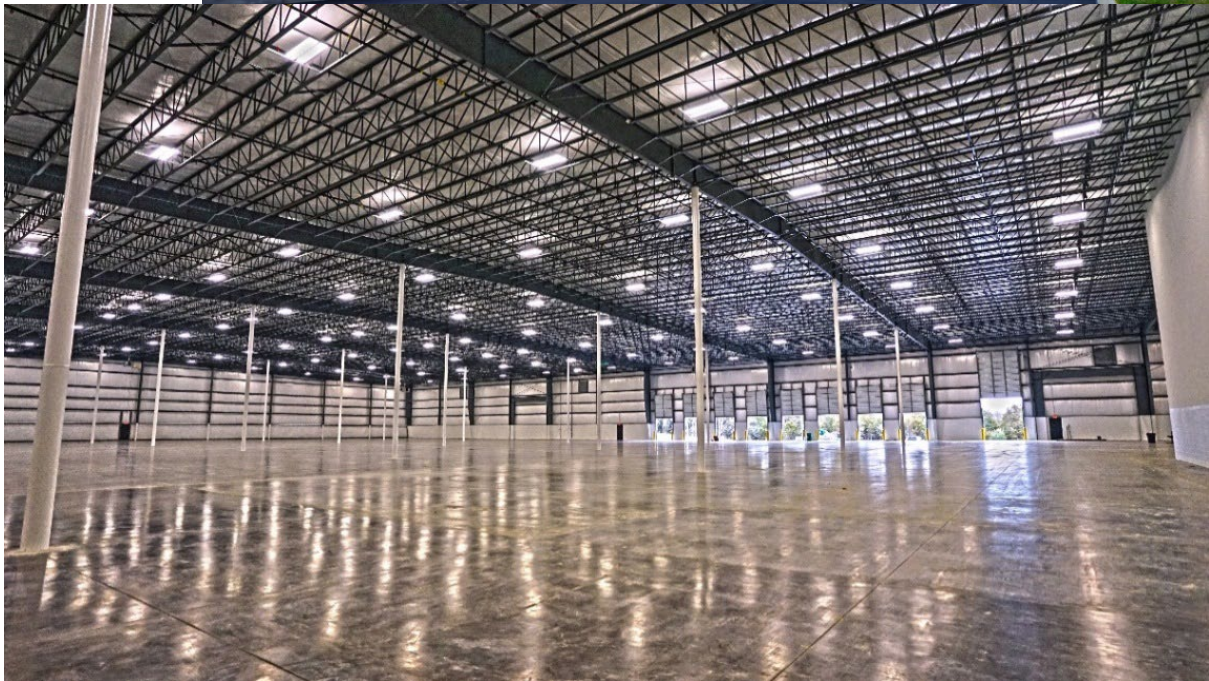




Industrial Building Program

**SOUTHERN  
ADVANTAGE**

# HANON SYSTEMS BUILDING 2 LOUDON, TN



**Huntington Business Park  
195,360 SF Facility TL-175  
Loudon, Tennessee**



November 29, 2022

Brian Ward  
Hanon Systems  
39600 Lewis Drive,  
Novi, MI 48377

Dear Brian,

*ALABAMA*

This proposal is in response to your RFQ for Building 2, TL-175. We have started construction on this 16.6 acre site to build a 195,360 square foot virtually complete industrial building. Upon execution of a Lease, we can complete the facility to include upfits with offices and bathrooms to your specifications.

*GEORGIA*

We appreciate the fact that you have not engaged any broker for this transaction. It has helped offset the increased cost of the replacement building we ordered when we moved you to Lot 3. We ended up using the original building on Lot 2, but we had assumed during pricing that we would erect the original building on Lot 3, and you were given credit for the lower priced building already on Lot 3. We have been able to hold the rate originally quoted on Lot 2 and make the lease terms match, providing Hanon with added flexibility in the future.

*NORTH CAROLINA*

To support your operation, we have provided upfits for the Offices and provided a matching HVAC system for warehouse cooling. These items are included as a part of the upfits. Unlike the original lease, because we have just been to market for very similar upfits, we are willing to guarantee the cost of these improvements if we can get a quick decision from Hanon to move forward. Hanon Systems can adjust the scope to just those items they most value in the upfits of the facility using the same formula used in the original lease.

