



PROJECT ESPANA NEW FACILITY PRINCE GEORGE, VA



Artist's Rendering of Building under construction

SouthPoint Business Park



November 20, 2020

ALABAMA

Michaela Martin
Manager, Business Investment
Virginia Economic Development Partnership
901 East Cary Street
Richmond, VA 23219

GEORGIA

**RE: Hollingsworth Complete Industrial Building
Shell Proposal – Project Espana**

Dear Ms. Martin:

NORTH CAROLINA

We are excited to have the opportunity to prepare this proposal for Project Espana. This is a great “old world meets new” opportunity to bring to the United States a world renowned “old world” specialty product that fits nicely with the local heritage and expertise here in the “new world”. They would be in good company in SouthPoint Business Park with Goya Foods and Campo Frio. Not to mention Metl-Span, which operates the most productive Insulated Metal Panel manufacturing plant in North America right next to the project site. This is perfectly suited for the long incremental growth strategy envisioned by Acornseekers.

TENNESSEE

The Hollingsworth Companies is 100% industrially focused and seeks long business relationships with manufacturers like Acornseekers. After listening to the Acornseekers business plan, we knew they too were looking for a long-term partner to help the grow the business. The Hollingsworth Companies is uncommon among industrial developers because we want to be long-term holders of industrial real estate, and we have our own in-house construction company that only builds for us. This means we will be there for the long term and for each addition as your facility grows to meet your ultimate needs.

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We recently had a similar experience with another company in Southpoint Virginia, Service Center Metals. We built a highly customized facility for them in the park with complex foundations, pits, and cranes, then two years later doubled the size of the facility. Years later we built a facility next door on land we had reserved for them for a Remelt facility to process their production scrap. That process was such a success, two years later we made the facility 5 times larger. Always keeping them in production and helping them grow their

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business. This is the kind of relationship we see could develop with Acornseekers as they grow their business here in North America.

In order to allow the maximum build out of the facility to 80000M² [861,000SF], we have sited Phase I of 24180M² [260,276SF] on Lot 10R in SouthPoint Business Park, Prince George Virginia. We have just received our Land Disturbance Permit for a 650425M² [650,500SF], expandable to 87525M² [942,100SF], and started the site preparation for our planned building. For the purposes of this proposal we have taken the permitted building plans and reduced the size of the Phase I project to closely match your proposed size. We have priced land costs, site preparation costs, paving and building costs separately to allow you to better compare different location options. We have a detailed list of what is included and what the lease rates would be based on a building shell without lights, power, or heating.

By using our pre-designed facility that is fully designed and ready for fabrication (but just building less of it for Phase I) we could accelerate your startup timeline to have you in an operable facility by 01 November 2021. In order to meet this delivery schedule Acornseekers would need to be prepared to sign a Build-to-Suit Lease before the end of 2020. We could also discuss the benefits of perhaps building more than the Phase I of 24180 M² [260,276SF] and Phasing in the rent on a schedule to achieve better economy of construction costs and allow for your planned first 3 years of process growth.

We are built for speed and reliability. In 35 years of industrial development we have never delivered a project late or over budget. It is critically important for any new business operation starting out to be able to rely on when the facility will be ready and what it will cost. We have no exclusions on unsuitable soils, bad weather, insurrection, or pandemics. We will deliver as promised.

Please see the proposal below.

Sincerely

Tom Wortham

Senior Vice President of Architecture and Business Development

Cc: Joe Hollingsworth, Jr. CEO
Tom Mann Senior Vice President of Industrial Real Estate

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SOUTHPOINT VIRGINIA SHELL BUILDING

Industrial Park

SouthPoint Business Park

Location:

Quality Way, Prince George, Virginia

Building Site:

Lot 10R at 157.15 acres +/- including 92.6 acres of reserved forest and open green space surrounding the developed area of the site.

Building Size:

165M x 146M [540' x 480'] for a warehouse of 24080M² [259,200SF], the building size is completed with an architectural entry façade of 1,076 square feet, for a total of 260,276SF square feet.

Interior Clear Height:

Minimum 12M [40'] beneath mainframe steel at the lowest point.

Column Spacing:

18.3M x18.3M [60' x 60'] wide spacing to maximize flexibility for process layout.

Rental Rate Options:

Fifteen (15) Year Term Triple Net

Land Lease Cost 157.15 Acres

\$ 2,741,046

\$ 1.30/SF/YR + 3% Fixed Annual Adjustment

Site Prep Cost (for 60425M² bldg. pad)

\$ 1,782,994

\$ 0.85/SF/YR + 3% Fixed Annual Adjustment

Paving (19750M²)

\$ 762,228

\$ 0.36/SF/YR + 3% Fixed Annual Adjustment

Building Shell 24180 M² [260,276SF]

\$ 8,081,905

\$ 3.83/SF/YR + 3% Fixed Annual Adjustment

\$ 6.34/SF/YR + 3% Fixed Annual Adjustment Total

Plus 2 - Ten (10) Year Renewals

(Rates quoted above are based on the assumed approved credit of the tenant entity according to Hollingsworth standard credit approval procedures.)



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Twenty (20) Year Term Triple Net

Land Lease Cost 157.15 Acres

\$ 2,741,046

\$ 1.18/SF/YR + 3% Fixed Annual Adjustment

Site Prep Cost (for 60425M² bldg pad)

\$ 1,782,994

\$ 0.79/SF/YR + 3% Fixed Annual Adjustment

Paving (19750M²)

\$ 762,228

\$ 0.34/SF/YR + 3% Fixed Annual Adjustment

Building Shell 24180 M² [260,276SF]

\$ 8,081,905

\$ 3.56/SF/YR + 3% Fixed Annual Adjustment

\$ 5.86/SF/YR + 3% Fixed Annual Adjustment Total

Plus 2 - Ten (10) Year Renewals

(Rates quoted above are based on the assumed approved credit of the tenant entity according to Hollingsworth standard credit approval procedures.)

