

02/20/25: Dealsheet was good from Elynn, I told her to circulate via Ascendix for approvals.

NOTES BELOW FROM iNotes.

02/19/25:

I updated the dealsheet Elynn sent over. Need her to correct it and then we can kick off.

02/17/25:

Rand fully approved the LOI.

I emailed Michelle to process through VTS and Elynn to send me the Dealsheet when she can.

02/14/25:

Mark approved The deal via email. I let Rand know and let Rand know that we still need financials and the NDA to be resent to Mark.

WF Rand to give us the green light on his end and then we'll kick off through VTS.

02/13/25:

I had a call with Mark early this morning

- I think we're there.
- I need an operating covenant
- And we need financials
- Other than that I think we're good.

Mark needs to sign an NDA.

- They are looking for a trade back on free rent and base rent lower. Does that work?
- If that does work we are ready to go to lease.
- If we are going to start throwing additional language.
- Opening the operating covenant.
- We're good at going to 50 and reducing the rent down to 3 months. Let's get this done.
(Time kills deals in all circumstances)

Email back - we accept the economics we are good to proceed to lease subject to Tenant's approval.

01/24/25:

Rand got back to me via email yesterday:

- Provisionally good news in REC
- Need \$50 psf. In Base Rent
- 3 months free rent

Doug running numbers on this:

- It's an NER of \$38.77

- Payback is about 3.5-years.
- I'd still recommend doing the deal.
- This is a Tenant we should stretch for.

12/09/24:

I did a BIG update on Alo, Aerie, American Eagle, I sent to Mark and want to get on a call to discuss with him.

From: Doug Hermann

Sent: Monday, December 9, 2024 9:11 PM

To: Mark.Hudgins@heitman.com

Cc: Bokar, Eric <Eric.Bokar@heitman.com>; Kenneth Taylor <KTaylor@trademarkproperty.com>; Phil Pearson <PPearson@trademarkproperty.com>; Rob Easley <reasley@trademarkproperty.com>

Subject: Saddle Creek - American Eagle, Aerie, Alo

Mark:

Sending you a lot in this email so I apologize for the length here but I think it's best to talk about all these deals in tandem as they all are tied in with each other. Tomorrow I'm traveling to New York but can be available to talk through this at probably 9AM. If that doesn't work I should be at my hotel at I'm thinking 4:30 / 5:00 PM Central Time and am happy to have a call with you then if you're OK working a little late! Otherwise, we can catch up next week when I'm back.

American Eagle to Saddle Creek South in the upper portion of the Brooks Brother's Space:

- Term = 10-years
- Size = 6,585 SF
- Base Rent= \$55.00 psf.
- Percentage Rent = 6% over natural breakpoint.
- TA = \$75.00 psf.
- One 5-year option (at 3.0% annual increase)
- Landlord work = We demise the upper vs. lower portion of Brooks Brothers and demo the Allen Edmonds wall. All other conditions to remain AS-IS.
- This deal gives us a payback of 2.51 years and has a net effective rent of \$49.27 psf. – On a 6.5 Cap over year 1 rent this gives us an addition \$5.57M of value to the asset.
- We might be able to get them up a dollar or two on rent but I like this deal and would recommend doing it.

Aerie to Saddle Creek South in the former Indigo Space:

- Term = 10-years
- Size = 4,724 SF
- Base Rent= \$58.00 psf.
- Percentage Rent = 6% over natural breakpoint.
- TA = \$75.00 psf.
- One 5-year option (at 3.0% annual increase)
- Landlord work = None – AS-IS.
- This deal gives us a payback of just under 2 years and has a net effective rent of \$55.00 psf. – On a 6.5 Cap over year 1 rent this gives us an addition \$4.22M of value to the asset.
- I think we've got Aerie tapped out on rent but I like the economics and recommend doing this deal.

Apple Storage

- We're still figuring this out... hang with us and let us get back to you on this.