*TENNESSEE*

Additional building information is provided at the following hyperlink. After a short introductory video, you will be able to download the detailed information about the building:

*VIRGINIA*

<https://hollingsworthcos.com/view-proposal/629a692157ac0>

*TWO CENTRE PLAZA  
CLINTON, TN 37716*

*865-457-3701 PHONE*

*865-457-5476 FAX*

Sincerely,

Tom Mann

Senior Vice President of Industrial Real Estate

Cc: Joe Hollingsworth CEO  
Tom Wortham, Senior Vice President of Architecture and Business Development

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**TL-175 – LOT 2 - LOUDON, TENNESSEE**

**Location:** 2677 Huntington Park Drive  
Loudon, TN 37774

**Building Site:** Lot 2: 16.6 acres +/-

**Building Size:** 360' x 540' gross dimensions with architectural entry feature for a leasable total of 195,360 sf.

**Lease Rate:** **Fifteen (15) Year Term** Triple Net Base Building Rate

**\$5.98/SF/YR** + CPI Annual Adjustment (min. 2%)  
matching existing lease terms  
**Plus 3 - Five (5) Year Renewals**

*ALABAMA*

**Upfit Rent Rate**

**Fifteen (15) Year Term** Triple Net Upfit Rent Rate  
This is a guaranteed figure for the scope described herein, unless modified by agreed change order.

*GEORGIA*

**\$2.30/SF/YR** + 50% CPI Annual Adj. (min. 2%)  
matching existing lease terms

*NORTH CAROLINA*

**Renewal Terms:** Tenant shall have the right to extend the lease on all of the Premises for three (3) consecutive five (5) year periods. Tenant will provide six (6) months prior written notice. Renewals will be at the same terms and conditions.

*TENNESSEE*

**Office Upfits and Scope Adjustment:** Landlord will provide 11,444 Sf of office upfits as per the attached plan, or similar scope plan approved by Tenant, in accordance with the attached Standard Commercial Office Specifications. See Upfit Lease Rates quotes above in the Lease Rate Section.

*VIRGINIA*

The Scope of Work Adjustment formula for any additions or subtractions to the scope of work herein described shall be the same as the current lease despite the rising interest rate environment as follows:

15 Year Term: \$0.036/SF/YR per \$50,000 cost

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This rent adjustment formula is limited to a total cost of not more than \$4,000,000 for this facility. If the Tenant would prefer to pay for the cost of upfits instead of financing the cost through additional rent,



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the Tenant can self-perform the upfits with Landlord’s approval of the construction plans.

**Lease Commencement:**

Lease commencement and rent commencement shall match the Lease commencement and rent commencement date for the TL-176 building next door so both leases will be coterminous (unless one of the buildings is not renewed in the future). This is based on the assumed Lease execution of not later than December 15, 2022, and schematic plan approval of office upfits by December 30, 2022. If these dates can be met the Landlord believes both buildings can have a certificate of occupancy by September 1, 2023.

**Occupancy Rent Free:**

The same as the current lease, the Tenant will have access to the building prior to completion of the upfits from March 1, 2023, when shell building should be substantially completed, to the Lease Commencement date of September 1, 2023. Landlord will forego the 6 months of base rent at a value of \$584,126.40 to allow the all the buildings on the campus to have the same beginning and ending dates.

**Construction:**

Rigid steel frame for heavy use and low maintenance. Split face masonry on three sides up to 7’-4”, then insulated metal to the eaves.

**Column Spacing:**

60’ x 60’ wide spacing

**Interior Clear Height:**

Minimum 32’ beneath mainframe steel at eaves. Approximately 39’ at mainframe steel at peak.

**Floor:**

Laser leveled 6” thick 4000 psi concrete floor with Helix micro-rebar reinforcing and a 10 mil vapor barrier, finished with Ashford Formula™ penetrating densifier finish.

**Roof:**

24 gauge standing seam galvalume, 25 year warranty insulated and highly reflective and totally recyclable.

