



Industrial Building Program

**SOUTHERN
ADVANTAGE**

PERDUE NEW PRODUCTION FACILITY



File Photo of Facility similar to Planned facility

**Hardware Drive,
Prince George, VA
or
Monterey, TN
104,670 square feet**



February 14, 2018

Mr. Ken Schneider
Perdue Foods, LLC
2100 Industrial Drive
Monterey, Tennessee 38574

ALABAMA

**RE: Monterey/Prince George VA Build-to-Suit Facility
Hollingsworth Industrial Building Prototype**

GEORGIA

Dear Mr. Schneider:

After our conversation, we have developed a preliminary proposal for your consideration as you evaluate options for facilities. The Hollingsworth Companies is 100% industrially focused and specializes in non-urban manufacturing enterprises. Most industrial developers are uncomfortable working outside of large metropolitan areas. We have found however that companies find many benefits in operating in smaller communities that have a stable workforce that is hard working, loyal and flexible. Our current portfolio of leased industrial properties exceeds 18,000,000 square feet and is spread from Texas to Virginia. We work with a number of industries and bring a unique perspective to developing industrial facilities. We design and build facilities like we are building them for ourselves, because we usually do own the facilities for a great number of years. By working with the Hollingsworth Companies, you automatically benefit from our long experience owning industrial facilities.

NORTH CAROLINA

TENNESSEE

VIRGINIA

We are calling this a preliminary proposal, because at this point we do not have any information on the existing geotechnical in Monterey, but it is anticipated that the site will be mostly rock under that couple of feet of soil. Quick volume estimates for excavating this site in Monterey currently owned by Perdue, could carry a premium for rock removal for the initial Phase of \$1,680,000 and if the building is doubled in the future it could be another premium of \$2,100,000. Our option for a Prince George Virginia site (directly across the street from your Truck

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Maintenance facility there) is 20.95 acres that would be included in the project at a value of \$879,900, with no rock premium. So “free” land can end up being expensive in the final analysis.

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Our business model is to build a portfolio of leased industrial facilities to good credit tenants. In a rising market with more opportunities than we can service for leased Build-to-Suit projects, we would have to pass on this opportunity if Perdue wants to simply pay for the facility and own it from day one. With the new tax law (once the technical correction bill passes) allows 100% write off of equipment investments and Tenant Improvements in the first year! There are some limits that you will need to consult your tax professional, but we feel confident this would apply in your case. This could be a good way to use your capital on the things that best generate profits for you, and let us put our capital in the things we are familiar with in terms of the basic building box. This is food for thought. I think it allows each company to focus their investments on the area of their expertise and therefore provides the most benefits to all parties.

GEORGIA

NORTH CAROLINA

We understand the building layout is not totally approved and there are some missing pieces that will need to be included before pricing can be finalized, but this is based on the Drawing you provided, and we made assumptions based on the last facility we priced for you using the same curbs and an estimate for equipment connections that should get you in the right order of magnitude estimate.

TENNESSEE

The details of the proposed facility and lease pricing are detailed below. Our business thrives on your success. When you are growing and expanding, so are we. We look forward to discussing this in detail with you and making this project another success story.

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We have also developed a relationship with Development Advisors, Inc. a national incentives negotiation firm who have been able to receive awards 30% higher than other incentive consultants and they work hard to make sure you actually collect on the incentives offered. They can look into this project for no cost and let you know if there are likely to

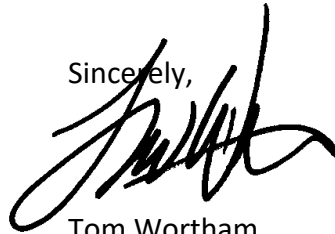


be opportunities to be awarded incentives on the project from any sources that might be available in a particular project location. It is always good to have locations in play in more than one state to maximize the potential incentives. Their offer can be found at the following link:

ALABAMA

<https://www.hollingsworthcos.com/proposal49sr/>

GEORGIA

Sincerely,


Tom Wortham

Senior Vice President of Architecture and Business Development

NORTH CAROLINA

cc: *Joe Hollingsworth, Jr.
Tom Mann - Tennessee Real Estate Director
Will Blackwell, SIOR – Virginia Real Estate Director*

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MONTEREY, TENNESSEE FACILITY

Industrial Park Location: Behind existing Monterey TN Facility
6.5 acres +/- 615' x 450'
 The area behind the building is constrained in all directions and to get even the 6.5 acres, it will displace some of the trailer storage yard. Future expansion of the facility may require relocation of the small antenna building.

Building Size: **420' x 240' main production warehouse** with 1120 SF architectural entry feature for a total building area of 104,670SF.

Interior Clear Height: **Minimum 32'** beneath mainframe steel at eaves

Column Spacing: **60' x 60'** wide column spacing for flexibility in process layout and product storage.

Rental Rate Options: **(15) Year Term – 104,670 SF Building Triple Net**

Rental Rate

Building & Site Prep* \$7.10/SF/YR NNN
 + CPI Annual Adjustment, min. 3%

Plus
Tenant Upfits and connections: \$6.11/SF/YR NNN
 + CPI Annual Adjustment, min. 3%

Total
Building and Upfits:* \$13.20/SF/YR NNN
 + CPI Annual Adjustment, min. 3%

Plus 3 - Five (5) Year Renewals
 Based on the same terms and conditions.