Alo Yoga

- Term = 10-years
- Size = 4,724 SF
- Base Rent= \$50.00 psf. (** I think I can get them to \$55 psf. I would do this deal at \$55 psf.) This is for years 1-2 and in year 3 it will start bumping at 3.0% annual increases.
- Free Rent = 8 months of abated base rent. Tenant will pay Extras.
- Percentage Rent = 6% over natural breakpoint. They are capping percentage rent if sales exceed \$2MM. This is standard for them, we just did another deal with them at the Galleria in Dallas with the same language. To get this Tenant I'd allow this.
- TA = \$125.00 psf.
- Two 5-year option (at 3.0% annual increase)
- Landlord work = None – AS-IS.
- This deal gives us a payback of just over 3 years and has a net effective rent of \$43.32 psf.
- This one I can't stress enough, the cache Alo brings to the center is top notch. If you stretch for a Tenant in today's market this is the one! I'm gonna die on my sword on this one. When I tell people we're working a deal with Alo at Saddle Creek the reaction is "Woah, really?" This is going to be huge for the center. I am 100% in favor of this deal!
- I know I've said this before but I looked at other outdoor lifestyle centers that are in similar size to Saddle Creek and have an Alo Yoga. I made a list of Tenants they have that we don't have. All these Tenants I would put on our target list as Tenant's we would want to have at Saddle Creek. Alo Yoga is a high-profile Tenant and having them at our center will increase our ability to lease off their presence.

CenterName	Store
One Colorado	Aesop
The Shops at Clearfork	Amorino
Palisades Village	Anine Bing
The Shops at Clearfork	Arhaus
Market Street - The Woodlands	Bath & Body Works
Market Street - The Woodlands	Bluemercury
The Shops at Clearfork	Boardroom Salon for Men
Palisades Village	Brandy Melville
Palisades Village	Buck Mason
The Shops at Clearfork	Burberry
Market Street - The Woodlands	Chanel
Market Street - The Woodlands	Faherty Brand
Palisades Village	Golden Goose
Forum Carlsbad	gorjana
Market Street - The Woodlands	Hemline

The Shops at Clearfork	Johnny Was
The Shops at Clearfork	Marc Jacobs
Kierland Commons	On Running
Palisades Village	Paige Jeans
Palisades Village	Reformation
One Colorado	Skin Laundry
The Shops at Clearfork	Tiffany & Co.
The Shops at Clearfork	Tumi
Palisades Village	Veronica Beard
Kierland Commons	Vuori
Market Street - The Woodlands	Warby Parker
Market Street - The Woodlands	YETI
Forum Carlsbad	Yoga Six
Palisades Village	Zimmermann



TRADE MARK

Doug Hermann
Director - Leasing & Development
Trademark Property Company
972-400-7648
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[Enhancing Communities & Enriching Lives](#)



12/06/24:

I talked with Phil yesterday and he thinks AE + Aerie on South is a good idea.

I asked Trung today to put together an LOD for all of us showing everything. I also asked Rob & Kenneth if we were good on Electricity & HVAC

11/20/24: Had a call with Rand, we're back alive.

You have a merchandising quality and an economic quality.

If it's merchandising positive it can be an economic negative...

\$60 in Memphis + contribution isn't great.

Update on plan, Leasing, Is there any opportunity...

Karen is kind of, if we can show something economic.

\$55 psf. + \$125 in TA.

\$55 go to Mark at \$50 psf.

Get a few more months of free rent 2-3 months.

No guarantee, but this

To reviewed the transaction

****On the percentage rent cap, raise it from \$2M to \$3M**

Why we should do American Eagle & Aerie at SSC South

- Fills space on Poplar
- Alo has come back to North
- We still have space for Apple
- Creates a 1,200 SF space along Poplar I can get some big rents out of.
- Higher Net Effective Rent
- Opens Faster
- Improved Rents
- No Issues solving for the electrical.
- Columns aren't ideal but they will figure it out.
- No cutting into the CMU wall

10/01/24: I emailed Mark today and sent him my official counter to the Alo deal. I need Mark to approve this. | WF – Mark to get back to me on if he approves the deal. Need Rand to send me their NDA in word so I can get it to Mark to see the financials.

NEXT STEPS:

1. ~~Doug needs to get with Terry, Daniel, Pratt, Phil, everyone... we HAVE to do this deal. I need some firepower behind me. (Maybe Bob Koys, Eric Bokar too?)~~
2. Prepare a pitch for Mark.
3. Present the counter to Mark.
4. Get a counter or a final LOI back to Rand.
5. Prepare a MS Project Timeline for lease work, delivery, Tenant buildout, RCD.
6. Have Michelle start the Dealsheet.
7. Kick Tracy off on the lease.

From: Doug Hermann

Sent: Tuesday, October 1, 2024 1:39 PM

To: Mark.Hudgins@heitman.com

Cc: Kenneth Taylor <KTaylor@trademarkproperty.com>; Phil Pearson <PPearson@trademarkproperty.com>; Bokar, Eric <Eric.Bokar@heitman.com>; Daniel Goldware <DGoldware@trademarkproperty.com>

Subject: Saddle Creek - Alo Yoga

Mark:

We received the attached updated LOI from Alo Yoga and I have made my comments. The redline you see if what I would propose we agree to.