**Electrical Service:**

1200 amp 480/277V, 3 Phase main electrical service

**Additional Electrical Upfits included:**

- Power & Lighting for Offices
- Power for (6) Forklift chargers
- Power for Truck restraints
- Power for HVLS Fans
- Power for AC-Chiller system
- \$125,000 Allowance for EV Chargers & feeds



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	Tenant may add additional electrical services into the building to support their process equipment needs.
<b>Lighting:</b>	High output LED lighting to produce 35 footcandles of illumination.
<b>Water:</b>	8" fire sprinkler riser into building; 2" metered domestic water service
<b>Sewer:</b>	6" gravity fed sanitary sewer
<b>Natural Gas:</b>	Natural gas is provided for heating at 2 psi
<b>Heat and Ventilation:</b>	Suspended forced air natural gas unit heaters and ventilation fans.  Eleven (11) Gas Units Heaters, at 250,000 BTU's each  Five (5) Ventilation Supply Fans at 22,180 CFM each  Air Conditioning in warehouse utilizing expandable 100-ton Chiller based system with air turnover units.
<b>Parking:</b>	60 car spaces, including 3 handicapped spaces.
<b>Docks:</b>	Fifteen (15) 9' x 10' dock-high doors Fifteen (15) dock-high doors will be equipped with pit-style mechanical dock levelers and dock seals. Fourteen (14) dock-high doors will be equipped with truck restraints
	One (1) 14' x 14' drive through door with ramp  Twenty-five (25) Trailer drop spaces are provided
<b>Automatic Fire Protection Sprinklers:</b>	ESFR wet fire protection system with fire pump
<b>Warranty:</b>	Landlord will Warranty the building and upfits for a minimum of twelve (12) months and pass along all longer manufacturers' warranties.
<b>Broker Representation:</b>	Tenant and Landlord hereby declare they have not engaged any real estate broker for this transaction to represent their interests. Both parties shall indemnify the other party against any claims related to real estate commissions associated with this transaction.
<b>Offer:</b>	<b>Only a fully executed and delivered Lease Agreement shall bind any party to perform as agreed therein. All</b>



offers stated herein are subject to the assumed unchanged bankable credit of the tenant entity. All offers are valid until December 15, 2022. This proposal is subject to availability on a first come, first come basis.

