**ADDENDUM NO. 1**

Lease Rate, Annual Increase, and Renewals

This Addendum No. 1 (“**Addendum**”) is made and entered into effective as of the \_\_\_\_ day of \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_, 2021, as an addendum to the Standard Commercial/Industrial Building Lease dated \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_, 2021 (the “**Lease**”), between Summit Properties Partnership, a Tennessee general partnership (“**Lessor**”), and Multipack Services Intermediate, LLC, a Delaware limited liability company (“**Lessee**”), and Claramond Multipack Holdings, a \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_ (“**Guarantor**”), for a 194,880 square foot building located at 6162 Quality Way, Prince George, Virginia, being 20.474 +/- acres in the SouthPoint Business Park (collectively, the building and land shall be referred to as the “**Premises**”).

WITNESSETH:

WHEREAS, Lessor and Lessee entered into the Lease as stated above. Capitalized terms not otherwise defined herein shall have the meaning ascribed to them in the Lease; and

WHEREAS, Guarantor has read, understands and approves the changes made to the Lease herein and executes this Addendum to acknowledge his, her or its agreement that the changes herein will not change or limit his, her or its guaranty of the Lease; and

WHEREAS, Lessee and Lessor desire to further amend the Lease as provided herein.

NOW, THEREFORE, in consideration of the terms, conditions and mutual promises contained herein, and in the Lease, as amended hereby, the parties hereto agree as follows:

1. **AMENDMENTS TO LEASE**

The following provisions of the Lease are hereby amended:

Paragraph 3 Third Sentence is deleted in its entirety and restated as follows: “In the event the rent is not received by the 5th day of any month, Lessee shall pay a late fee of three percent (3%) of the amount due, plus $500 per day after the 5th day of the month.”

Paragraph 5 Second Sentence is deleted in its entirety and restated as follows: “Lessee agrees to make available annual audited financial statements to Lessor for review and such other informational documentation as may be required by Lessor or its mortgagee, provided that Lessor, its mortgagee, and their respective representatives shall keep all such financial statements and the information contained therein confidential and shall not release any such items or disclose any such information to any other person or entity without the prior written consent of Lessee.”

Paragraph 6 Fourth Sentence is deleted in its entirety and restated as follows: “If Lessor shall observe any disrepairs or lack of maintenance on the interior or exterior, Lessor will give a ten (10) day written notice to Lessee to repair, and thereafter if repairs are not performed, Lessor will repair said problem and will charge Lessee for the documented reasonable costs of repairs plus 30% additional of such amount to defray Lessor’s overhead.”

Paragraph 11 First Sentence is deleted in its entirety and restated as follows: “Except for Lessor’s gross negligence or willful misconduct, Lessee agrees to indemnify and hold harmless the Lessor against all claims for injuries to persons or damages to property by reason of Lessee’s use or occupancy of the leased Premises, including, without limitation, environmental liability or damage and all expenses incurred by Lessor because thereof, including reasonable attorney’s fees and court costs.”

Paragraph 13 is amended to include the following: “If more than 10% of the building is taken by condemnation, Lessee may terminate this Lease as of the date when possession thereof is taken by public authorities. Lessee shall be entitled to any compensation paid by the condemnor for Lessee’s relocation expenses, loss of business goodwill and/or trade fixtures, without regard to whether or not this Lease is terminated pursuant to the provisions of this Paragraph. All alterations and utility installations made to the Premises by Lessee, for purposes of condemnation only, shall be considered the property of the Lessee and Lessee shall be entitled to any and all compensation which is payable therefor. In the event that this Lease is not terminated by reason of the condemnation, Lessor shall repair any damage to the Premises caused by such condemnation.”

Paragraph 15 First Sentence Subsection (b) is deleted in its entirety and restated as follows: “The leased Premises shall be deserted or vacated or the lessee demonstrates an intention to desert or vacate prior to the expiration or termination of this Lease without providing a commercially reasonable level of security, so long as Lessee is maintaining the Premises and Lessee is not in default under any provision of the Lease;”

Paragraph 24 is deleted in its entirety and restated as follows: “Premises shall only be used for Manufacturing/Warehouse purposes, general and administrative offices, and such other lawful purposes and uses incidental thereto.”

