

REQUEST FOR PROPOSAL (EXPEDITED TRANSACTION) – CONFIDENTIAL – NON-BINDING

212 QUALITY DRIVE, MOCKSVILLE, NC

SEPTEMBER 14, 2020

ISSUE	DESCRIPTION	LANDLORD RESPONSE
RFP OVERVIEW		
Tenant/Brokers:	On behalf of Amazon.com Services LLC and its affiliates (“Tenant”), KBC Advisors, Inc. and Foundry Commercial (“Brokers”) appreciate your interest in this Request for Proposal (“RFP”).	
Confidentiality:	Information associated with this project will be subject to the Nondisclosure Agreement executed by Landlord for the benefit of Amazon.com, Inc. and its affiliates, including Tenant.	
Landlord:	Provide name of Landlord entity	Hollingsworth Investments XI
	Describe Landlord parent and operations (for example, “Landlord entity ABC, LLC is an affiliate of XYZ Corp., a regional industrial developer.”)	Hollingsworth Investments XI is a single property entity developed and owned by the Hollingsworth Companies. The Hollingsworth Companies industrial portfolio has incorporated over 18,000,000SF in 15 states, primarily in the Southeast and Midwest regions. The subject property is located in the SouthPoint Business Park, NC, privately owned and developed by the Hollingsworth Companies. The Hollingsworth Companies are long term holders of leased industrial real estate.
	State Amazon site code of any previous leases between Landlord and Amazon	N/A
Counsel:	Provide name and email for your attorney who will negotiate the lease.	Jamie Burns, jburns@hollingsworthcos.com
Property Manager:	Provide name, email, and phone number for your property manager.	This facility is offered as a single-tenant Triple Net Lease. Landlord has limited responsibilities for property maintenance. For the items Landlord is responsible, Landlord handles in-house for no fee or reimbursement.
Lease Agreement:	Confirm Landlord will utilize Tenant’s existing standard industrial lease agreement.	We are willing to start with the Amazon standard Lease form. Please forward for our review.
Key Dates:	Date Space is Available for Early Access:	February 1, 2021
	If Existing Tenant at Site, Date Existing Tenant Expected to Vacate:	N/A
	Target Lease Execution Date:	October 26, 2020
	Target Delivery Date: March 1, 2021	March 1, 2021 Agreed
BUILDING & PROPERTY INFORMATION		
Building, Premises, Tenant’s Proportionate Share:	Building Address (and suite number, if applicable): Date of construction: Square footage of the Premises and the Building: Total Acreage: APN or Tax Parcel ID for lot(s) for Building and any associated parking: List percentage of the Building: Tenant requires approximately 64,000 RSF with approximately 5,000 RSF of office.	212 Quality Dr. Mocksville, NC Completed: 2020 108,960 SF 14.65 Acres PIN 5729498479 100% 108,960SF w/ 4,232SF Office
Additional Land:	Tenant may require up to an additional 3 AC of land for parking. Outline the size, pricing and terms by which Tenant could expand the Premises over the Lease Term.	All requested car and van parking have been accommodated on site.
Parking and Loading:	Tenant requires as many automobile and truck parking spaces as Landlord can provide. Describe the number of available stalls and parking spaces for Tenant’s exclusive use. Provide details for any additional property Landlord owns near the site that could be used for temporary or permanent parking. Tenant requires parking for at least 130 automobile parking spaces Tenant requires a ring road around the building through the existing truck court. Conceptual site plan to be provided by Tenant as soon as possible.	32 Existing parking spaces. Landlord will expand car parking to a total of 130, & 120 van parking spaces. See attached Site Plan.
DELIVERY & BUILDOUT		
Delivery:	At Landlord’s cost, Landlord will deliver possession of the Premises (including all paved areas) to Tenant broom clean and in compliance with the Landlord Base Scope of Work described in Exhibit A by the Target Delivery Date. Tenant will be entitled to 1 day of Base Rent credit for each day that delivery is late.	Agreed. Landlord agrees to \$2,500/Calendar day.