*** Does not include Rock expected to be encountered at an additional cost of possibly \$1,680,000, or \$2.26/SF in rent.**

Purchase Option: We could offer a Purchase Option on the Building from month 18 to month 36 of the Lease.

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Building and Site Improvements*
\$7,852,200 (\$75.02/SF)

Tenant Upfits
(may be paid immediately to take tax write-off)
\$6,756,800 (\$64.55/SF)

*** Does not include Rock expected to be encountered at an additional cost of possibly \$1,680,000**

Occupancy: Based on a final written decision to Lease this Build-to-Suit facility by April 1, 2018, the new building would be ready for occupancy on or before February 1, 2019.

Construction: Steel rigid frame construction with longspan barjoist secondary framing at roof for high flexibility and low maintenance. Split face masonry on three sides up to 7'- 4", then insulated metal to the eaves. The offices and support areas will have insulated metal panel walls to the roof structure.

Floor: **Warehouse: 6" 4000 psi** laser-leveled concrete floor with heavy duty welded wire reinforcing.

Roof: 24 gauge standing seam Galvalume, **25 year warranty** insulated and highly reflective and totally recyclable.

Electrical Service: **4000 amp 480/277 V**, 3 Phase main electrical service.

Lighting: **LED** High output lighting in high-bay areas to provide 30 foot candles of illumination throughout the warehouse and production areas.

Water: 8" fire sprinkler riser into building;
2" metered domestic water service

Sewer: 6" gravity fed sanitary sewer

Natural Gas: The natural gas service to the building is assumed to be extended to the new facility by the natural gas utility company.



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- Heat and Ventilation:** Suspended forced air natural gas unit heaters will be provided, and ventilation fans for 1 air changes per hour.
- Parking:** 50 car spaces
- Docks:** **Eight (8)** 9' x 10' dock-high doors
One (1) 12' x 14' drive through door
- Fire Protection Sprinkler:** ESFR wet fire protection system.

GEORGIA

- Office Upfits:** The Building rental rates quoted include finished office spaces and associated restroom facilities, based on the layout provided. These items are included in accordance with the Hollingsworth Companies' Standard Commercial Office Specifications. All design and construction costs for these improvements are included in the rental rates quoted, subject to landlord's lender approval. Our in-house architect will prepare an office layout for your review and approval.

NORTH CAROLINA

- Exclusions:** It is assumed the necessary utilities will be brought to the site by the local utility providers or the City at no cost to the project.

TENNESSEE

- Commission:** No commission has been included for SVN as included before. If they are to be involved, we will need to adjust pricing accordingly.

VIRGINIA

- Offer:** Only a fully executed and delivered Lease shall bind any party to perform as agreed therein. All offers stated herein are subject to the assumed bankable credit of the tenant entity. All offers are only valid for 30 days from the date of this proposal, and are subject to the capacity of the Hollingsworth Companies to perform as required by the project timelines.
Tenant will have the right to approve all final construction plans and specifications before construction begins.

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PRINCE GEORGE, VIRGINIA FACILITY

Industrial Park Location: Across Hardware Drive from existing Perdue Truck Maintenance Facility
20.95 acres
 The area behind the building is constrained in all directions and to get even the 6.5 acres, it will displace some of the trailer storage yard. Future expansion of the facility may require relocation of the small antenna building.

Building Size: **420' x 240' main production warehouse** with 1120 SF architectural entry feature for a total building area of 104,670SF.

Interior Clear Height: **Minimum 32'** beneath mainframe steel at eaves

Column Spacing: **60' x 60'** wide column spacing for flexibility in process layout and product storage.

Rental Rate Options: **(15) Year Term – 104,670 SF Building Triple Net**

Rental Rate

Building, Land & Site Prep* \$8.26/SF/YR NNN
 + CPI Annual Adjustment, min. 3%

Plus

Tenant Upfits and connections: \$6.11/SF/YR NNN
 + CPI Annual Adjustment, min. 3%

Total

Building and Upfits:* \$14.37/SF/YR NNN
 + CPI Annual Adjustment, min. 3%

Plus 3 - Five (5) Year Renewals

Based on the same terms and conditions.

*** Does not include Rock. None is expected. Could avoid additional rock costs in Monterey at an additional cost of possibly \$1,680,000, or \$2.26/SF in rent. The Rock potential and difficulty in expansion may make a Virginia location preferable.**

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TENNESSEE

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Electrical Service:	4000 amp 480/277 V , 3 Phase main electrical service.
Lighting:	LED High output lighting in high-bay areas to provide 30 foot candles of illumination throughout the warehouse and production areas.
Water:	8" fire sprinkler riser into building; 2" metered domestic water service
Sewer:	6" gravity fed sanitary sewer
Natural Gas:	The natural gas service to the building is assumed to be extended to the new facility by the natural gas utility company.

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Parking: 50 car spaces

Docks: **Eight (8)** 9' x 10' dock-high doors
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SOUTHERN ADVANTAGE

FLOOR PLAN

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