**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 September, 2022, as an addendum to the Standard Commercial/Industrial Building Lease dated September \_\_\_\_\_, 2022 (the “**Lease**”), between Summit Properties Partnership, a Tennessee general partnership (“**Lessor**”), and Worldwide Retail Solutions Inc., a New York corporation (“**Lessee**”), and Jose Tellez and wife, Daneen Tellez, residents of New York (collectively referred to as “**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. **EARLY OCCUPANCY FOR FREE**

Upon the Lease and Addendum being fully executed, appropriate damage deposit received, Lessee has provided proof that the utilities have been transferred, proof 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 facility rent free (“**Early Occupancy**”). The anticipated Early Occupancy and Lease Commencement Date is October 1, 2022. Prior to Early Occupancy, the parties will walk through the facility 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 of the terms and conditions of the Lease. The Early Occupancy term shall expire on December 31, 2022 and the Rent Commencement Date shall be January 1, 2023. During Early Occupancy, the Lessee shall be subject to all of the terms and conditions of the Lease, except for the payment of taxes, rent, additional rent, if applicable, as set forth under Section 2 entitled Lease Rate below.

1. **LEASE RATE**

Annual Triple Net Lease Rate is as follows:

First Year Base Lease Rate: $6.65/square foot/year. Upon the first anniversary date of the Lease Commencement Date and for all consecutive anniversaries thereafter, the Base Lease Rate, and any additional rent, if applicable, 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 two and one-half percent (2.5%).

1. **BUILDING CHANGES**

 Lessor is aware that the Lessee will make changes to the building and add equipment and trade fixtures to the Premises at Lessee’s expense for a light manufacturing and distribution facility. All changes must meet all codes, regulations and zoning requirements for the jurisdiction. Except as set forth in Section 8 of the Lease, all building changes must be submitted with construction plans and specifications to Lessor for prior written consent, which consent will not be unreasonably withheld.

1. **LESSOR’S UPFITS**

The Premises currently includes 5,528 SF of office space built in accordance with the specifications established in the Standard Commercial Office Specifications attached to the Lease as **Exhibit C**. The Lessor shall provide and construct tenant upfits (included in the Base Lease Rate) to the Premises consisting of the following (collectively referred to hereafter as the “**Lessor’s Upfits**”:

* Installation of the remaining four (4) hydraulic dock levelers;
* Installation of windows on all offices that face the warehouse, to include the shipping and receiving office (estimated cost of eight (8) KD frame hollow metal window frames 4’x4’ size each; and
* Installation of ten (10) forklift charging stations at an agreeable location near to existing HB electrical panel to be determined between the parties (10 circuits to disconnects 480V-40 amps each, plus epoxy coating floor area 100’x15’ adjacent to electrical Panel HB..

Lessor shall substantially complete the Lessor Upfits within twenty (20) days of receipt of all materials from supplier.

1. **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. **REPAIRS BY LESSOR**

Section 7 of the Lease entitled Repairs by Lessor is hereby amended to include the following:

Lessor shall in addition to the roof and structural components of the Premises also maintain the foundations, structure (not to include exterior wall enclosure and finishes), and underground utility service entries up to the point of entry into the building at Lessor’s sole expense.

1. **ASSIGNMENT AND SUBLETTING**

Section 14 of the Lease entitled Assignment is hereby amended by the following:

Lessee shall be permitted to sublet all or part of the Premises with Lessor’s prior written consent, not to be unreasonably withheld, conditioned or delayed, and shall be deemed given if Lessor has not given notice of its objection in reasonable detail within ten (10) days after Lessee’s request, so long as the Lessee and Guarantor remain responsible under the Lease. Lessee shall have the right with Lessor’s prior written consent to sublet or assign the Lease to related entities, that is, entities controlled by, controlling or under common control with Lessee and shall include entities into which Lessee is merged or consolidated or to an entity to which a substantial portion of Lessee’s assets are transferred.

1. **USE OF PARKING**

Section 25 of the Lease entitled Use of Parking is hereby amended to include the following:

Lessee shall not only have exclusive rights to all paving on the Premises, but also including unpaved area should the Lessee desire a graded and paved area for parking or trailer storage. Lessee is required to obtain Lessor’s prior written consent and approval regarding the scope of the work for any potential future improvements to the Premises prior to any work commencing.

1. **GUARANTOR**

Section 32 of the Lease entitled Guarantor is hereby amended to include the following:

The Guaranty for both Jose Tellez and Daneen Tellez as Guarantor shall expire at the expiration of the initial Lease term of seven (7) years. Additionally, the Guarantor Daneen Tellez may request the removal of this Guaranty at any time during the Lease; if the Lessee can show three (3) consecutive years of pretax profit of $3,000,000 or greater on Lessee’s financial statements and Lessee is not in default at the time of the request, Lessor shall allow the Guaranty of the Lease for Guarantor Daneen Tellez to be cancelled.

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 other than Jones, Lang and LaSalle (JLL), who represents the Lessee. Lessor shall pay commission fees as defined in a separate agreement to broker as agreed therein upon receiving a fully executed Lease.

1. **WARRANTIES**

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.

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 Base Lease Rate 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.

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:**

WORLDWIDE RETAIL SOLUTIONS INC.

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

**GUARANTOR:**

By: \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_
Name: Jose Tellez Witness

By: \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_
Name: Daneen Tellez Witness

**LESSOR:**

SUMMIT PROPERTIES PARTNERSHIP

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

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