High Level Deal points are as follows:

- 3,813 SF – replacing the Banana Republic Tenant

- Base Rent = \$60.00 psf. + NNN.
- Months 1-5 = abated base rent, Tenant will pay NNN.
- TA = \$125.00 psf.
- Percentage Rent Cap: This is something they are taking a hard stance on so I'm going back with a \$3MM cap instead of a \$2MM.
- AS-IS Deal.

We've talked about how this is a significant amount of TA but this is the Tenant you would stretch for. These guys are one of the hottest brands out there right now and having them at Saddle Creek is a big win for the property.

With the TA, plus leasing commissions (and factoring in the free rent) we're still paid back in a little over 3-years.

Additionally, I looked at other outdoor lifestyle centers that are in similar size to Saddle Creek and have an Alo Yoga. I made a list of Tenants they have that we don't have. All these Tenants I would put on our target list as Tenant's we would want to have at Saddle Creek. Alo Yoga is a high-profile Tenant and having them at our center will increase our ability to lease off their presence.

I would recommend moving forward with this deal. Happy to discuss more with you or anyone else on the team if needed. Also, would be good to know if you received their financials. I know they were trying to get them sent to you.

CenterName	Store
One Colorado	Aesop
The Shops at Clearfork	Amorino
Palisades Village	Anine Bing
The Shops at Clearfork	Arhaus
Market Street - The Woodlands	Bath & Body Works
Market Street - The Woodlands	Bluemercury
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Market Street - The Woodlands	Warby Parker
Market Street - The Woodlands	YETI
Forum Carlsbad	Yoga Six
Palisades Village	Zimmermann

09/24/24: I updated the deal analysis. | I need to finish my top 10 centers pitch and prepare everything to send to Mark for his review and approval. We need to get this deal done.

- Updated Deal Analysis created – Deal Analysis v6.

09/12/24: Need to go through the spreadsheet that Alex sent over and identify the top 10 centers, check with Pratt. Then go and identify Tenants we don't have in our center to show how doing a deal with Alo will help us lease off of them. I sent Rand the CA for him to sign.

09/11/24: I sent Rand our NDA for the Financials. WF – Elynne to provide me a CA with Shop Companies. I need to get that spreadsheet from Savannah and then present the deal to Mark.

- I texted Rand asking him about AUVs and he said "A stabilized store is \$1,500 psf. That being said, we can plug \$1,500 psf. in our calculator and spit out a market rent based off that occupancy cost."
 - I understand this and won't frame the conversation that way.
- I put together an updated deal analysis (it's v5). This deal needs to get done
 - \$60 psf. NNN = \$76.98 gross.
 - 3.0% annual increases
 - AS-IS Deal.
 - \$125 in TA + 5 months of free rent.
 - 2.75 yr. payback.
 - NER = \$49.81 psf.
- I asked the Admins if someone can help me with this project. (Savannah is going to help)

From: Doug Hermann

Sent: Wednesday, September 11, 2024 9:54 AM

To: Debra Brown <DBrown@trademarkproperty.com>; Elynne Hoyt <EHoyt@trademarkproperty.com>; Michelle Houston <mhouston@trademarkproperty.com>

Cc: Savannah Smith <:ssmith@trademarkproperty.com>

Subject: Sydney Project

Team: is Sydney working today? I have a project for her. (maybe Savannah can help if Sydney isn't in)

1. I need a list of all the locations Alo Yoga has (what centers are they in). – Deliverable is a spreadsheet of centers.
2. Doug will take that list and narrow down to the top 10 centers.
3. Then I need her to make a list of the Tenants at each one of these centers. – Deliverable is also a spreadsheet with 2 columns: | Tenant | Center |

Let me know if we can have this by tomorrow.

Thanks,
Doug Hermann

09/02/24: Rand sent over a counter to the LOI.

08/22/24: Had a call with Rand yesterday. We're both on the same page. This deal needs to get done. They are going to come back with a counter.

08/07/24: WF – Rand to respond on the LOI. I sent the LOI over today.

Doug had a call with Rand:

- Hey sorry that took so long... these guys can't get out of their own way sometimes...
- OK so there's really two options here, The most they want to pay in TA is \$75 psf. So I kept your rent at \$60, but had to put in \$75 in TA.
 - The other option was for me to amortize the different between the \$125 & \$75 (so \$50) back into the base rent, but I know you guys are tapped out on base rent.
- So, if you can agree to everything else, counter me at \$125 in TA and I'll go fight for this. We need to do this deal.
- Heitman has 3 big sticky points
 - Corporate Credit
 - Operating Covenant – which you guys agreed to.
 - No cap on the % rent, which I struck.
- Just do the best you can.