1. LESSEE’S WATER/SEWER CONTINGENCY

The Lease and all addenda have been signed and fully executed in anticipation of Prince George Utility District (“**PGUD**”) being able to provide sufficient water and sewer to the Lessee for its operations.  Sufficient water and sewer equate to:

Water 100,000gpd; Sewer 2,000gpd by Jun 1, 2022

Water 180,000gpd; Sewer 4,000gpd by Jun 1, 2023

Water 240,000gpd; Sewer 6,000gpd by Jun 1, 2024

Lessor shall cooperate with Lessee’s reasonable requests for information needed to conclude said water and sewer requests from PGUD and provide a “class A” industrial hookup.  If PGUD is unable to commit to provide sufficient water and sewer by December 1, 2021, Lessee may terminate the Lease or request an extension of this contingency and Lessor may grant any such extension as it deems is reasonable in its sole discretion.  Lessee may remove this contingency within the above stated time period or during any extension by executing a Removal of Contingency Certificate.

1. **EARLY OCCUPANCY RENT FREE**

Upon the Lease and Addendum being fully executed, appropriate damage deposit received, Lessee has provided proof that the utilities have been transferred, proof of insurance has been secured with a copy of the insurance policy and certificate of insurance naming Lessor as additional insured, the Lessee may occupy the Premises pre-term rent free from Lease execution to February 28, 2022 (“**Early Occupancy**”). Prior to Early Occupancy, the parties will walk through the Premises together and once completed will execute an Acceptance of Premises and Acknowledgment of Lease Commencement notice. During Early Occupancy, the Lessee shall be subject to all other terms and conditions of the Lease.

1. **LEASE RATE**

Annual Triple Net Lease Rate is as follows:

**15 Year Base Building**

First Year Rate: $4.97/square foot/year. Upon the first anniversary date of the Lease Commencement Date and for all consecutive anniversaries thereafter, the lease base rental rate will be adjusted each year by the annual percentage change in the Consumer Price Index for All Urban Consumers (CPI-U) published closest to the anniversary of the Lease Commencement Date, but not less than three percent (3%).

1. **BUILDING REQUIREMENTS**

The Lessor shall provide and construct tenant improvements to the Premises consisting of Offices, Breakroom, Shipping Office and Toilet Facilities, all totaling approximately 5,292 SF, and built in accordance with the specifications established in the Standard Commercial Office Specifications attached to the Lease as **Exhibit C** (collectively, the “**Upfits**”). The Overall Floor Plan and Office Plan sketches attached to the Lease as **Exhibit D1 and D2** provide further details regarding the location and scope of Upfits. Lessor shall (i) obtain and provide detailed construction drawings, (ii) seek and obtain all buildings permits to complete the Upfits; and (iii) pursue construction in a good and workmanlike manner in compliance with all applicable laws, codes, and regulations. Lessor shall substantially complete the Upfits by March 1, 2022, except for Long Lead Items identified below.

Additional Requirements for the Upfits are outlined below:

|  |  |  |  |
| --- | --- | --- | --- |
|  | **QUANTITY** | **SUB-COST** | **RENT ADD(DEDUCT)****$0.045/SF PER****$50,000 cost** |
| Design/Permitting | 1 Lump Sum | $24,000.00 | **$0.022** |
| Office & Restrooms | 5,292 sf | $584,390.67 | **$0.526** |
| Dock Pits Levelers | 4 Vertical StoringCont. Trench | $80,000.00 | **$0.072** |
| Edge of Dock Levelers | 10 | $27,500.00 | **$0.025** |
| Dock Seals | 14 | $21,000.00 | **$0.019** |
| Truck Restraints Work Lights | 14 | $105,000.00 | **$0.094** |
| Dock Equip. Elect Final Connection | 1 Lot | $46,624.40 | **$0.042** |
| Upgrade Electrical Service to 4000A | 1 Lump sum | $148,808.91 | **$0.134** |
| Increase Parking to 58 spaces | 1 Lump Sum | $52,191.67 | **$0.047** |
| Contingency | 1 Lump sum | $106,562.78 | **$0.096** |
|  | **Cost Total** | **$1,196,078.43** | **$1.077** |
| **Scope Additions can be added up to** | **$1,250,000.00** | **$1.125** |
| **Available** | **$2,464,514.02** | **$2.202** |

Long Lead Items: Electrical Service Upgrade: 28 weeks from panel design approval.