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	If the delivery conditions are not met by the date that is 3 months after the Target Delivery Date, Tenant will have the right to terminate the lease.	liquidated damages if Target Delivery Date is not met. Landlord has never delivered a project late in 35 years. Agreed.
Initial Improvements by Tenant:	Tenant may perform, with a contractor selected in its sole discretion, the Tenant Base Scope of Work described in Exhibit A.	Agreed. All contractors must be licensed in the State of NC. All work must be permitted by local AHJ.
Construction Management Fee:	Landlord will not receive a construction management or oversight fee for Tenant-managed improvements. For Landlord-managed improvements (except to the extent designated as being at Landlord's sole cost above), Landlord will receive a fee not to exceed 2.5% of managed hard costs.	No fee for Tenant managed construction. Landlord will use its in-house General Contractor: Concept Developments, Inc to Design/Build the Improvements. Landlord does not add management fee to contractor costs.
Rent Commencement Date:	Rent commencement will be ninety (90) days following the later (1) the Target Delivery Date, or (2) Landlord's delivery of the Premises in compliance with the base building requirements and with the Landlord Base Scope of Work substantially complete. Following rent commencement, Tenant will be entitled to any abatement period set forth in Exhibit B..	Rent Commencement and Term Commencement will be the same date. Rent Commencement will be 60 days after Target Delivery Date with 28 days prior to the Target Delivery Date allowed for Tenant move-in and set-up.
Tenant Improvement Allowance:	Please propose your most aggressive Tenant Improvement Allowance. Any unused portion of the Tenant Improvement Allowance will be applied toward Base Rent, not to exceed 25% of total Base Rent in any month.	No TI Allowance provided. Property will be priced on lowest base lease rate, upfits will be priced as menu pricing.
Permit Contingency:	Tenant will have the right to terminate the lease if it is unable to obtain all permits, variances and approvals needed for the construction of Initial Improvements and to commence its operations in the Premises to Tenant's satisfaction. Landlord will reasonably cooperate with Tenant to obtain any necessary permits or approvals.	Agreed.
LEASE TERMS		
Permitted Use:	Tenant may use the Premises for the purpose of receiving, storing, displaying, assembling, shipping, distributing, preparing, selling and serving as a pick-up location for products, materials, food, grocery, and liquor items; parking, storage and use (including driving into and through the Building for loading and unloading and parking inside of the Building) of automobiles, trucks, machinery, and trailers, including outdoor loading and unloading; printing; making products on demand; warehouse and office use; ancillary and related uses for any of the foregoing; and, so long as the named Tenant as of the date of the lease or any affiliate is the tenant, any other use in compliance with legal requirements.	The uses listed are in compliance with the local Zoning Ordinance and Covenants for the Industrial Park. Any future material change in use will need to be in compliance with local ordinances and the Park covenants. Landlord approval will not be unreasonably withheld or delayed. Note: alcoholic beverages may be sold through the facility, but the State of North Carolina retains rights for all retail liquor package sales.
Lease Term:	Five (5) years. If the Lease Term is set to expire between October 1 and March 30, the Lease Term will automatically extend through March 31 unless Tenant provides notice opting out of such extension.	5 Year NNN Base Building: \$5.33/SF/YR+CPI (min 3%) All requested Tenant changes to existing building \$3.15/SF/YR+CPI (min 3%) Total 5 Year NNN Rate: \$8.48/SF/YR + Annual Adjust. CPI (min 3%) Or 7 Year NNN Base Building: \$4.92/SF/YR+CPI (min 3%) All requested Tenant changes to existing building \$2.34/SF/YR+CPI (min 3%) Total 7 Year NNN Rate: \$7.26/SF/YR + Annual Adjust. CPI (min 3%) Or