08/01/24: Had a call with Mark & Eric on Alo Yoga, notes as follows.

Notes:

- We have more spaces to lease right now that we thought we would...
- Mark likes the use but to do this deal we've got to have certain things:
 - Has to be corporate credit.
 - Has to have the operating covenant.
 - No cap on the % rent. And % rent has to be at 6.0%
- On the Soft Surroundings we can do something more lenient.
- I need to get updated financials. – the corporate credit is important to us.

07/29/24: WF – Mark to get back to me on my recommendation and the LOI. Once He approved I can send to Rand. I also texted Rand today and told him I'm working on this.

From: Doug Hermann
Sent: Monday, July 29, 2024 11:09 AM
To: Mark.Hudgins@heitman.com

Cc: Bokar, Eric <Eric.Bokar@heitman.com>; Kenneth Taylor <KTaylor@trademarkproperty.com>; Phil Pearson <PPearson@trademarkproperty.com>

Subject: Saddle Creek - Alo Yoga

Mark:

We've been talking about Alo Yoga or Bath & Body at Saddle Creek to take the Banana Republic Space. See the attached LOI for Alo Yoga and my notes below.

As discussed, I presented to Alo Yoga two options:

Option 1:

- Banana Republic Space
- Base Rent of \$70.00 psf.
- TA of \$150 psf.

Option 2:

- Soft Surroundings Space
- Base Rent of \$65.00 psf.
- TA of \$100 psf.

Alo Yoga came back and said they still want the Banana Republic space, but they are maxing out at \$60.00 psf. in base rent.

My thoughts are as follows:

What's more important Alo Yoga, the TA or the Rent? Here's what I'd be willing to offer.

Option 1:

- Base Rent = \$60.00 psf.
- TA = \$75.00 psf.

Option 2:

- Base Rent = \$67.50 psf.
- TA = \$125.00 psf.

To achieve Option 2, I took the additional \$50 of TA (from \$75 to \$125) and amortized it over the term of the lease at an 8.0% return which is \$7.28. To me, that's the cost of that additional \$50 TA, and we'd be happy to give it but they've got to pay for it.

Does that make sense? Let me know if you want to talk about this on the phone.

Doug Hermann

06/24/24: I Ran the deal analysis (v3 in the deal file) and it's not terrible... Mark only wants to give \$75 in TIA and they want \$125... I emailed Kaylie asking her if I amortized the math correctly. Additionally, I went ahead and typed out an email to Mark below on how I'd present this.

- I don't think Mark is going to go for this below.

MARK AGREED	ALO WANTS	MARK WOULD WANT	DELTA
BR = \$70 TA = \$150	BR = \$60 TA = \$125	BR = \$60 TA = \$75	BR = (\$10) TA = +\$50

- Maybe I tell Mark, look I think we counter at \$62.50 psf. with \$100 in TIA.

- I did the math in the Deal Analysis, if we were to Amortize the additional \$50 psf. in TA back into the base rent at an 8.0% return then it's an additional \$7.28 psf. – So I need \$67.50 to give \$125 in TA.

So my email to Mark looks like this:

Mark:

As discussed I presented to Alo Yoga two options:

Option 1:

- Banana Republic Space
- Base Rent of \$70.00 psf.
- TA of \$150 psf.

Option 2:

- Soft Surroundings Space
- Base Rent of \$65.00 psf.
- TA of \$100 psf.

Alo Yoga came back and said they still want the Banana Republic space, but they are maxing out at \$60.00 psf. in base rent.

My thoughts are as follows:

What's more important, the TA or the Rent? Here's what I'd be willing to offer.

Option 1:

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Option 2:

- Base Rent = \$67.50 psf.
- TA = \$125.00 psf.

To achieve Option 2, I took the additional \$50 of TA (from \$75 to \$125) and amortized it over the term of the lease at an 8.0% return which is \$7.28. To me, that's the cost of that additional \$50 TA, and we'd be happy to give it but they've got to pay for it.

Does that make sense? Let me know if you want to talk about this on the phone.

06/20/24: Rand got back to me, stay with Banana and the best we can do is \$60 psf. with \$125 in TIA. Doug needs to run a deal analysis and discuss with Heitman.