Dock Equipment as described above. 24 weeks from approval of selected items.

Building Upfit Rates:

**15 Year Building Upfits**

First Year Rate: $1.077/square foot/year. With annual increases under the same terms and conditions as the 15 Year Base Building.

Lessee may request additions or changes to the agreed upon plans for the Upfits. Any cost increases or decreases associated therewith will impact the base rental rate for the Premises. The rental rate adjustment will be calculated using the formula below in Lease Rate Adjustments for Changes in Scope of Work.

Premises to be delivered “As Is, Where Is,” except for Lessor’s Warranties as described in Section 7 of this Addendum.

1. **LEASE RATE ADJUSTMENTS FOR CHANGES IN SCOPE**

Rental rate adjustments, if any, will begin upon the Lease Commencement Date. In the event Lessee requests a change order or modification to the Upfits that affects the costs thereof, the annual rental rate for the Premises identified in Section 3 above for Upfits may be adjusted up or down pursuant to a prior written change order agreement for building improvements signed by Lessor and Lessee by using the following formula: $0.045/SF/YR/$50,000 (as calculated on 194,880 S.F. for 15 Year Term) change in direct subcontractor costs.

Such rental rate adjustment formula would also apply to any other portion of the scope of Upfits which is changed from that described herein or in the Lease, lease amendments, and any associated exhibits, and such changes shall be documented by a fully executed Change Order signed by Lessee and Lessor. The total change orders to the scope of work through this formula is limited to $1,250,000 change addition or reduction in the cost of construction.

Lessee shall pay monthly rent for the Premises during the term of the Lease in accordance with Section 2 above, as may be adjusted by this section, at the time and place described in the Lease. All other amounts required to be paid by Lessee under this Lease shall be considered to be additional rent and shall be payable as provided in the Lease.

1. **COMMON AREA MAINTENANCE**
2. There are no Common Area Maintenance fees for the Park.**RENEWALS FOR THE PREMISES**

Lessor hereby grants to Lessee three (3) successive five (5)-year renewals under the same terms and conditions as the Lease.

1. **BROKERS**

Lessor and Lessee each represent and warrant to the other that neither party is represented by a broker or other agent in connection with the Lease, and if either party engages a broker to represent that party’s interest, said party shall be solely responsible for compensating the broker for services rendered.

1. **WARRANTIES**

Lessor warrants all building systems and components for a period of one (1) year from Lease Commencement. Lessor will maintain the roof at no cost to the Lessee throughout the Term of the Lease. Lessor shall assign to Lessee all third-party contractor’s, manufacturers, and equipment warranties which Lessor has obtained in connection with the Premises or shall have them issued directly to the Lessee by the manufacturers. During the term of the Lease, warranty of the roof shall remain with Lessor. Upon any termination of the Lease, all warranties assigned, issued or delivered to Lessee shall be assigned, reassigned or delivered to Lessor. The assignments, reassignments or redelivery shall be deemed to occur automatically with the termination of the Lease, without the need for further documentation; however, Lessee agrees to execute and deliver the appropriate documents necessary and appropriate to do so upon any termination upon request.

Without limiting any third-party contractor’s, manufacturers, and equipment warranties which Lessor has obtained in connection with the Premises, Lessor guarantees to Lessee the Premises work against defective design, workmanship and materials, latent or otherwise, for a period of one (1) year from the Lease Commencement Date (the “**Warranty Period**”).

1. **QUIET ENJOYMENT**

Lessor covenants that Lessee, upon paying when due the Rent and additional rent herein provided for and observing and keeping all provisions of this Lease on its part to be observed and kept, shall quietly have and enjoy the Premises during the term of this Lease, without hindrance or molestation by anyone claiming by, through or under Lessor, subject, however, to the exception, reservations, and provisions of this Lease.