*ALABAMA*

*GEORGIA*

*NORTH CAROLINA*

*TENNESSEE*

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### SITE PLAN

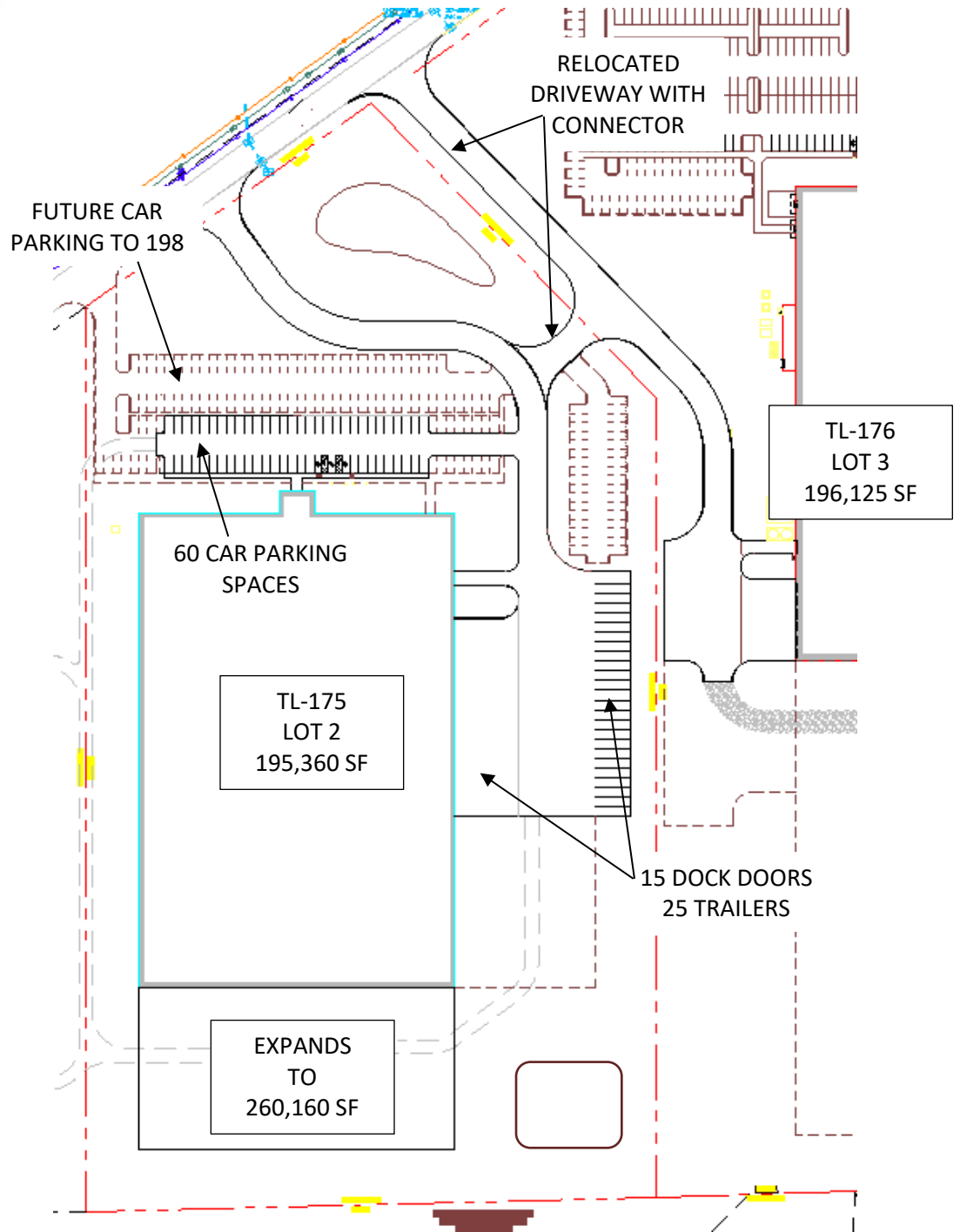
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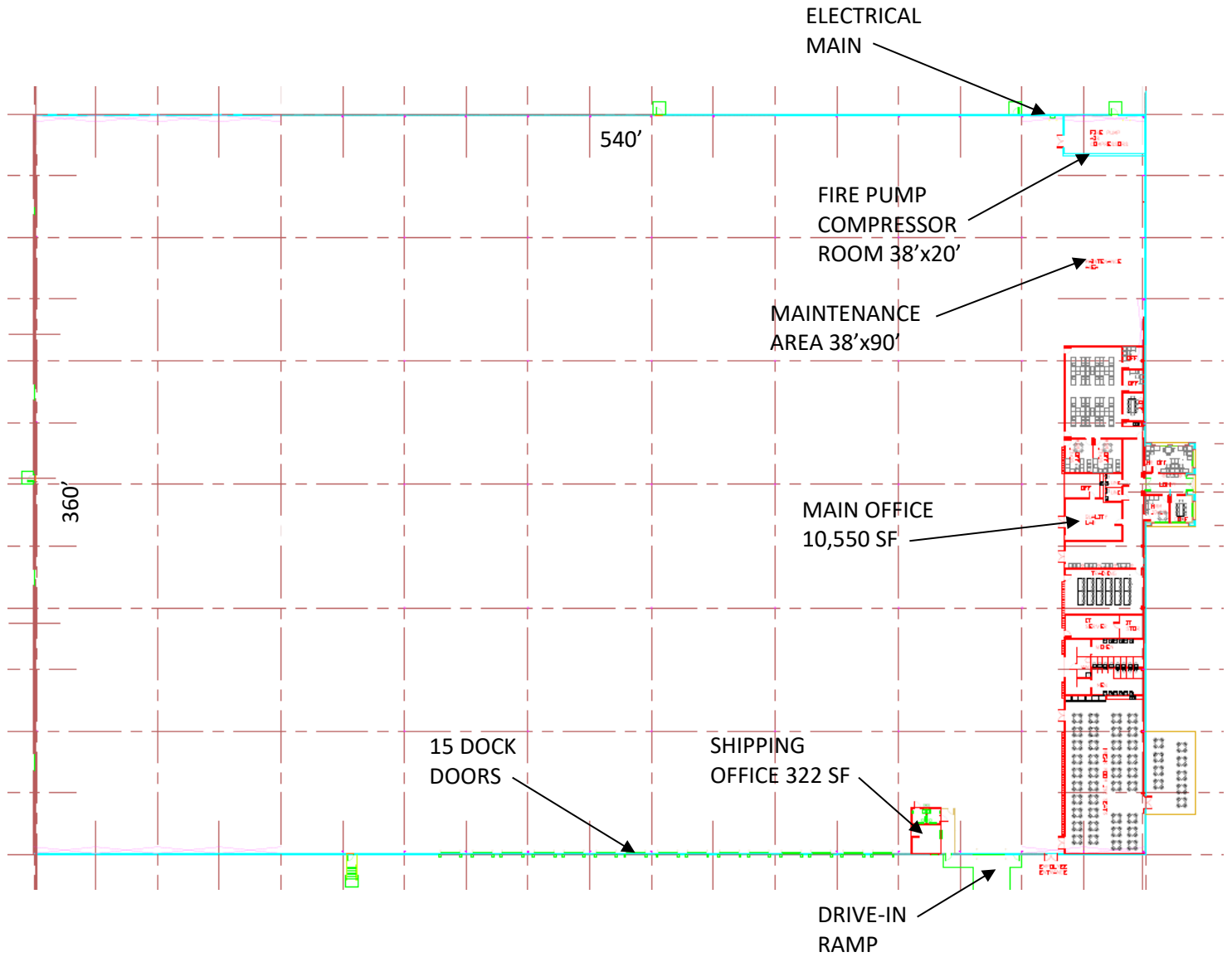
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## OVERALL FLOOR PLAN