From: Rand Horowitz <rand@shopcompanies.com>

Sent: Thursday, June 20, 2024 8:45 AM

To: Doug Hermann <DHermann@trademarkproperty.com>

Subject: [External Email] RE: Alo Yoga - Saddle Creek

Doug: visited with Tenant and we'll need to stay focused on the Banana Republic space and probably best econs we can do are \$60/sf NNN with \$125/sf in TI.

If this is acceptable, can you please prepare a comprehensive response to the LOI?
As you know, we are working uphill on this one already given market and less than ideal immediate co-tenancy in this portion of the intersection.

Rand

06/19/24: I emailed Rand and let him know the two options.

From: Doug Hermann
Sent: Wednesday, June 19, 2024 10:29 AM
To: Rand Horowitz <rand@shopcompanies.com>
Subject: Alo Yoga - Saddle Creek

Rand:

Thanks for chatting earlier. Heitman is still very much interested in getting an Alo deal done at Saddle Creek and I've done my best to educate them on the TA requirements for Alo. That being said, \$150 psf. for them is a hefty number. Therefore, we wanted to outline two options for you:

Banana Republic Space

- We can get to the \$150 psf. in TA
- Base Rent has to be at \$70.00 psf. for me to get it approved.

Soft Surroundings Space

- We can stay at \$65.00 psf. in rent
- But TA needs to be in the \$100-\$125 psf. range. – I'll still need to get special approval for this (I think the most I've given out at Saddle Creek is \$75 psf. but I'll fight this battle)

Chat with Booth and let me know what you think and I can get the LOI Countered.

Thanks,
Doug Hermann

06/05/24: I had a call with Mark. I'm going to go back with two options for them, see below. Also need to talk with Phil about working both deals in Tandem.

- Mark thinks \$100 psf. is a high TA... \$150 about made him throw up!
- Banana Republic Space
 - The only way we can make this TIA work is base rent has to be at \$70.00 psf.
 - Got to have all the bells and whistles: Credit, Continuous Ops, 10-year deal.
- Soft Surroundings Space
 - \$65.00 psf.
 - \$100 in TIA (which is \$25 higher than any other Tenant has received at the center and is above our budget for any space... so I'm going to have to go back and get special approval for this but I'll fight for it)
- We let them pick.

06/05/24: This deal is on the rocks now that Phil brought in Bath & Body Works. Mark emailed me on 05/31 but I didn't get back to him until today:

From: Doug Hermann
Sent: Wednesday, June 5, 2024 9:10 AM
To: Hudgins, Mark <Mark.Hudgins@heitman.com>
Cc: Bokar, Eric <Eric.Bokar@heitman.com>; Phil Pearson <PPearson@trademarkproperty.com>; Kenneth

Taylor <KTaylor@trademarkproperty.com>

Subject: RE: Alo Yoga LOI - Saddle Creek

Mark:

I know we were pressed for time on our Friday call. Let me know if you've got a few minutes today to discuss Alo Yoga at Saddle Creek.

Thanks,
Doug Hermann

From: Hudgins, Mark <Mark.Hudgins@heitman.com>

Sent: Friday, May 31, 2024 9:30 AM

To: Doug Hermann <DHermann@trademarkproperty.com>

Cc: Bokar, Eric <Eric.Bokar@heitman.com>; Phil Pearson <PPearson@trademarkproperty.com>; Kenneth Taylor <KTaylor@trademarkproperty.com>

Subject: [External Email] RE: Alo Yoga LOI - Saddle Creek

Hi Doug

I wouldn't do this deal, especially when we have Bath & Body Works in tow but let's discuss later this morning. Thanks

Mark Hudgins

SENIOR VICE PRESIDENT

ASSET MANAGEMENT - NORTH AMERICA

05/30/24: WF Mark to get me feedback on the LOI. I sent him the following email with my assessment.

From: Doug Hermann

Sent: Thursday, May 30, 2024 10:31 AM

To: Mark.Hudgins@heitman.com

Cc: Bokar, Eric <Eric.Bokar@heitman.com>; Phil Pearson <PPearson@trademarkproperty.com>; Kenneth Taylor <KTaylor@trademarkproperty.com>

Subject: Alo Yoga LOI - Saddle Creek

Mark:

See attached counter to the Alo Yoga LOI at Saddle Creek to take the Banana Republic space.

My comments to the LOI are outlined below... See my notes below. Happy to get on a call to discuss if you would like to. If we were to accept all the comments in this LOI I would do the deal with a caveat for my proposed questions below, we'd still need to adjust that if we want to.

- Options to extend: 1 vs 2 – I'd be OK with two options if we can get the rent we want.