1. **LANDLORD LIEN WAIVERS**

The Lessor shall execute, at Lessee’s request, one or more Landlord Lien Waiver forms in favor of Lessee’s lenders in a form reasonably acceptable to such lenders and acceptable to Lessor and Lessor's lender**.**

1. **SUBORDINATION, NON-DISTURBANCE & ATTORNMENT**

The Mortgagees Rights and Financial Info provision of this Lease are conditioned upon the delivery to Lessee by Lessor’s lender of an executed Subordination, Non-Disturbance Attornment Agreement in a form reasonably acceptable to Lessee and consistent with prior practices. Lessor represents and warrants to Lessee that as of the date of this Lease, that the Premises is not subject to any liens of any type or nature except by a Deed of Trust. Notwithstanding anything to the contrary herein, subordination or attornment of this Lease to any present or future mortgagee shall be conditioned upon the holder agreeing that Lessor’s occupancy and quiet enjoyment of the Premises and other rights under this Lease shall not be disturbed by reason of the foreclosure of such mortgage so long as Lessee is not in default under this Lease.

1. **FORCE MAJEURE**

 Each party shall be excused for delays in the performance of its obligations hereunder when caused by strikes, lockouts, labor disputes, acts of God, governmental restrictions, governmental regulations, governmental controls, delay in issuance of permits, enemy or hostile governmental action, civil commotion, fire or other casualty, and other causes beyond the reasonable control of the party so obligated.

1. **AUTHORIZATIONS**

Lessor represents and warrants that: (a) Lessor has taken all actions required by law, its governing documents or otherwise to authorize the execution, delivery and performance of this Addendum; and (b) this Addendum has been duly executed and delivered by a duly authorized officer of Lessor.

Lessee represents and warrants that: (a) Lessee has taken all actions required by law, its governing documents or otherwise to authorize the execution, delivery and performance of this Addendum; and (b) this Addendum has been duly executed and delivered by a duly authorized officer of Lessee.

If Guarantor is not an individual, then Guarantor represents and warrants that: (a) Guarantor has taken all actions required by law, its governing documents or otherwise to authorize the execution, delivery and performance of this Addendum; and (b) this Addendum has been duly executed and delivered by a duly authorized officer of Guarantor.

Lessee and Guarantor have further authorized and taken all actions required by law, their governing documents or otherwise to authorize the execution, delivery and performance of any previous, present, and future amendments and change orders that may occur to be executed by Lessee or its local representatives.

1. **MISCELLANEOUS**

This Addendum shall be attached to, made a part of and wholly merged into the Lease. The Lease, supplemented by this Addendum, is to remain in full force and effect and is to be deemed superseded by this Addendum to the extent necessary to implement the terms of this Addendum. If there is a conflict between the terms of this Addendum and the Lease, the terms of this Addendum shall control.

Lessee, Guarantor, and Lessor have agreed to the above terms and conditions to the Lease and to this Addendum. No supplement, modification or amendment of the Lease or this Addendum shall be binding unless executed in writing by Lessee and Lessor.

Should any provision(s) in this Addendum be declared void or voidable by a court of competent jurisdiction, the provision(s) shall be considered severed from the Addendum and all remaining provisions shall remain in full force and effect.

No provision of this Addendum will be construed against or interpreted to the disadvantage of any party hereto by any court or other governmental or judicial authority by reason of such party having or being deemed to have structured or drafted such provision.

This Addendum may be executed and delivered by facsimile or PDF signature and in two or more counterparts, each of which shall be deemed an original, but all of which together shall constitute one and the same instrument.

The parties hereto agree that all of the terms of the Lease which are not otherwise amended by this Addendum shall remain in effect.

[SIGNATURES ON THE FOLLOWING PAGE]

[Signature Page to Addendum No. 1]

Executed by each party to be effective as of the date first above written.

**LESSEE:**

MULTIPACK SERVICES INTERMEDIATE, LLC

By: \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_
Name: Witness
Title:

**GUARANTOR:**

CLARAMOND MULTIPACK HOLDINGS

By: \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_
Name: Witness
Title:

**LESSOR:**

SUMMIT PROPERTIES PARTNERSHIP

By: \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_ \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_
 Joseph A. Hollingsworth, Jr. Witness
 Managing Partner

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