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# OFFICE PLAN

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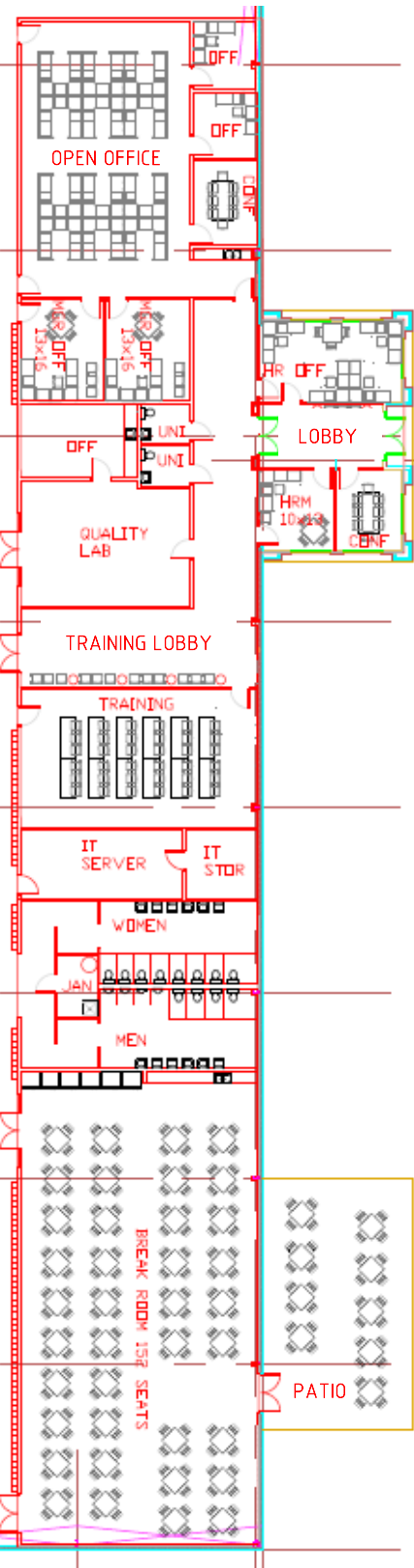
TENNESSEE

VIRGINIA

SHIPPING OFFICE & RESTROOMS

EMPLOYEE ENTRANCE

RAMP



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