- Delivery Date:
 - Notes on Asbestos, Radon and PCBs – I talked with Rob and Camryn and they said PCB's have been prohibited from manufacture in the US since the late 70's so we don't feel it will be an issue. We can test for Radon and Asbestos.
 - Do we want to strike (vi) – This says that Delivery Date has not occurred until they have permits... This might be OK given the fact that we're early, I'm OK with it if you are. We've put in timelines to submit plans and for permits.
- Gross Sales: letter (j) is it overkill to strike that... am I being too nit-picky?
- Operating Expenses: I'm lowering Marketing fee to \$1.00 psf.
- TIA: We offered \$75.00 psf. They countered at \$150 psf. We gave them \$160 at Woodlands, \$180 at Galleria. This high TIA package is standard for them.
 - To give them this TIA I need to have \$65 psf. in rent because that gives us a 3-year payback.
 - This is a Tenant I would stretch for.

Thanks,

Doug working back on this again... Rob got back to me before ICSC on the question I had for Camryn... I am doing one more final review of the LOI, then will send to Mark for his approval and my recommendations.

Review of the LOI:

- Options to extend 1 vs 2 – I'd be OK with two options if we can get the rent we want.
- Delivery Date
 - Notes on Asbestos, Radon and PCBs – Rob said PCB's have been prohibited from manufacture in the US since the late 70's so we don't feel it will be an issue. We can test for Radon and Asbestos.
 - Do we want to strike vi – This says that Delivery Date has not occurred until they have permits... This might be OK given the fact that we're early...
- Gross Sales: letter (j) is it overkill to strike that... am I being too nit-picky?
- Operating Expenses: I'm lowering Marketing fee to \$1.00 psf.
- TIA: We offered \$75.00 psf. They countered at \$150 psf. We gave them \$160 at Woodlands, \$180 at Galleria.
 - To give them this TIA I need to have \$65 psf. in rent b/c that gives us a 3-year payback.
 - This is a Tenant I would stretch for.

NEXT STEPS:

1. ~~Doug to review LOI and make comments.~~
2. WF – Comments on the LOI from Camryn.
3. Once Camryn gives comments then I need to do one final review before I send to Mark.
4. Doug to send comments to Mark with a recommendation.

05/22/24

Vegas ICSC Meeting Notes:

1100 - Booth Babcock (Alo Yoga)

- SSC, Galleria Dallas
- Karen Peters - was not happy about Lulu restriction.
- Asked us to go back and talk to Lulu.
- Very uncomfortable meeting.
- Just get the LOI countered and get it back to them.

05/14/24

Rob responded and I missed it!

From: Rob Easley <reasley@trademarkproperty.com>
Sent: Tuesday, May 14, 2024 10:40 AM
To: Doug Hermann <DHermann@trademarkproperty.com>; Camryn Rager <CRager@trademarkproperty.com>
Cc: Phil Pearson <PPearson@trademarkproperty.com>; Kenneth Taylor <KTaylor@trademarkproperty.com>
Subject: RE: Saddle Creek - Alo Yoga LOI

PCB's have been prohibited from manufacture in the US since the late 70's so it would have to be a very old building for that concern to be an issue. We can test for radon and asbestos



Rob Easley | Director, Tenant Services
reasley@trademarkproperty.com

Trademark Property Company
O: 817.810.5323
1701 River Run, Suite 500
Fort Worth, TX 76107
trademarkproperty.com

05/14/24

I countered the LOI and updated the Deal Analysis to include a calculation for percentage rent.

Email to Camryn for feedback:

From: Doug Hermann
Sent: Tuesday, May 14, 2024 10:36 AM
To: Camryn Rager <CRager@trademarkproperty.com>; Rob Easley <reasley@trademarkproperty.com>
Cc: Phil Pearson <PPearson@trademarkproperty.com>; Kenneth Taylor <KTaylor@trademarkproperty.com>
Subject: Saddle Creek - Alo Yoga LOI

Camryn:

We're negotiating a deal at Saddle Creek for Alo Yoga to take the Banana Republic space upon lease expiration. I've attached the LOI if you need it but I'm specifically interested in your thoughts on the "Delivery Date Paragraph" below, I've highlighted the section in question. Are we OK committing the fact that the space will be free of asbestos, radon and PCBs?

Let me know if you have any questions.

