thirty (30) days after Tenant's written request, opening of store and Landlord's receipt of the Close-Out package as set forth in the Lease (e.g. lien waivers, sworn statements, certificate of occupancy, etc.) for improvements, additions, alterations and attached fixtures including raw materials, labor, architects fees, permits, and related costs of construction work. In the event Landlord fails to reimburse Tenant within one hundred twenty (120) days of receiving the required documentation, Tenant shall have the right to deduct the monies due plus an administrative charge of five percent (5) of the amount thereof from the next due installment(s) of Base Rent due hereunder.

Landlord Work Notes: Landlord to re-demise current space to match the LOD on exhibit A of proposal and deliver new HVAC units equivalent to 1 ton per 400 SF, tenant responsible for distribution throughout space. Tenant will be responsible for maintenance and/or replacement of HVAC Units during entirety lease term. Everything else will be delivered completely "as-is".

Permitted Use: Only for the retail sale of Skechers brand footwear; for the incidental retail sale of related accessories and Skechers brand apparel; for the incidental sale of footwear, related accessories and apparel under brands licensed by Tenant

Tenant Work: Tenant shall be responsible for the design of and for all costs associated with Tenant's Improvements. Tenant's Work and any future improvements will be completed in accordance with plans and specifications submitted to and approved by Landlord and in compliance with All applicable Laws

Critical Dates: Preliminary plans by 02/01/20
 Final plans by 03/01/20
 Delivery of possession by 04/01/20
 Construction start by 04/01/20
 Remodel Complete by 07/01/20
 Store Opening by 07/01/20

Construction Date Notes: BEGINNING WORK DATE: The date immediately following the date of the latest to occur of all of the following conditions: (a) the date that Landlord tenders possession of the Leased Premises to Tenant; (b) the date of Landlord's approval of Tenant's plans on the condition that Tenant submits its plans at the time and in the manner required in this Lease; (c) the date of approval of the building permit for the construction of Tenant's Work, on the condition that (i) Tenant submits its application for the building permit no later than 5 days following Landlord's approval of Tenant's plans, (ii) Tenant diligently pursues approval of such permit, (iii) Tenant provides Landlord with proof of its application for such permit within 5 days following the date of Tenant's permit application, and (iv) Tenant provides Landlord with the date of approval of such permit. In the event Tenant does not fulfill the conditions in (b) or (c), those conditions will not be applicable to determine the Possession Date. The Possession Date is projected to occur on or before 4 /1/2020 ("Proposed Possession Date") Landlord shall provide Tenant with at least sixty (60) days written notice of the actual turnover date and that the Premises will be ready for Tenant to commence its fixturation.

Term Notes: The term of the lease and Tenant's Obligation to pay Base Rent and all other charges thereunder shall commence on the earlier of (i) Tenant's opening or business to the public in the Premises, or (ii) ninety (90) days after the Beginning Work Date

Tax Floor Notes: Taxes: 85% denominator
Anchor: 30,000 SF
Variety Store Definition: 10,000-29,999 SF

Chargeback Provisions: The construction chargeback items which Tenant shall be obligated to pay Landlord in connection with the construction of the Leased Premises pursuant to the EXHIBITS to the lease shall be waived except for the following: the plan review fee, sprinkler shut down charge, floor tile costs, temporary utilities and temporary trash removal (if applicable), the contractor's security deposit and barricade costs (if a barricade is required).

Relocation: Template relocation language to be included

Option / Renewal Rights: Tenant shall have two (2) successive five (5) year options to extend the initial term. Tenant shall be obligated to provide Landlord 12 months advance notice of its intent to exercise each option. Options Terms shall be
Option #1
Y11-15: \$33.88 psf
Option #2:
Y16-20: \$37.27 psf

Tenant Legal Name: Skechers USA Retail, LLC

This will confirm that neither you nor the retail company you represent has a lease, binding letter of intent or other binding obligation with any other entity or person that precludes you from negotiating or entering into a lease with Brookfield Properties at Maple Tree Place and that we are expressly relying on that understanding in negotiating with you and executing this document.

This letter is intended to constitute an outline of certain business terms and conditions relating to a proposed transaction, and is not intended to constitute a complete statement of all relevant terms and conditions. The terms and conditions expressed in this letter are intended to be embodied and definitive documents which may reflect changes and qualifications with respect to the proposed transaction. Accordingly, unless and until definitive documents are finalized, executed and delivered by both parties, and except as may otherwise be provided herein, neither party shall have any obligation to the other (where legal or equitable or under this letter or otherwise) including but not limited to, any obligation to negotiate in good faith, and either party may cease pursuing the proposed transaction at any time and for any reason. If executed, the definitive documents shall supersede this letter as well as any previous written or oral understandings.

It is understood that any cost or expense which has been or will be incurred by you in pursuing the matters dealt with herein (including, without limitation, attorneys' fees, design cost, labor and material costs, including any cost for lost opportunity) shall be borne solely by you and will not be reimbursed by the Landlord in the event the lease contemplated herein is not consummated.

I, _____, hereby acknowledge my agreement to the terms stated herein _____.
PRINT NAME DATE