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		10 Year NNN Base Building: \$4.53/SF/YR+CPI (min 3%) All requested Tenant changes to existing building \$1.81/SF/YR+CPI (min 3%) Total 10 Year NNN Rate: \$6.34/SF/YR + Annual Adjust. CPI (min 3%)
Base Rent:	Propose your most aggressive rent structure.	See Exhibit B.
Security Deposit; Parent Guaranty:	Tenant will not be required to pay a security deposit or advance/prepaid rent. Tenant's parent company will provide a limited guaranty of Tenant's payment obligations under the lease, capped at the then-outstanding Base Rent.	Agreed.
Operating Expenses, Taxes, Insurance:	Provide a detailed line-item estimate of Operating Expenses for the first 12 months of the Lease Term. Controllable operating expenses will not increase by more than 5% in any given year from the actual costs charged to Tenant the previous year, provided that Landlord may charge any excess in prior or subsequent years to the extent Operating Expenses do not reach the cap.	Lease is NNN with No management fee added by Landlord. Real Estate Taxes: \$0.38/SF/YR Building All-Risk Insurance: \$0.09/SF/YR Estimated Maintenance: \$0.14/SF/YR* *Building and grounds Maintenance are tenant controlled expenses. There is no Landlord mark-up.
Repair and Maintenance:	Landlord, at Landlord's sole cost, will be responsible for all structural maintenance, repair and replacement, including but not limited to the slab and structure of the building, repair and replacement of the roof deck and structural components of the roof, and replacement of the roof membrane. Costs of other capital repairs may be passed through to Tenant provided they are amortized in equal monthly installments over their useful lives.	Agreed for structure, roof, and slab. This is a NNN lease, all of other maintenance costs are the responsibility of the tenant. Capital cost recapture structure agreed.
Termination Option:	Tenant may terminate the lease at the end of the 3 rd year of the Lease Term by delivering a termination fee equal to 6 months Base Rent. Tenant will provide Landlord no less than 6 months' prior written notice and the termination fee will be due no later than the revised termination date.	Because of the extensive amount of Tenant Improvements requested, we will not be able to accept a termination option.
Renewal Options:	Tenant will have 4 options to renew the Lease Term at 95% of fair market rent upon providing Landlord no less than 270 days' prior written notice, each for a term of 5 years.	Landlord will provide four (4), Five (5) year renewal options. Tenant will provide written notice to Landlord of its intent to exercise any such Renewal Option, not less than two hundred and seventy (270) days prior to the scheduled expiration of the Lease Term. Lease will be continued at the same Terms and Conditions as initial lease.
Right to Assign or Sublease:	Landlord's consent will not be required for an assignment or sublease to any Tenant affiliate.	Sublease or assignment agreed, Tenant/Guarantor still responsible for lease requirements. Landlord agrees to no right of recapture.
Prohibited Uses:	Landlord will not lease any adjacent or neighboring space for uses that are targeted toward children.	Agreed.
Exclusive Use:	No portion of the Center or any land owned by Landlord (or its affiliates) within 5 miles of the Center will be used as a "Pickup Location," which is a location where the public can pick up any consumer good that has been ordered via the Internet or in advance via any method ("Tenant's Exclusive"). Tenant's Exclusive will not apply to any existing tenant that would not be bound by Tenant's Exclusive pursuant to the current terms of its lease (provided, however, that to the extent Landlord's consent is required for any change in use, Landlord will exercise such consent so as to apply Tenant's Exclusive).	Agreed.
Other Occupants' Exclusive Rights:	Landlord represents that an actual copy from the lease of the exclusive rights of all other occupants is attached to this RFP, and Tenant will not be subject to any other exclusives. Landlord will obtain any waivers of exclusives required by Tenant, to be identified by Tenant during lease negotiations.	N/A this is a single tenant facility.
No Operating Covenant, Relocation or	Tenant will have no obligation to open or operate in the Premises at any time, and no obligation to reconfigure, relocate or remodel the Premises.	Agreed.

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Remodeling Obligation:		
Hazardous Materials:	Landlord represents and warrants to Landlord's actual knowledge that the Premises and Building are free of mold, asbestos and other hazardous materials. Landlord will allow Tenant's consultant to access the Premises for the purpose of conducting a Phase I environmental site assessment. Tenant, at its sole cost and expense, will be responsible for any remediation of hazardous materials released at the Premises by Tenant and will indemnify Landlord for any associated liability. Landlord, at its sole cost and expense, will be responsible for any other environmental issues and will indemnify Tenant for any associated liability.	Agreed.
Surrender:	Upon surrender at lease termination, Tenant will have no obligation to remove the Initial Improvements, but Tenant will remove its personal property and restore any damage caused by such removal subject to reasonable wear and tear.	Tenant shall perform a walk through with Landlord 6 months before the end of the Lease Term to determine if any deferred maintenance items needs to be completed by Tenant before return of the building in as good condition as received, normal wear and tear excepted.
Alcohol License:	Landlord does not hold a direct or material interest in any business that imports, manufactures or distributes alcoholic beverages. Landlord will not acquire a direct or material interest in any such business without notifying Tenant.	Agreed.
Broker Disclosure:	Landlord acknowledges Brokers as Tenant's brokerage representatives and will pay Brokers one full commission subject to Broker's currently established rates and conditions, a copy of which will be forwarded under separate cover.	As separately agreed, all Commissions to be paid by Landlord.
Disclaimer:	The submission of this RFP does not constitute an offer to lease. A lease will not be binding and in effect unless and until a lease document has been executed by both parties. Neither Tenant nor Brokers will have any liability for any expenses you incur in anticipation of the lease or in replying to this RFP unless they have been specifically authorized in writing by Tenant. Tenant reserves the right to reject any proposal it receives. Brokers are not authorized to execute any documents on behalf of Tenant.	Agreed.