Tenant shall not be deemed to have accepted possession of the Premises, and the Delivery Date shall not be deemed to have occurred until all of the following delivery requirements are satisfied: (i) the Premises are structurally sound with all building systems in good working order; (ii) the Premises are free and clear of all hazardous substances including, but not limited to, asbestos (encapsulated or not), radon and PCB's; (iii) the Premises are free from any other tenancies and all furniture, trade

fixtures, equipment, inventory, and personal property; (iv) the Premises is free and clear of all liens or other encumbrances; (v) all Landlord Work as defined below is complete other than customary punch list items which can be completed without materially interfering with Tenant's Work; and (vi) Tenant has received all necessary permits for Tenant's Work as defined below so long as Tenant diligently pursues permits, submits plans within 90 days of lease execution, and submits to the city within 15 business days of Landlord approval.

Thanks,
Doug Hermann

Review of the LOI:

- Options to extend 1 vs 2 – I'd be OK with this if we can get the rent we want.
- Delivery Date
 - Check with Camryn on Delivery Date notes about asbestos etc.
 - Do we want to strike vi – This says that Delivery Date has not occurred until they have permits... This might be OK given the fact that we're early...
- We gave them \$160 at Woodlands, \$180 at Galleria.
 - To give them this TIA I need to have \$65 psf. in rent b/c that gives us a 3-year payback.
- Operating Expenses: I'm lowering Marketing fee to \$1.00 psf.

05/10/24

Rand sent over a counter to the LOI. Doug to review and make comments.

From: Rand Horowitz <rand@shopcompanies.com>
Sent: Friday, May 10, 2024 5:32 PM
To: Doug Hermann <DHermann@trademarkproperty.com>
Cc: Booth Babcock <booth.babcock@aloyoga.com>
Subject: [External Email] Saddle Creek - Alo Yoga

Doug: please find attached Tenant response to the LOI for Saddle Creek.

Note that we are interested in proceeding with the Banana Republic space.

We 'accepted' all your comments and have edited our first round of changes.

I'm available Monday to discuss should you have any questions!

Rand

SHOP COS.

RAND HOROWITZ / O: 214-242-5444 / M: 214-676-6884
4809 Cole Ave Suite 330 / Dallas, TX 75205

05/06/24

Followed up with Rand on the LOI.

04/22/24

My email to Rand. Ball is in his court to respond to the LOI.

From: Doug Hermann

Sent: Monday, April 22, 2024 9:25 AM

To: Rand Horowitz <rand@shopcompanies.com>

Subject: Alo Yoga - Saddle Creek

Rand:

Enjoyed our time together on Friday out at Saddle Creek and look forward to working with you on an Alo deal at the center.

As requested:

See the link for As-Built for the Banana Republic space: <https://trademarkpropertycompany.box.com/s/79k6wv71bp3gd8si37pisd3rrl7fo038>

Also the link for As-Built for the Soft Surroundings space: <https://trademarkpropertycompany.box.com/s/u76n0k0yvbpccecpidttzdu2venb4amh>

Also, let me know when you want to hop on a call for updated sales.

Thanks,

04/19/24

Notes from the Tour with Booth & Rand:

Notes from Tour with Alo:

- 7,401 - Brooks Brothers
- 1,602 - Allen Edmonds
- 4,724 - Indigo
- Send Rand as-builts for Soft Surroundings and banana
- Reconnect with Rand on sales.

03/27/24

I followed up with Rand to see if there was any feedback on the LOI.

03/14/24

Mark approved the LOI, I made the necessary changes. I sent the LOI off to Rand. (Initial LOI Sent)

03/07/24

I put together an LOI and Deal Analysis. I sent the LOI to Mark for his approval and if approved with send out to the Tenant.

02/21/24

Had a quick call with Rand today, and yesterday had a call with the team about some storefront modification stuff Rand was asking about:

- Wanted to see if we could do some kind of storefront elevation for them to give them a great Brand Presentation.
- They are noticing in a lot of these Markets that Lulu has some pretty extensive exclusives that are keeping them out of where they really want to be so they are taking secondary sites.
- He's trying to get out in front of any questions Booth may have.
- Thinking to reschedule the trip to April 15 (maybe 16/17) but probably 15.
- Wants me to get them a proposal.

Rand wanted to know:

From: Rand Horowitz <rand@shopcompanies.com>

Sent: Thursday, February 15, 2024 9:14 PM

To: Doug Hermann <DHermann@trademarkproperty.com>

Cc: Christina Marino <christina@shopcompanies.com>

Subject: [External Email] RE: Alo Yoga - Saddle Creek (Placer Data)

Doug: had a long download with Booth today in lieu of our travels.

We'd like to go ahead and get a proposal for the Banana Republic space.
Can you please have one prepared for Tenant review?