Construction:

Steel column and beam for heavy use and low maintenance.

Floor:

Laser leveled "Super Six Inch" 4000 psi concrete floor with Helix micro rebar reinforcing, polyethylene vapor barrier and Ashford Formula™ penetrating densifier-hardener finish.

Walls:

Site cast tilt-up concrete walls.

Roof:

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

Electrical Service:

None provided at this time. Shell building only.

Lighting:

None provided at this time. Shell building only.

Water:

10" fire sprinkler riser into building with electric fire pump in fire resistant room; 4" metered domestic water service



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Sewer: 6" gravity fed sanitary sewer to lift station. No pretreatment facilities included at this time.

Natural Gas: Natural gas is available for heating and process equipment.

Heat and Ventilation: None provided at this time. Shell building only.

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Parking: 159 car spaces and 45 trailer drop spaces are included

Docks: Forty-eight (48) 9' x 10' dock-high doors
Two (2) 12' x 14' drive through doors

NORTH CAROLINA

Fire Protection Sprinkler: ESFR (early suppression, fast response) fire protection system.

Office Upfits: We have not included any offices at this time, but office improvements can be added based on the standards established in our Standard Commercial Office Specifications. The Hollingsworth Companies provide design for Acornseeker's office needs. Our in-house architect can provide schematic designs as the Lease agreement is negotiated.

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Offer: Only a fully executed and delivered Lease contract shall bind any party to perform as agreed therein. All offers stated herein are subject to the successful completion of negotiation of such a contract and are also subject to the assumed bankable credit of the tenant entity. All offers are only valid for 30 days from the date of this letter.

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SITE LAYOUT PLAN

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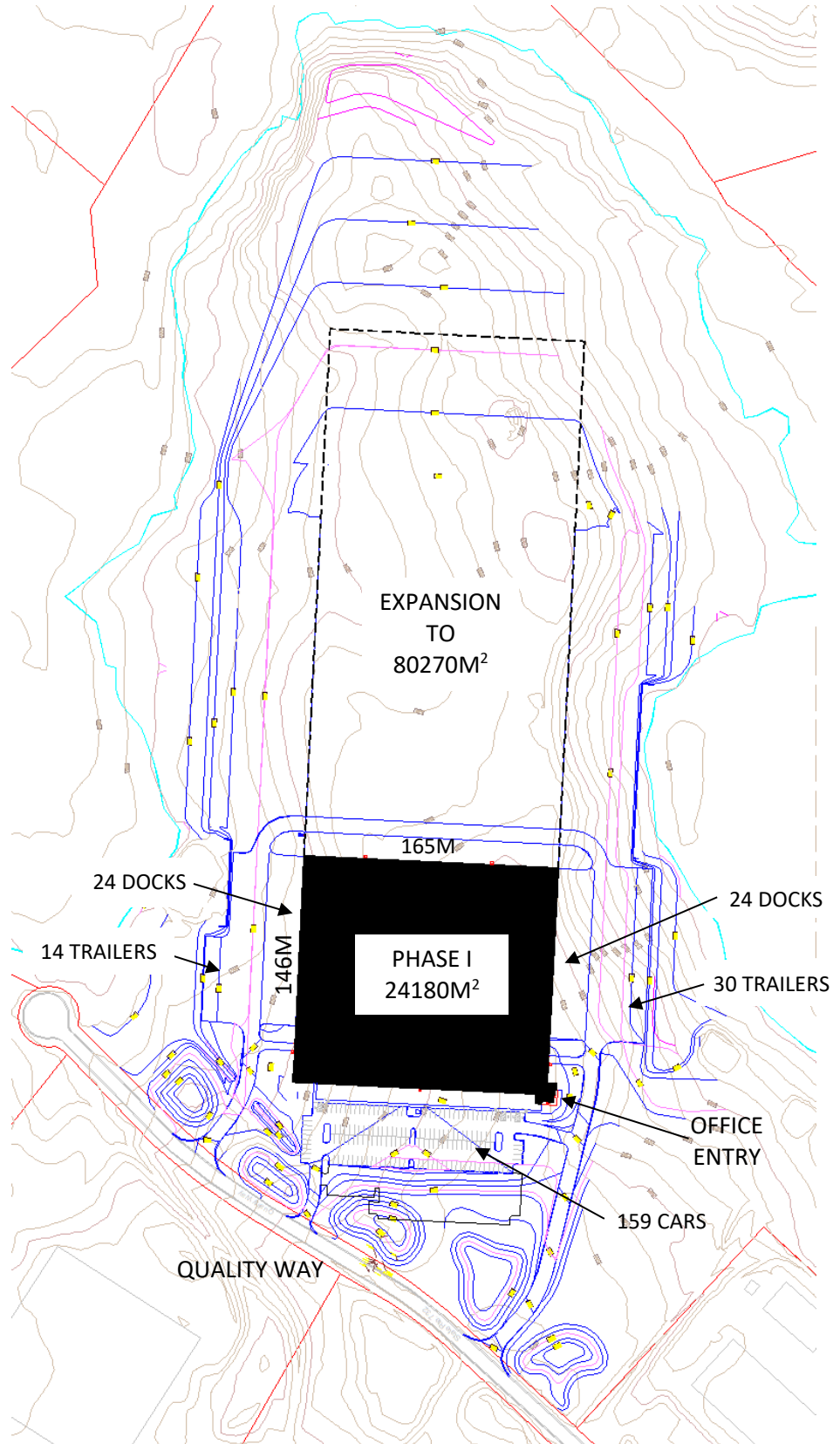
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FLOOR PLAN