TO ASSIST OUR EXPEDITED DILIGENCE PROCESS, PLEASE PROVIDE THE FOLLOWING AS AVAILABLE:

- Accurate site plan with detailed depiction of the Premises, including all paved areas, parking, curb lines, fence lines, poles and any other traffic obstructions, in 2D AutoCAD format
- Scaled building drawings (or, if the building has already been constructed, current as-built drawings) showing the building's exterior and interior in 2D AutoCAD format
- MEP drawings showing floor plan locations of electrical feed, sprinkler room, domestic water service and shared sanitary waste in 2D AutoCAD format (or PDF if CAD not available)
- ALTA survey
- Zoning code and building classification; zoning report
- Title policy
- Environmental reports
- CC&Rs and/or Shopping Center rules and regulations
- Entitlement documents (for example, site plan approval, traffic study, etc.) **N/A - EXISTING BUILDING**
- Lender contact info and SNDA; ground lessor contact info and ground lease
- Operating expense reports for the past 3 years **N/A**
- Exclusive rights of other occupants **N/A – SINGLE TENANT FACILITY**

Exhibit A

CONSTRUCTION RESPONSIBILITY MATRIX

Note: This Exhibit A outlines the scope of responsibility for repairs, upgrades, modifications and new construction for the adaptation of the Premises for Tenant’s proposed operation. Responsibility for each item should be indicated by marking an “X” under “Responsibility” in the column of the party performing the work. To capture any revisions needed to the standard scope of work described below, please mark the “Responsibility” as N/A and add a replacement scope item in Section C capturing the revised scope of work.

#	SCOPE OF WORK	RESPONSIBILITY		
		LL	T	N/A
Section A – Landlord Base Scope of Work				
1.	Clean and repair existing storm vaults, storm retention, storm detention, rain gardens, dry wells, other storm system structures, pipes, and oil/water separator	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
2.	Deliver in good working order existing sanitary sewer system (including emptying tanks)	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
3.	Provide water-tight roof and building envelope, including any required repairs or replacement	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
4.	Clean and touch-up paint of exterior and interior structure	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
5.	Deliver in good working order any overhead dock doors and dock equipment, including levelers	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
6.	Deliver in good working order any existing HVAC system serving the warehouse	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
7.	Deliver in good working order any existing Building Management Systems (BMS)	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
8.	Deliver in good working order the electrical distribution system (including switchgear, panels, fuses, and transformers)	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
9.	Deliver in good working order any existing emergency lighting and exit signs with battery backup, including Fire Marshal approval	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
10.	Deliver in good working order any existing fire alarm system and any existing ESFR fire sprinkler system, including water supply and pumps	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
11.	Deliver in good working order any existing plumbing systems, including hot water heaters	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
12.	Construct new office & restroom core, including associated mechanical, electrical and plumbing elements			
13.	Remediate any known or discovered hazardous materials (such as asbestos), as identified by Landlord or Tenant	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Section B – Tenant Base Scope of Work				
14.	Slab and pavement removal, trenching, and installation of new underground utilities	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
15.	Install new wall and roof insulation	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
16.	Install HVAC (heaters and ceiling or column mounted fans) in the warehouse	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
17.	Install or modify existing electrical system to support HVAC, dock equipment, conveying equipment, interior and exterior lighting, and vehicle charging	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
18.	Install low voltage systems, including data, security and control conduit, cabling, and equipment	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
19.	Install new or modification to existing fire sprinkler and alarm system	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
20.	Cosmetic upgrades of interior and exterior building finishes	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
21.	Installation of vehicle ramps and grade level loading doors	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
22.	Install insulated dock packages (edge-of-dock levelers, restraints, and controls) at dock doors	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
23.	Install CO/NO exhaust system (indoor loading or parking applications only)	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
24.	Install temporary restroom and office trailers during construction	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
Section C – Project Specific Scope Work				
25.	Demolition of interior elements, such as existing interior walls, offices, and mezzanines in accordance with the project demolition plan.	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
26.	Deliver in working order any existing office and restrooms facilities	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
27.	Repair and maintenance of existing parking, including resurfacing, slurry seal, and repair of concrete	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
28.	New parking improvements located in the area per the to be attached plan including design, permitting and construction of new pavement, curbing, driveways, striping, signage, and drainage	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
29.		<input type="checkbox"/> <input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

Exhibit B

RENT SCHEDULE

Time Period	Annual Base Rent Per Square Foot	Annual Base Rent
5 Year Term: 05.01.2021-04.30.2026	\$8.48/SF/YR NNN+CPI (min3%)	\$923,980.80
7 Year Term: 05.01.2021-04.30.2028	\$7.26/SF/YR NNN+CPI (min3%)	\$791,049.60
10 Year Term: 05.01.2021-04.30.2031	\$6.34/SF/YR NNN+CPI (min3%)	\$690,806.40

Any abatement period will apply to both Base Rent and Operating Expenses.