Additionally, I'd like to have a quick chat about the storefronts --- from what we could tell on google street view, several of the brands keep doing that arcade pop out (ie Athleta).

Is that planned for all future Tenants or when is that determined to be a fit?

Our only sensitivity to the Banana is the pop out essentially on either side of us, making the space feel a little set back; like to sound board on ways to mitigate and provide powerful brand presence.

Rand

02/08/24

Rand called to prep for the tour. Asked a few questions, here's what I told him.

- Rent \$55 - \$65 psf.
- NNN = \$18.00 psf.
- Available 2/15/25

02/06/24

Rand is booked to go to Saddle Creek on 2/16@11:30, should be on site around 12:30/1:00 PM. I let Kenneth know via email. I need to follow up with Kenneth later.

01/30/24

Rand canceled their trip two weeks ago due to the weather, I emailed him today following up:

From: Doug Hermann

Sent: Tuesday, January 30, 2024 3:48 PM

To: Rand Horowitz <rand@shopcompanies.com>

Subject: RE: Alo Yoga - Saddle Creek (Placer Data)

Rand, wanted to follow up and see if 1. You guys had thought about a time to get back out to Saddle Creek? 2. I know we're only about a day away but happy to connect at Red River ICSC at 11AM if you're free. I'm very open on Friday if you'll be around then. Or we could always just catch up at your office one day next week.

Thanks,

01/15/24

I emailed Rand the following data

From: Doug Hermann

Sent: Monday, January 15, 2024 11:19 AM

To: Rand Horowitz <rand@shopcompanies.com>

Subject: Alo Yoga - Saddle Creek (Placer Data)

Rand:

Hope you guys are staying safe and warm. Are you still planning to head to Memphis on Wednesday?

If you are, I wanted to provide some data for you guys as it pertains to Saddle Creek North (or Saddle Creek Phase 1) vs. Saddle Creek South (or Saddle Creek Phase 2).

- Total, Saddle Creek North and South had a combined 3,015,353 visits in 2023 as per data pulled from Placer AI.
- We pulled a same day shared audience report between the two phases from Placer and 8.39% of the total visits to Phase 2 in 2023 also made a visit to phase 1. Which equates to around 183,762 visits.
- Vice-a-versa, 18.23% of visits to Saddle Creek South also made a visit to Saddle Creek North resulting in 173,296 cross shopping visits.
- I think the takeaway is: while Saddle Creek North, doesn't have the trade area pull like South does with an Apple, there is still a considerable amount of cross shopping between the two phases. When you get out there you'll see it's not difficult to navigate across via car.

Let me know if you guys need anything else for the tour. I've attached a trade area map for Saddle Creek North so you can see where it pulls from.

Thanks,

01/08/24

Rand called me, notes below:

- Him and Booth Babcock are coming from about 10:30 – 2:00 PM, he is going to be there at about 11AM.
- We have Woodlands, Rand is looking at SSC and Galleria.
- Co-Tenancy wise he likes Anthro, Free People, Madewell, Evereve.
- Co-tenancy is driving the decisions.
- Can we show the "Traffic" or "Cross Shopping". I think there is some placer data on that. I need to get help from Alex and Team.

01/08/24

My email back to Rand:

From: Doug Hermann
Sent: Monday, January 8, 2024 2:05 PM
To: 'Rand Horowitz' <rand@shopcompanies.com>
Subject: RE: Saddle Creek - Alo Yoga

Hey Rand! Great to hear from you. Love Alo; we recently opened them up at Market Street Woodlands and I was down there over Thanksgiving to see the store. It looks great and was very busy.

See the attached site plan and leasing package. I'm leaning towards the Banana Republic space (better visibility) for you guys but let me know what you think. Happy to talk through sales on the phone, let me know a few times this week you could talk.

Also, for what it's worth, I'm actually going to be in Memphis the 17th and 18th if you guys want to connect.

Thanks,

01/07/24

Rand Horowitz reached out for Saddle Creek:

From: Rand Horowitz <rand@shopcompanies.com>
Sent: Sunday, January 7, 2024 5:20 PM
To: Doug Hermann <DHermann@trademarkproperty.com>
Subject: [External Email] Saddle Creek - Alo Yoga

Doug: hope you are well!

Wanted to check in and get availability for Alo Yoga in the 4000 sf range at Saddle Creek in 2025 ideally. Booth Babcock and I are planning on being in the market on the 17th.

Would love to get all documents (site plan, package, etc) along with sales in advance of tour!

Look forward to learning more!

Rand Horowitz